

DISPOSITION AND DEVELOPMENT AGREEMENT

(11502 Anacapa Place)

by and between the

HOUSING AUTHORITY OF THE CITY OF RIVERSIDE

and

NORTHTOWN HOUSING DEVELOPMENT CORPORATION

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ATTACHMENTS

ATTACHMENT NO. 1	SITE PLAN
ATTACHMENT NO. 2	SITE LEGAL DESCRIPTION
ATTACHMENT NO. 3	PROJECT DESCRIPTION
ATTACHMENT NO. 4	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 5	PROJECT BUDGET
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ATTACHMENT NO. 7	AUTHORITY REGULATORY AGREEMENT
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DISPOSITION AND DEVELOPMENT AGREEMENT
(11502 Anacapa Place)

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (11502 Anacapa Place) (“Agreement”) dated this _____ day of _____, 2019, is made and entered into by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity (“Authority”) and NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (“Developer”), with reference to the following:

RECITALS

The following Recitals are a substantive part of this Agreement. Capitalized terms used in these Recitals and not otherwise defined shall have the meaning set forth in Section 1.1.

A. The Authority is a public entity established by action of the City Council of the City of Riverside (“City”) pursuant to Resolution No. 21275 for the purpose of providing affordable housing opportunities through a variety of programs within the City of Riverside and exercising governmental functions and powers pursuant to the California Housing Authorities Law (Health & Safety Code § 34200, et seq., “Housing Authorities Law”).

B. The City has adopted a Housing Element to its General Plan 2025 pursuant to Government Code § 65580 et seq., which sets forth the City’s policies, goals and objectives to provide housing to all economic segments of the community, including the preservation and development of housing affordable to very low income and low income households.

C. By action of the City Council pursuant to Chapter 2 of the California Community Redevelopment Law (Health & Safety Code § 33000, et seq., “Community Redevelopment Law”), the City established the Redevelopment Agency of the City of Riverside (“Agency”), whose purpose included increasing, improving and preserving the community’s supply of housing affordable to and occupied by very low income and low income households.

D. As of, on, and after February 1, 2012, the Agency became a dissolved redevelopment agency pursuant Assembly Bill x126 that added Parts 1.8 and 1.85 to Division 24 of the Health and Safety Code (“Dissolution Act”).

E. By adoption of Resolution No. 22323 on January 10, 2012, the City Council elected not to have the City retain the responsibility for performing housing functions previously performed by the Agency following dissolution of the Agency and, instead, allowed the Housing Authority to make the election authorized under the Dissolution Act to retain the housing assets and functions previously performed by the Agency.

F. By the adoption of its Resolution No. 7 on January 10, 2012, the governing board of the Authority elected to have the Authority assume the housing assets and housing functions previously held and performed by the dissolved Agency pursuant to the Dissolution Act, effective upon dissolution of the Agency. Accordingly, as of, on, and after February 1, 2012, the Housing Authority began to perform and will continue to perform its functions as the “successor housing agency” of the former Agency pursuant to the Dissolution Act.

G. The City has also received Neighborhood Stabilization Program funds from HUD pursuant to the Housing and Economic Recovery Act of 2008 [and Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010] (“NSP Funds”). The NSP Funds must be used in accordance with all applicable NSP Regulations in order to provide emergency assistance to stabilize communities with high rates of abandoned and foreclosed housing.

H. The Authority is the owner of certain real property located at 11502 Anacapa Place within the La Sierra Neighborhood within the City of Riverside, California, and further identified as Assessor Parcel Numbers 141-173-012 and 141-173-036, as depicted on the Site Map (Attachment No. 1) and described in the Site Legal Description (Attachment No. 2) (“Site”).

I. The Site consists of approximately 4,356 square feet of vacant land. The Site, which was previously a substandard bank-owned property, was acquired by the Authority on July 27, 2009, using NSP funds. The Authority demolished the substandard structures on the Site, using NSP funds.

J. The Authority has sought a qualified development team to purchase the Site and construct and operate two (2) high quality, affordable single family residences on the property in accordance with NSP regulations.

K. The Developer is a California nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law and is designated as a tax-exempt entity under Internal Revenue Code of 1986 Section 501(c)(3). The Developer’s purpose is to acquire, construct, operate and manage residential properties. Developer has demonstrated the professionalism, knowledge, skills and experience necessary to undertake HOME-funded projects and has effectively controlled projects similar in size, scope, and complexity as the Project here.

L. Developer now desires to obtain a fee interest in the Site and improve the Site by constructing two single family homes thereon (“Project”). The two (2) units on the Site shall be affordable housing rental units restricted to Low Income Households for a fifty-five (55) year restriction period.

M. The provision for assistance to the Developer and the development of the Project pursuant to the terms and conditions of this Agreement are in the vital and best interest of the Authority and the health, safety and welfare of the City’s residents, and in accord with the public purposes and provisions of applicable federal, state and local laws, including (without limitation) the Authority’s housing obligations.

NOW, THEREFORE, the Authority and the Developer hereby agree as follows:

1. DEFINITIONS

1.1. Defined Terms

As used in this Agreement, the following capitalized terms shall have the following meanings:

“Affordable Rent” means the amount of monthly rent, including a reasonable utility allowance, that does not exceed the lesser of the maximum allowable rent to be charged by Developer and paid by the Qualified Low Income Household, occupying the Affordable Units, as determined pursuant to (i) High HOME Rents as set forth in § 92.252 of the HOME Regulations or any successor regulation, (ii) applicable regulations pursuant to any other source of financing secured for, and continuing to be secured by, the Project, or (iii) if applicable, any effective Section 8 Program regulations as to any Affordable Unit designated as a project-based Section 8 unit or otherwise occupied by a holder of a Rental Voucher or Rental Certificate evidencing participation in the Section 8 Program. For purposes of calculating Affordable Rent a “reasonable utility allowance” shall be the allowance reasonably permitted by the Authority including, but not limited to, the California Utility Allowance Calculator, if applicable.

“Affordable Units” means the two (2) single family residences, at 11502 Anacapa Place, required to be maintained and available to, occupied by, or held vacant for occupancy to Qualified Low Income Households. Preference shall be given to households as identified in Section 6.2.2

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

“Agreement” means this Disposition and Development Agreement, including all of the Attachments hereto, by and among the Parties.

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

“Authority” means the Housing Authority of the City of Riverside, a public entity.

“Authority Declaration” means Notice of Affordability Restrictions on Transfer of Property substantially in the form of Attachment No. 8 to be recorded against the Site at Closing.

“Authority’s Conditions Precedent to Closing” is defined in Section 4.3.7.

“Authority Regulatory Agreement” means the regulatory agreement which is to be recorded against the Site in substantially the form of Attachment No. 7.

“City” means the City of Riverside, a California charter city and municipal corporation.

“City HOME Loan” is defined in Section 3.3.

“City HOME Loan Agreement” is defined in Section 3.3.

“City HOME Loan Documents” are defined in Section 3.3.

“Closing” means the date upon which the Grant Deed is recorded in Official Records of Riverside County, all of the conditions precedent set forth in Sections 4.3.7 and 4.3.8 are satisfied and all additional documents received by Escrow to be recorded in connection therewith are recorded in the Official Records of Riverside County.

“Conveyance” is defined in Section 4.1.

“Developer” means Northtown Development Housing Corporation, a California nonprofit public benefit corporation, and any permitted successors and assigns pursuant to Section 2.2 of this Agreement.

“Developer Approval Period” shall be the twelve (12) month period following the Effective Date.

“Effective Date” means the date upon which this Agreement was approved by the Authority.

“Environmental Laws” means any and all 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).

“Escrow or Escrows” mean the escrow or escrows for the Conveyance of the Site to the Developer as provided in Section 4.3.

“Escrow Agent” is Lawyer’s Title, 3480 Vine Street #300, Riverside, California 92507, or other qualified escrow agent approved in writing by the Parties.

“Event of Default” means the failure of a party to perform any action or

covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 8.1.

“Evidence of Financing” is defined in Section 3.1.

“Executive Director” means the Executive Director of the Authority or his/her designated representative.

“Governmental Regulations” means any 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.

“Grant Deed” means the grant deed in substantially the form of Attachment No. 6.

“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,” “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, (iii) any polychlorinated biphenyls (PCBs), (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 chemical, compound, material, mixture or substance used in the normal course of operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with Environmental Laws.

“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.

“HOME Program” shall mean the Home Investment Partnerships Act program,

pursuant to the Cranston-Gonzales National Housing Act of 1990.

“Household” means one or more persons occupying an Affordable Unit.

“Improvements” shall mean and include any construction, demolition, remediation and grading done on the Site, as well as all buildings, structures, fixtures, foundations, excavation, parking, landscaping, underground installations, and other work, construction and improvement of whatsoever character undertaken or constructed on, around, under or over the Site by Developer.

“Low Income Household” means a Household whose aggregate gross income is less than eighty percent (80%) of AMI and qualifies as a “lower income household” pursuant to Health and Safety Code § 50079.5 or any successor statute. “Gross income” shall be determined in accordance with § 6914 of Title 25 of the California Code of Regulations.

“Notice” means a notice in the form prescribed by Section 9.1.

“NSP” means the Neighborhood Stabilization Program which was enacted under Title III of Division B of the Housing and Economic Recovery Act of 2008 (“HERA”).

“NSP Regulations” mean the implementing regulations of the NSP as prescribed by HUD, as such now exist and as may hereafter be amended.

“Outside Closing Date” means March 2021. The Outside Closing Date may be extended to a later date upon the written approval of the Executive Director.

“Parties” means the Authority and Developer.

“Project”, as referenced in Recital L, means predevelopment activities conducted by the Developer, related to the Site, the acquisition of the Site by Developer, the development of two (2) single family residences required to be maintained and available to, occupied by, or held vacant for occupancy to Qualified Low Income Households, and any other activities undertaken in connection therewith in accordance with all regulations referenced herein, including the NSP Regulations and HOME Program regulations.

“Project Budget” is attached hereto as Attachment 5.

“Purchase Price” means One Dollar (\$1.00) plus applicable closing costs.

“Qualified Low Income Household” means a Household whose aggregate gross income is less than eighty percent (80%) of AMI and qualifies as a “lower income household” pursuant to Health and Safety Code § 50079.5 or any successor statute. “Gross income” shall be determined in accordance with § 6914 of Title 25 of the California Code of Regulations.

“Release of Construction Covenants” means the document which evidences the Developer’s satisfactory completion of the Project, as set forth in Section 5.17, in substantially the form of Attachment No. 9.

“Schedule of Performance” means that certain Schedule of Performance attached hereto as Attachment No. 4, 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 Authority. The Authority authorizes the Executive Director 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 H above as delineated on the Site Plan (Attachment No. 1) and more particularly described in the Site Legal Description (Attachment No. 2).

“Site Legal Description” means the description of the Site which is attached hereto as Attachment No. 2.

“Site Plan” means the map of the Site and the proposed Project, attached hereto as Attachment No. 1.

“Title Company” is Lawyer’s Title, 3480 Vine Street #300, Riverside, California 92507, or other qualified title company approved in writing by the Parties.

1.2. Singular and Plural Terms

Any defined term used in the plural herein shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3. Accounting Principles

Any accounting term used and not specifically defined herein shall be construed in conformity with, and all financial data required to be submitted herein shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to the Executive Director.

1.4. References and Other Terms

Any reference to any document shall include such document both as originally executed and as it may from time to time be modified. References herein to Sections and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term “document” is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms “including” and “include” mean “including (include), without limitation.”

1.5. Attachments Incorporated

All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

2. REPRESENTATIONS AND TRANSFERS

2.1 Representations by the Developer

The Developer hereby represents and warrants to the Authority as follows:

2.1.1. Organization

Developer is a duly organized, validly existing not-for-profit public benefit corporation in good standing under the laws of the State of California and has the power and authority to own and lease property and carry on its business as now being conducted. The copies of the documents evidencing the organization of Developer delivered to the Authority are true and correct copies of the originals as of the Effective Date.

2.1.2. Authority

The Developer has the legal power, right and authority to execute, deliver and enter into this Agreement and any and all other agreements and documents required to be executed and delivered by the Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement, and to perform and observe the terms and provisions of all of the above. The parties who have executed this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement are authorized to execute and deliver the same on behalf of the Developer and all actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered pursuant hereto, have been duly taken.

2.1.3. Valid Binding Agreements

This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will constitute when so executed and delivered, legal, valid and binding obligations of Developer enforceable against it in accordance with their respective terms.

2.1.4. Contingent Obligations

The Developer does not have any material contingent obligations or any material contractual agreements (other than in connection with the development of the Project) which could materially adversely affect the ability of the Developer to carry out its obligations hereunder.

2.1.5. **Litigation**

To the Developer's best knowledge, no action, suit or proceedings are pending or threatened before any governmental department, commission, board, bureau, agency or instrumentality to which the Developer is or may be made a party or to which any of its property is or may become subject, which has not been disclosed to the Authority which could materially adversely affect the ability of the Developer to carry out its obligations hereunder.

2.1.6. **No Conflict**

Developer's execution and delivery of this Agreement and any other documents or instruments executed and delivered-, or to be executed or delivered, pursuant to this Agreement, and the performance of any provision, condition, covenant or other term hereof or thereof, do not or will not conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Developer, or any provision of the organizational documents of Developer, or will conflict with or constitute a breach of or a default under any agreement to which Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of Developer, other than liens established pursuant hereto.

2.1.7. **No Developer Bankruptcy**

No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, receivership or other proceedings are pending or, to the best of Developer 's knowledge, threatened against the Developer or any parties affiliated with Developer, nor are any of such proceedings contemplated by Developer or any parties affiliated with Developer.

Each of the foregoing representations shall be deemed to be an ongoing representation and warranty. The Developer shall advise the Authority in writing if there is any change pertaining to any matters set forth or referenced in the foregoing representations.

2.2 **Limitation Upon Change in Ownership, Management and Control of Developer**

2.2.1. **Prohibition**

The identity and qualifications of Developer as an experienced and successful developer and operator/manager of affordable housing are of particular concern to the Authority. It is because of this identity and these qualifications that Authority has entered into this Agreement with the Developer. Prior to the expiration of the Affordability Period, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement by assignment or otherwise, nor shall Developer 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), distribution, assignment or lease of the whole or any part of the Site or any material change in the

management or control of Developer without the prior written approval of Authority, except as expressly set forth herein. Any purported transfer, voluntary or by operation of law, in violation of this Section 2.2 shall constitute a default hereunder and shall be void and Authority shall have the cumulative options to terminate this Agreement and to seek all remedies available at law or equity.

2.2.2. Permitted Transfers by Developer

Notwithstanding any other provision of this Agreement to the contrary, Authority approval of an assignment of this Agreement or conveyance of the Site or any part thereof shall not be required in connection with any of the following:

- a. the conveyance or dedication of any portion of the Site 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;
- b. subject to the restrictions of Section 6.2 of the HOME Investment Partnerships Loan Agreement and as set forth in the City Regulatory Agreement, the rental of the HOME-Assisted Units to Low Income Households; and
- c. any requested assignment for financing purposes (subject to such financing being considered and approved by the City pursuant to Section 2.2 herein), including the grant of a deed of trust to secure funds necessary for construction and permanent financing of the Project.

2.2.3. Authority Consideration of Requested Transfer

Except for a transfer permitted pursuant to Section 2.2.2, Developer shall provide Authority with thirty (30) calendar days' prior written notice of its intent to assign or transfer and shall request any approval sought for such assignment or transfer described in Section 2.2.2 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 Authority to evaluate the proposed assignee or purchaser is qualified and capable to perform the Developer's obligations pursuant to this Agreement.

Within thirty (30) calendar days, or, if board or council approval is required, forty-five (45) calendar days, after the receipt of Developer's written request for Authority approval of an assignment or transfer pursuant to this Section 2.2.3, Authority shall respond in writing either approving the proposed assignee or transferee or requesting further information required by Authority in order to determine whether or not to grant the requested approval. Upon receipt of such a request for further information, Developer shall promptly furnish to Authority such requested information.

An assignment or transfer approved by the Authority pursuant to this Section 2.2.3 shall not be effective unless and until the proposed assignee or transferee executes and delivers to the Authority an agreement in form reasonably satisfactory to Authority's legal counsel assuming the obligations of Developer under the Authority Conveyance Documents.

Thereafter the assignor shall remain responsible to Authority for performance of the obligations assumed by the assignee unless the Authority releases the assignor in writing.

2.2.4. Successors and Assigns

All of the terms, covenants and conditions of this Agreement shall be binding upon Developer and the permitted successors and assigns of Developer.

3. FINANCING OF THE PROJECT

3.1. Sources of Financing

As set forth in the Project Budget, the parties anticipate that Project costs shall be financed with a combination of funds from the proceeds of the City HOME Loan, Housing Authority write down of land value, and such other financing sources as secured by Developer.

As a condition precedent to Authority's obligation to transfer the Site at the Closing, Developer shall submit to the Executive Director evidence that Developer has obtained, or will obtain prior to the Closing, sufficient commitments for financing the completion of the Project such that the Executive Director is reasonably satisfied based upon the review and findings of the Authority's financial consultant that the Project can be constructed with the Affordable Units in accordance with this Agreement. Such evidence (collectively, "Evidence of Financing") shall include, at a minimum:

a. Final construction loan or other construction financing documents in an amount sufficient to construct the Project in accordance herewith along with evidence reasonably satisfactory to the Executive Director that the lender intends to execute the same and provide an initial funding on the Closing. Any such agreement shall provide for notice of default to the Authority, and a right to cure.

b. Evidence of such other loans, donations, equity or grants as may be required to pay (i) the amount of the construction costs for the Improvements, plus (ii) an amount equal to all consultant and loan fees, "points," commissions, bond issuance costs, charges, furnishings, fixtures, taxes, interest, start-up costs, Developer's overhead and administration, and other costs and expenses of developing and completing the Affordable Units.

c. A copy of the most recently prepared Annual Financial Statement for Developer.

A final Project Budget and Evidence of Financing shall satisfy the Executive Director that (i) Developer has obtained sufficient financing to construct and operate the Project during the Affordability Period, (ii) that the interest rate to be charged on any financing is commercially reasonable, and (iii) that the Project is financially feasible and able to meet its financial obligations as required hereby and by any other agreements binding upon the Project, and in accordance with the Project Budget.

3.2. Construction Bond. There is no construction bond associated with Project.

3.3 City HOME Loan

City is in the process of appropriating a loan to Developer, from available funds pursuant to the federal HOME Investment Partnerships Act and HOME Investment Partnerships Program, 42 U.S.C. Section 1270 I, et seq., and the implementing regulations thereto set forth in 24 CFR § 92.1, et seq. (collectively, “HOME Program”) by way of a HOME Partnership Investment Loan Agreement (“City HOME Loan Agreement”) in an amount not to exceed Three Hundred Fifty-Four Thousand Seven Hundred Twenty-Six Dollars (\$354,726) (“City HOME Loan”).

The City HOME Loan shall be evidenced by the City Promissory Note, which shall be secured by the recordation of the City Deed of Trust against the Site, and subject to the covenants set forth in the City HOME Declaration Agreement (collectively and together with the City HOME Loan Agreement, “City HOME Loan Documents”).

3.4 Rights of Termination in the Event of Insufficiency of Funds

If at any time prior to the Closing and recordation of the Grant Deed, the Parties estimate that the aggregate amount of the sources of funds set forth in Section 3, et seq., is less than the Project Costs necessary to complete the Project, the Parties shall meet to identify potential supplemental funding sources and shall diligently pursue such additional funds.

So long as the Developer demonstrates to the satisfaction of the Executive Director that the Developer is diligently pursuing additional funds to complete the Project, times for performance as set forth in the Schedule of Performance shall automatically extend up to twelve (12) months (“Extension Period”). During the Extension Period, the Developer shall continue to maintain the Site in accordance with the requirements of this Agreement.

In the event the Parties are unsuccessful in securing additional funds necessary for the Project, the Parties shall meet and confer in good faith to modify the Project to allow partial completion with available funding sources. If the Parties reasonably determine that modification and partial completion of the Project renders the Project financially infeasible, Developer may request that Authority provide additional funding for completion of the Project.

Authority shall have forty-five (45) days to consider and act upon such additional funding request. In the event that the Authority declines to provide a firm commitment by way of formal resolution to commit the necessary additional funds, Developer may terminate this Agreement.

In the event that Developer desires to terminate the Agreement, Developer shall promptly notify the Authority in writing of its intent. Notwithstanding the foregoing, Developer’s indemnification obligations under this Agreement shall remain in force following such termination with respect to any events occurring or claims accruing prior to the date of termination.

After the Closing, Developer shall be solely responsible for all remaining Project Costs and shall be obligated to complete the Project substantially in accordance with this Agreement.

3.5 Obligation to Update Project Budget

Developer shall update the Project Budget in the event of a proposed material change to the Project Budget. In the event of a proposed material change to the Project Budget, Developer shall notify Authority in writing of the nature of the proposed change, including a detailed description of the effect of such change, and submit a revised, pro forma Project Budget reflecting such change to Authority. Authority shall have the right to approve such change prior to Developer taking any action in furtherance of such change.

4. DISPOSITION OF SITE

4.1. Conveyance of Site to Developer

Subject to all of the terms and conditions set forth in this Agreement, Authority agrees to convey to Developer, and Developer agrees to acquire from Authority, all of Authority's right, title, and interest in and to the Site, together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, and appurtenances thereto, if any, ("Conveyance").

Authority has determined that, based on the conditions imposed on the Developer with respect to the construction of the Improvements, and the operation of the Project, and the maintenance of the Site, the reuse value of the Site equals the Purchase Price; accordingly, the consideration for the Conveyance shall be Developer's payment of the Purchase Price, plus Developer's agreement to perform the construction of the Improvements, rent and manage the Affordable Units, and be bound by the covenants and restrictions set forth herein.

The Authority shall convey all of Authority's interest in and to the Site to Developer by the Grant Deed.

4.2. Condition of the Site

4.2.1 Disclosure

Prior to the Effective Date, Authority has delivered to Developer copies of any environmental reports in the possession of the Authority. Other than as may be disclosed by such environmental reports, Authority hereby represents and warrants to Developer that Authority has not received any additional written notice or communication from any government agency having jurisdiction over the Site, notifying Authority or any third party of, and Authority has no additional actual knowledge of, the presence of surface or subsurface zone Hazardous Materials in, on, or under the Site, or any portion thereof.

4.2.2 Developer's Investigation of the Site

Prior to the expiration of the Developer Approval Period, Developer shall have the right to access the Site during regular business hours and upon reasonable Notice to the Authority for the purpose of obtaining data and conducting surveys and tests, including but not limited to environmental, soils, and engineering assessments. Any surveys, tests, or other assessments concerning the Site by Developer shall be done at its sole expense and only after the Developer party has secured any necessary permits from the appropriate governmental agencies and shall be pursuant to a right of entry in form approved by the Authority and executed by the Developer. Developer hereby indemnifies and holds the Authority harmless from any injury or damages arising out of any activity of Developer, its agents, employees and contractors, performed and conducted on the Site pursuant to this Section 4.2.2.

4.2.3 Acceptance of Condition of Site

Unless this Agreement is earlier terminated in accordance with Section 8.6 et seq., Developer will be deemed to have approved the physical and environmental condition of the Site upon the expiration of the Developer Approval Period.

4.2.4 No Further Warranties As To Site; Release of City and Authority

Except for the representations and warranties herein, upon the Closing, the physical and environmental condition, possession or title (as the case may be) of the Site is and shall be delivered from Authority to Developer in an "as-is" condition, with no warranty expressed or implied by the Authority, including without limitation, the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Site for the development purposes intended hereunder.

Except for obligations of Authority set forth in this Agreement, upon the Closing, Developer hereby waives, releases and discharges forever City and Authority, and their employees, officers, agents, and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with City's Authority's, or Developer's use, maintenance, ownership, or operation of the Site, except those arising out of the sole negligence or misconduct of City and/or Authority, or their employees, officers, agents, or representatives.

Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

"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.”

As such relates to this Section 4.2, and excepting those obligations of the Authority set forth in this Agreement, Developer hereby waives and relinquishes all rights and benefits which it may have under § 1542 of the California Civil Code.

4.3. Escrow

Within the time specified in the Schedule of Performance, the Parties shall open escrow (“Escrow”) for the Conveyance with Escrow Company.

4.3.1. Escrow Instructions

This Agreement constitutes the joint escrow instructions of Developer and the Authority for the Conveyance, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. Any amendment of these escrow instructions shall be in writing and signed by Developer and Authority. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment. All communications from the Escrow Agent to Developer or Authority shall be directed to the addresses and in the manner established in Section 9.1 for Notice between Developer and Authority. Insurance policies for fire or casualty are not to be transferred, and Authority will cancel its own policies, if applicable, after the Closing.

4.3.2. General Provisions Applicable to Escrow Agent

The following general provisions shall be applicable to the Escrow Agent.

a. All disbursements shall be made by check or wire transfer of the Escrow Agent. All funds received in the Escrow shall be deposited in a separate interest-earning escrow account with any bank doing business in the State of California and approved by Developer.

b. The Parties to the Escrow jointly and severally agree to pay all costs, damages, judgments and expenses, including reasonable attorneys’ fees, suffered or incurred by the Escrow Agent in connection with, or arising out of the Escrow, including, but without limiting the generality of the foregoing, a suit in interpleader brought by the Escrow Agent. In the event that the Escrow Agent files a suit in interpleader, the Escrow Agent shall be fully released and discharged from all obligations imposed upon the Escrow Agent in the Escrow.

c. All pro-rations and/or adjustments called for in the Escrow shall be made on the basis of a thirty (30) day month unless the Escrow Agent is otherwise instructed in writing.

4.3.3. Authority of Escrow Agent

The Escrow Agent is authorized to, and shall:

- a. Pay and charge Developer for any Escrow Costs payable under Section 4.3.4;
- b. Pay and charge Authority any amount necessary to place title in the condition necessary to satisfy Section 4.3.5;
- c. Pay and charge Developer for the premium of the City Title Policy and the Developer Title Policy as set forth in Section 4.3.6 and, if applicable, pay and charge Developer for any upgrade of the Developer Title Policy or Additional Endorsements to the Developer Title Policy which are requested by Developer pursuant to Section 4.3.6;
- d. Disburse funds and record and deliver to Developer the Grant Deed when both Developer's Conditions Precedent to Closing and the Authority's Conditions Precedent to the Closing are satisfied or waived in writing by the Party for whom the condition was established;
- e. Insert appropriate amounts, correct legal descriptions, and the date of the Closing in documents deposited by the Parties in the Escrow;
- f. Do such other actions as necessary to fulfill the Escrow Agent's obligations under this Agreement, including, if applicable, obtaining the Developer Title Policy and the City Title Report recording any instrument delivered through Escrow if necessary and proper in the issuance of such title policies;
- g. Within the discretion of the Escrow Agent, direct Developer and Authority to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act or regulation promulgated thereunder. Authority agrees to execute a Certificate of Non-Foreign Status by individual transferor, a Certificate of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act and/or a California Franchise Tax Board Form 590 or similar form to assure Developer that there exist no withholding requirements imposed by application of law as may be required by the Escrow Agent, on forms supplied by the Escrow Agent;
- h. Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms, including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms and/or withholding are provided for or required by law; and
- i. Prepare and deliver to Developer and Authority for their review and approval prior to the Closing a settlement statement.

4.3.4. Escrow Costs

Developer shall pay the costs of documentary stamps on the Grant Deeds,

the costs of recording charges, all other customary and usual Escrow fees, charges and costs which arise from the Escrow.

4.3.5. Review of Title

Within the time specified in the Schedule of Performance, the Parties shall cause the Title Company to deliver to Developer a standard preliminary title report with respect to the Site, together with legible copies of the documents underlying the exceptions (“Exceptions”) set forth in the preliminary title report (collectively, “Preliminary Title Report”).

Developer shall have thirty (30) days from Developer’s receipt of the Preliminary Title Report to give Notice to Authority and the Escrow Agent of Developer’s approval or disapproval of the Preliminary Title Report, including without limitation any Exceptions. If Developer notifies Authority of Developer’s disapproval of any items, Authority shall have the right, but not the obligation, to remove any disapproved items after receiving Notice of Developer’s disapproval or provide assurances reasonably satisfactory to Developer that such items will be removed or remedied on or before the expiration of the Developer Approval Period. Authority shall exercise such right by Notice to Developer within ten (10) days of receipt of Notice from Developer of Developer’s disapproval. If Authority cannot or does not elect to remove any disapproved items, Developer may, at its election, deliver Notice to the Authority that Developer intends to proceed with the Conveyance subject to the disapproved items by way of the Notice to Proceed or (ii) give Authority Notice that Developer does not elect to accept the Conveyance and elects to terminate the Escrow and this Agreement, whereupon any sums deposited by Developer into Escrow and all interest earned thereon shall be returned to Developer. The Exceptions to title approved by Developer as provided herein shall hereinafter be referred to as the “Permitted Exceptions” and/or the “Condition of Title.” Developer shall have the right to approve or disapprove in the manner provided in this Section any Exception reported by the Title Company or otherwise discovered after Developer has approved the Condition of Title (which are not created by Developer). Notwithstanding anything herein to the contrary, Authority shall remove prior to Closing all monetary liens other than non-delinquent taxes and assessments.

4.3.6. Title Insurance

a. Developer Title Insurance. Concurrently with the recordation of the Grant Deed, the Title Company shall issue and deliver to Developer, at Developer’s cost, an CLTA owner’s policy of title insurance, together with the Approved Endorsements (“Developer Title Policy”), insuring that fee simple title to the Site is vested in Developer in the Condition of Title. The Title Company shall provide Authority with a copy of the Developer Title Policy. The Developer Title Policy shall be in an amount reasonably determined by Developer and shall be issued at the exact date and time of Closing; provided, however, that the Title Company shall, if requested by Developer, provide ALTA extended coverage policy as needed and any endorsements reasonably requested by Developer (collectively, “Additional Endorsements”). The additional cost of such ALTA extended coverage and the Additional Endorsements shall be borne by Developer. Authority shall, at no cost or expense to Authority, cooperate with and assist Developer in obtaining such ALTA

extended coverage and any Additional Endorsements, including required indemnities that are customary and reasonable, or special coverage reasonably requested by Developer.

b. City Title Insurance. Concurrently with the recordation of the City Deed of Trust as a lien against the Site, the Title Company shall issue and deliver to City, respectively, at Developer's cost, an ALTA standard form lender's policy of title insurance, together with the Approved Endorsements ("City Title Policy"), insuring that (i) fee simple title to the Site is vested in Developer in the Condition of Title, and (ii) the Authority Declaration and the recordable City HOME Loan Documents are liens against the fee estate held by Developer. The Title Company shall provide Developer with a copy of the City Title Policy. The City Title Policy shall be in the amount of the City HOME Loan and shall be issued at the exact date and time of Closing; provided, however, that the Title Company shall, if requested by Authority, provide any extended coverage and any endorsements reasonably requested by Authority (collectively, "Additional Endorsements").

4.3.7. Authority's Conditions Precedent to Closing

Authority's obligation to close Escrow is conditioned upon the satisfaction or written waiver by Authority of each and every one of the conditions precedent a. through o., inclusive, described below ("Authority's Conditions Precedent to Closing"), which are solely for the benefit of Authority, and which shall be satisfied or waived by the time periods provided for herein:

a. Authority Declaration. Developer shall have executed and delivered into Escrow the Authority Declaration and such other documents as may be reasonably requested by Authority in connection therewith and all of which shall be in a form acceptable to Authority;

b. City HOME Loan Documents. Developer shall have executed and delivered into Escrow the City HOME Loan Documents and such other documents as may be reasonably requested by City in connection therewith and all of which shall be in a form acceptable to City;

c. Notice to Proceed. Developer shall have timely issued the Notice to Proceed;

d. Physical and Environmental Condition of Site. Prior to the expiration of the Developer's Approval Period, Developer shall not have elected to cancel Escrow and terminate this Agreement due to the physical or environmental condition of the Site;

e. Escrow Costs. Developer shall have deposited into Escrow the Developer's share of Escrow Costs along with any other required costs of Closing;

f. City Title Policy. The Title Company shall, upon payment of the Title Company's regularly scheduled premium, be irrevocably committed to issue the City Title Policy upon the Closing, in accordance with Section 4.3.6;

g. Financing. The Executive Director has approved Evidence of Financing in accordance with Section 3.1;

h. Project Budget. Developer has submitted and the Executive Director has approved a Project Budget dated as of Closing;

i. Schedule of Performance. Developer has submitted and Authority has approved a Schedule of Performance dated as of Closing;

j. Performance Bond. [intentionally omitted];

k. Insurance. Developer, at its cost, shall procure or have procured and be maintaining in full force and effect insurance consistent with the requirements of Section 7.2 and in the amounts specified therein. Developer shall have submitted to Authority an insurance certificate or other acceptable written evidence demonstrating compliance with the foregoing requirement;

l. Project Entitlements. Developer shall have obtained all entitlements necessary to commence construction of the Project in the manner contemplated by this Agreement (which shall be final and not subject to further appeal);

m. No Litigation. No litigation shall be pending or threatened by any third parties which seek to enjoin the transactions contemplated herein; and

n. No Default. Developer is not in default of any of its material obligations under the terms of this Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

4.3.8. Developer's Conditions to Closing

Developer's obligation to close Escrow is conditioned upon the satisfaction or written waiver by Developer of each and every one of the conditions precedent a. through j., inclusive, described below ("Developer's Conditions Precedent to Closing"), which are solely for the benefit of Developer, and which shall be satisfied or waived by the time periods provided for herein:

a. Execution of Documents. Authority shall have executed and deposited into Escrow all documents to which it is a party;

b. Review and Approval of Title. Developer shall have reviewed and approved the condition of title, as provided in Section 4.3.5;

c. Owner's Title Policy. The Title Company shall, upon payment of the Title Company's regularly scheduled premium, be irrevocably committed to issue the Developer Title Policy upon the Closing, in accordance with Section 4.3.6;

d. Financing. Developer has obtained all of the financing described in Section 3.1 and the Executive Director has approved Evidence of Financing in accordance with Section 3.1;

e. Project Budget. The Executive Director has approved a Project Budget timely submitted by Developer and dated as of Closing;

f. Schedule of Performance. The Executive Director has approved a Schedule of Performance timely submitted by the Developer and dated as of Closing;

g. Approval of Environmental Condition of the Site. Developer shall have approved the condition of the Site in accordance to the provisions of Section 4.2;

h. Project Entitlements. Developer shall have obtained all entitlements necessary to commence construction of the Project in the manner contemplated by this Agreement (which shall be final and not subject to further appeal);

i. No Litigation. No litigation shall be pending or threatened by any third parties which seek to enjoin the transaction contemplated herein or to obtain damages in connection with this Agreement;

j. No Default. Authority is not in default of any of its obligations under the terms of this Agreement and all representations and warranties of Authority contained herein shall be true and correct in all material respects.

4.3.9. Termination of Escrow

If the Escrow is not in a condition to close by the Outside Closing Date, as the same may be extended pursuant to this Agreement, then either Party which has fully performed under this Agreement may, in writing, demand the return of money, documents or property and terminate the Escrow and this Agreement. If either Party makes a written demand for the return of its money, documents or property, this Agreement shall not terminate until twenty (20) days after the Escrow Agent shall have delivered copies of such demand to the other Party at the respective addresses set forth in Section 9.1 hereof. If any objections are raised by written Notice within such twenty (20) day period, the Escrow Agent is authorized to hold all money, documents or property until instructed by a court of competent jurisdiction or by mutual written instructions of the Parties. If no such objections are timely made, the Escrow Agent shall immediately return the demanded money and/or documents, and the escrow cancellation charges shall be paid by equally by both Parties. Termination of the Escrow shall be without prejudice as to whatever legal rights, if any, either Party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible consistent with the terms of this Agreement. Nothing in this Section shall be construed to impair or affect the rights of Developer to specific performance.

4.3.10 **Closing of Escrow**

The Conveyance shall close (“Close” or “Closing”) within five (5) days of the satisfaction or written waiver of both Developer’s Conditions Precedent to Closing and the Authority’s Conditions Precedent to Closing, but in no event later than the Outside Closing Date. The Closing shall occur at the Escrow. The Close or Closing shall mean the time and day that the Deed is recorded in the Official Records of Riverside County. The Closing Date shall mean the day on which the Closing occurs.

4.3.11 **Closing Procedure**

The Escrow Agent shall Close the Escrow as follows:

- a. Record the Grant Deed with instruction to the County Recorder to deliver of the Grant Deed to Developer and a conforming copy thereof to Authority;
- b. Record the Authority Regulatory Agreement with instruction to the County Recorder to deliver Authority Regulatory Agreement to the Authority and a conforming copy thereof to Developer;
- c. Record the Notice of Affordability Restrictions with instruction to the County Recorder to deliver Notice of Affordability Restrictions to the Authority and a conforming copy thereof to Developer;
- d. Authority deed of trust [intentionally omitted];
- e. Record the City Deed of Trust with instruction to the County Recorder to deliver of the City Deed of Trust to the City and a conforming copy thereof to Developer;
- f. Record the City Regulatory Agreement with instruction to the County Recorder to deliver the City Regulatory Agreement to the City with a conforming copy thereof to Developer;
- g. Deliver the Developer Title Policy issued by the Title Company to Developer;
- h. Deliver the City Title Policy issued by the Title Company to Authority with a copy to the Developer;
- i. File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- j. Deliver the FIRPTA Certificate, if any, to Developer, and

k. Forward to Developer and Authority a separate accounting of all funds received and disbursed for each Party and copies of all executed, recorded, or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

The Parties shall reasonably cooperate in modifying the foregoing closing procedures to accommodate the time of Closing.

5. DEVELOPMENT OF THE SITE

5.1. Scope of Work

The Developer shall construct the Project substantially in accordance with the attached Project Development (Attachment No. 3), applicable Governmental Regulations, including (without limitation), the HOME Program, the NSP, all applicable state, federal, and local labor standards, City zoning, planning and design review requirements of the City and all permits and entitlements issued for the Project. Subject to this Section 5, the Developer shall, by the respective times established therefor in the Schedule of Performance, obtain the necessary permits, or permit ready letter, and commence and complete (or cause to be commenced and completed) the improvements on the Site and construction of the Project.

Project construction may be phased. Notwithstanding the foregoing, the Project shall be completed by the time established therefor in the Schedule of Performance.

5.2. Permits and Entitlements

Before commencement of the Project or other works of improvement upon the Site, the Developer shall, at its own expense, secure or cause to be secured any and all permits, entitlements or approvals which may be required by the City in accordance with its Municipal Code and land use entitlement process and by any other governmental entity with jurisdiction over the Site and/or the Project in accordance with applicable Governmental Regulations. Such expenses shall be deemed Project Costs. The Authority shall reasonably cooperate and assist Developer's efforts to comply with this Section 5.2, provided, however that the execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use entitlements or approvals required by the Authority or the City.

5.3. Defects in Plans

Neither the City or the Authority shall be responsible to the Developer or to third parties in any way for any defects in the design of the Project, nor for any structural or other defects in any work done according to the approved design of the Project, nor for any delays reasonably caused by the review and approval processes established by this Section 5.3. The Developer shall hold harmless, indemnify and defend the City and the Authority and their respective officers, employees, agents and representatives from and against any claims, suits for damages to property

or injuries to persons arising out of or in any way relating to defects in the design of the Project, including (without limitation) the violation of any laws, and for defects in any work.

5.4. Demolition and Clearance of the Site. This section is not applicable because the Site is a vacant lot.

5.5. Construction of the Project

The cost of planning, designing, developing and constructing the Project, and any demolition and removal of any existing structure or Site improvements, Site remediation and Site preparation costs, shall be borne solely by the Developer.

Developer may act as the general contractor. Developer shall have submitted to Authority, and Authority shall have approved the proposed contractor/subcontractor bidding procedures and the proposed form of the contract to be entered into with the contractor and/or subcontractors. All such contracts shall be entered into with a duly licensed and insured contractor or subcontractors.

5.6. Design

The Developer assumes the responsibility for the design and construction of, and shall let contracts for (or cause contracts to be let for) the Project. All additional costs incurred for any reason in constructing the Project shall be at the sole cost and expense of the Developer. The Developer assumes all obligation for ensuring conformity with all applicable Federal, State and local nondiscrimination, labor standards, prevailing wage rate requirements and competitive bidding requirements with respect to the Project.

5.7. Construction Schedule

Subject to Section 9.8, the Developer shall commence and complete all development activities within the times established therefor in the Schedule of Performance.

5.8. Bodily Injury and Property Damage Insurance; Indemnity

5.8.1. Insurance

The Developer shall maintain or shall cause its contractor(s) to maintain until the completion of the Project as determined by the Authority pursuant to Section 7.2 insurance in accordance with the Authority's uniform insurance requirements or as otherwise approved in writing by the Executive Director.

The obligations set forth in this Section 5.8.1 shall remain in effect only until a Release of Construction Covenants has been furnished to the Developer as provided in Section 5.16.

5.8.2. Developer's Indemnity

To the full extent permitted by law, Developer shall indemnify, defend and hold harmless Authority, and any and all of its employees, officials and agents (“Indemnitees”) from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, compliance with applicable federal and state labor standards, regulatory proceedings, losses, expenses or cost of any kind, whether actual, alleged or threatened, including attorneys’ fees and costs, court costs, interest or defense costs, including expert witness fees), where the same arise out of, are a consequence of, or are in any attributable to, in whole or in part, the performance of this Agreement by Developer, or by any individual or entity that Developer shall bear the legal liability thereof including but not limited to officers, agents, employees or contractors of Developer.

Without affecting the rights of Indemnitees under any provisions of this Agreement, Developer shall not be required to indemnify and hold harmless Indemnitees for liability attributable to the active negligence of Indemnitees, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where Indemnitees are shown to have been actively negligent and where Indemnitees’ active negligence accounts for only a percentage of the liability involved, the obligation of Developer will be for that entire portion or percentage of liability not attributable to the active negligence of Indemnitees.

Developer agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every contractor or any other person or entity involved by, for, with or on behalf of Developer in the performance of this Agreement. In the event Developer fails to obtain such indemnity obligations from others as required here, Developer agrees to be fully responsible according to the terms of this Section 5.8.2.

Failure of Indemnitees to monitor compliance with these requirements imposes no additional obligations on Indemnitees and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend Indemnitees as set forth here is binding on the successors, assigns or heirs of Developer and shall survive the termination of this Agreement or this Section 5.8.2.

5.9. Other Governmental Authority Permits and Environmental Compliance

Before commencement of construction or other works of improvement upon the Site, the Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements or approvals, if any, which may be required by any other governmental agency affected by such construction or work.

The parties acknowledge and agree the California Environmental Quality Act, Public Resources Code § 21000, et seq., (“CEQA”) and National Environmental Policy Act of 1969, Public Law 91-190 as amended, 42 U.S.C. §§ 4321 -4347 (“NEPA”) may become applicable to the Project as a result of processing Developer’s entitlement requests. Pursuant to CEQA and

NEPA, certain environmental documents may be required to be prepared. The Developer agrees to cooperate with the City in obtaining information to determine environmental impact associated with such entitlements. The Developer shall be responsible to pay all costs incurred by the City to prepare or cause to be prepared such environmental documents with respect to any land use entitlements affecting the Site and to comply with any required mitigation measures imposed pursuant thereto.

Should the CEQA or NEPA reviews reveal environmental impacts from the Project which cannot be sufficiently mitigated, Developer and Authority shall then negotiate in good faith to restructure the Project in a manner that may reduce the environmental impacts of the projects.

5.10. Rights of Access

Prior to the issuance of a Release of Construction Covenants (as specified in Section 5.16), for purposes of assuring compliance with this Agreement, representatives of the Authority shall have the right of access to the Site, without charges or fees, at normal construction hours and upon at least 48 hours advance notice during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Project so long as Authority representatives comply with all safety rules. Authority representatives shall, except in emergency situations, notify the Developer prior to exercising its rights pursuant to this Section 5.10.

5.11. Federal, State, and Local Laws

5.11.1 Labor Standards

Developer shall carry out the Project in conformance with all applicable laws, including any and all applicable federal and state labor standards.

5.11.2. General

Developer shall comply with all applicable Governmental Regulations in the construction, use, and operation of the Project, including all applicable federal, state, and local statutes, ordinances, regulations, and laws, including without limitation, all applicable federal, state, and local labor standards, City zoning and development standards, building, plumbing, mechanical, and electrical codes, and all other provisions of the Riverside Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq., Government Code § 4450, et seq., and Government Code § 11135, et seq.

5.12. Nondiscrimination During Construction

The Developer, for itself and its successors and assigns, agrees that, in the construction of the Project provided for in this Agreement, the Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual orientation, marital status, gender, gender identity, gender expression, physical disability,

medical disability, medical condition, genetic information, military and veteran status, national origin or ancestry.

5.13. Taxes and Assessments

The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site during Developer's ownership thereof, subject to the Developer's right to contest in good faith any such taxes. The Developer shall remove or have removed any levy or attachment made on the Site or any part thereof, or assure the satisfaction thereof within a reasonable time.

5.14. Liens and Stop Notices

The Developer shall not allow to be placed on the Site or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Project, the Developer shall within thirty (30) days of such recording or service or within five (5) days of the Authority's demand, whichever last occurs:

- a. pay and discharge the same; or
- b. effect the release thereof by recording and delivering to the Authority a surety bond in sufficient form and amount, or otherwise; or
- c. provide such other assurances which the Authority deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of Authority from the effect of such lien or bonded stop notice.

5.15. Mortgage Deed of Trust, Sale and Lease-Back Financing: Rights of Holders

5.15.1. No Encumbrances Except Mortgages, Deeds of Trust

Construction Mortgages, deeds of trust, sales and leases-back shall be permitted before completion of the Project with the Authority's prior written approval, which shall not be unreasonably withheld or delayed, but only for the purpose of securing loans of funds to be used for financing the Project, and any other purposes necessary for the construction of the Project, and necessary and appropriate under this Agreement. The Developer shall notify the Authority in advance of any mortgage, deed of trust or sale and lease-back financing, if the Developer proposes to enter into the same before completion of the Project. The Developer shall not enter into any such conveyance for financing without the prior written approval of the Authority, which approval the Authority shall not unreasonably withhold provided that (i) such conveyance for financing is given to a responsible financial or lending institution, person or entity, and (ii) the Developer has commenced or is prepared to commence construction of the Project. The Authority's approval shall not be required for any financing after the issuance of a Release of Construction Covenants for the Project as specified in Section 5.16.

5.15.2. Holder Not Obligated to Construct Improvements

The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Project or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

5.15.3. Notice of Default to Mortgagee or Deed of Trust Holders, Right to Cure

Whenever the Authority delivers any notice or demand to Developer with respect to any breach or default by the Developer in completion of the Project and the Developer fails to cure or commence to cure to the Authority's satisfaction within sixty (60) days from the date of such notice, the Authority shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement and granted by Developer, a copy of such notice or demand. Except as otherwise agreed to in a subordination agreement with a lender to the Project, each such holder shall (insofar as the rights granted by the Authority are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and diligently prosecute such cure or remedy to completion any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Written notice of such holder's intention to cure Developer's default shall be deemed to be commencement of cure. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations under this Agreement by written agreement satisfactory to the Authority. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the Project to which the lien or title of such holder relates, and submit evidence satisfactory to the Authority that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing the Project shall be entitled, upon compliance with the requirements of this Agreement, to a Release of Construction Covenants as specified in Section 5.16.

5.15.4. Failure of Holder to Complete Project

Except as otherwise agreed to in a subordination agreement with a lender to the Project, in any case where, thirty (30) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives notice of default by the Developer in connection with the construction of the Project under this Agreement, and such holder has not exercised the option to construct as set forth in Section 5.15.3, or if it has exercised the option and has not proceeded diligently with construction, or to obtain title after institution of foreclosure or trustee's sale proceedings, the Authority may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder by virtue of a deed in lieu of foreclosure,

the Authority, if it so desires, shall be entitled to a conveyance from the holder to the Authority, upon payment to the holder of an amount equal to the sum of the following items (a) through (e) less any income derived by the lender from operations conducted on the Site (the receipt of principal and interest payments in the ordinary course of business shall not constitute income for the purposes of this Section):

- a. The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- b. All expenses with respect to foreclosure;
- c. The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Project or part thereof;
- d. The costs of any improvements made by such holder; and
- e. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Authority.

5.15.5. Right of the Authority to Cure Mortgage or Deed of Trust Default

Except as otherwise agreed to in a subordination agreement with a lender to the Project, in the event of a mortgage or deed of trust default or breach by the Developer past any applicable notice and cure period and prior to the issuance by the Authority of the Release of Construction Covenants in accordance with Section 5.16, the Developer shall immediately deliver to the Authority a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, the Authority shall have the right, but not the obligation to cure the default. In such event, the Authority shall be entitled to reimbursement from the Developer of all proper costs and expenses incurred by the Authority in curing such default. Such costs and expenses incurred by the Authority shall accrue interest until paid by the Developer at the rate of ten percent (10%) per annum or the maximum allowable interest rate permitted by applicable law, whichever is lower. Such costs and expenses and any interest accrued thereon shall be secured as additional advances by and pursuant to the Deed of Trust and the Assignment of Rents.

In furtherance of this Section 5.15.5, every subordination agreement entered into by and between the Authority and a lender to the Project pursuant to Section 5.15.3 shall include an acknowledgment and agreement by such lender to provide notice of Developer's default to the Authority.

5.15.6. Right of the Authority to Satisfy Other Liens on the Site After Title Passes

Subject to the rights of any lender to the Project, prior to the issuance by the Authority of the Release of Construction Covenants in accordance with Section 5.16 and

after the Developer has had written notice and has failed after a reasonable time (but in any event not less than thirty (30) days) to challenge, cure, adequately bond against, or satisfy any liens or encumbrances on the Site which are not otherwise permitted under this Agreement, the Authority shall have the right (but not the obligation) to satisfy any such liens or encumbrances. The costs and expenses of such cure shall accrue interest until paid by the Developer at the rate of ten percent (10%) per annum or the maximum allowable interest rate provided by applicable law, whichever is lower.

5.16. Release of Construction Covenants

Promptly after completion of each Affordable Unit in conformity with this Agreement, the Authority shall furnish the Developer with a "Release of Construction Covenants" upon written request therefor by the Developer. The Authority shall not unreasonably withhold such Release of Construction Covenants. The Release of Construction Covenants shall be substantially in the form of the "Release of Construction Covenants" (Attachment No. 9). The Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the Project and the Release of Construction Covenants shall so state. Except as provided in the Declaration, any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement except for those continuing covenants as set forth in Section 6, et seq.

If the Authority refuses or fails to furnish the Release of Construction Covenants, after written request from the Developer, the Authority shall, within thirty (30) days of written request therefor, provide the Developer with a written statement of the reasons the Authority refused or failed to furnish the Release of Construction Covenants. The statement shall also contain the Authority's opinion of the actions the Developer must take to obtain the Release of Construction Covenants. If the Authority shall have failed to provide such written statement within said thirty (30) day period, and on the condition that the City has issued a certificate of occupancy or equivalent document for the Project, the Project shall thereafter be deemed approved by the Authority and the Authority shall promptly issue the Release of Construction Covenants.

The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Project, or any part thereof. The Release of Construction Covenants is not a notice of completion as referred to in California Civil Code § 3093.

6. COVENANTS AND RESTRICTIONS

6.1. Use Covenants

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof, that upon the acquisition of the Site and during the development and operation of the Project thereafter, Developer shall devote the Site solely to the uses specified in, and otherwise comply with the terms and conditions of, this Agreement and,

the Authority Declaration. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to all applicable provisions of the Riverside Municipal Code.

6.2. Number of Affordable Units

Commencing upon and throughout the Affordability Period, Developer covenants and agrees that the two (2) Affordable Units shall be restricted to occupancy by Qualified Low Income Households in accordance with the provisions of the Authority Declaration. The Affordable Units shall be subject to the requirements of Section 6.9 throughout the Affordability Period.

6.2.1 Selection of Tenants

Developer shall be responsible for the selection of tenants for the Affordable Units in compliance with all lawful and reasonable criteria, and in accordance with the HOME Program, and the NSP, and the procedures set forth in the Management Plan which shall be submitted to the Authority for approval pursuant to Section 6.6. To the extent permitted by law, preference shall be given to tenant applicants who have been displaced by redevelopment activities of the Authority in connection with this Project and in the implementation of the former Agency's Redevelopment Plans.

6.2.2 Household Income Requirements

In order to assure compliance with the rent and occupancy restrictions set forth in this Agreement, the Authority Regulatory Agreement, the HOME Regulatory Agreement, and applicable NSP Regulations, the Developer shall, prior to the initial leasing of a Unit and on an annual basis thereafter throughout the Affordability Period, obtain and cause to be submitted to the Authority, at Developer's expense, a verification of all household sources of income demonstrating that such household is a Qualified Low Income Household and meets the eligibility requirements established for the Unit. Such income verification shall be submitted on such form as approved by the Authority.

6.2.3 Annual Reporting Requirement

The Developer shall, following the issuance of the Release of Construction Covenants, and on or before June 30 of each year, submit to the Authority a certification of compliance with the terms and conditions of this Agreement and the Authority Regulatory Agreement and such other reports as required thereby on forms prescribed by the Authority. Each annual report shall cover the immediately preceding fiscal year.

Additionally, Developer shall determine and submit a report to the Authority showing the proposed Affordable Rent amount for each Unit for the preceding 12 months with supporting documentation comparing the methods for calculating Affordable Rent as set forth in Section 1.1.

6.2.4 Relationship to Other Affordability Covenants

Satisfaction of any other affordability covenants applicable to the Project shall not constitute substitute satisfaction of the requirements set forth in the Authority Regulatory Agreement.

6.3 Lease Requirements

Prior to rental of any of the Affordable Units, Developer shall submit a standard lease form, which shall comply with HOME Regulations (including 24 CFR 92.253), and all requirements of this Agreement, to Authority for approval. Authority shall reasonably approve such lease form upon finding that such lease form is consistent with this Agreement and contains all of the provisions required pursuant to the HOME Program, the HOME regulations, the NSP and the NSP Regulations. Developer shall enter into a written lease, in the form approved by Authority, with each tenant/tenant household of the Site. No lease shall contain any of the provisions that are prohibited pursuant to Section 92.253 of the HOME Regulations.

6.4 Capital Replacement Reserve

The Developer shall, or shall cause the Property Manager, if any, to set aside the greater of (i) an amount equal to Two Hundred Fifty Dollars (\$250.00) per Unit per year (“Capital Replacement Reserve”). The amount required to be placed into the Capital Replacement Reserve shall increase at the rate determined by the Permanent Lender or any equity investor in the Project. 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. Not less than once per year, Developer, at its expense, shall submit to the Authority an accounting for the Capital Replacement Reserve. Authority approval is not required for withdrawals from the Capital Replacement Reserve in accordance with this Agreement.

6.5 Operating Reserve

Developer shall not be required to set aside any Operating Reserves for this Project.

6.6 Long Term Management

The parties acknowledge that the Authority is interested in the long term management and operation of the Project and in the qualifications of any person or entity retained by the Developer for that purpose (“Property Manager”). Developer may be the Property Manager for this Project. Prior to the issuance of a Release of Construction Covenants by the Authority and the initial rental of the Affordable Units in accordance with this Agreement, the Developer shall submit for the reasonable approval of the Authority a detailed “Management Plan” which sets forth

in detail the duties of the Property Manager, the tenant selection process, a security system and compliance with the City's Crime-Free Multi-Family Housing Program, the procedures for determining Affordable Rent and for the collection of rent, occupancy limits and the procedures for monitoring of occupancy levels, the procedures for eviction of tenants, the rules and regulations of the Project and manner of enforcement, a standard lease form, and other matters relevant to the management of the Project. The Developer may from time to time submit amendments and modifications to the Management Plan for the reasonable approval of the Authority. The management of the Project shall be in compliance with the Management Plan which is approved by the Authority.

If the Developer prior to the rental of the first Unit, contracts with a Property Manager, said contract shall be subject to the reasonable approval of the Authority. During the term of the Affordability Period, such Property Manager may subcontract for property management services with an experienced and qualified property management entity (based upon the criteria set forth herein below) only upon prior written approval by the Authority which approval shall not be unreasonably withheld.

During the Affordability Period, the Authority may from time to time review and evaluate the identity and performance of the Property Manager, including Developer acting as Property Manager, of the Project as it deems appropriate in its reasonable judgment. If the Authority reasonably determines that the performance of the Property Manager is deficient based upon the standards and requirements set forth in this Agreement, the Authority shall provide notice to the Developer of such deficiencies and the Developer shall use its best efforts to correct such deficiencies within sixty (60) days. If the performance of the Property Manager continues to be deficient based upon the standards and requirements set forth in this Agreement, after such notice and cure period, the Authority shall have the right to require the Developer to immediately remove and replace the Property Manager with another property manager or property management company who is reasonably acceptable to the Authority, and who has not less than five (5) years' experience in property management, including experience managing multifamily residential developments of the size, quality and scope of the Project. If the entity removed is related to or affiliated with the Developer, the Authority may require replacement of the Property Manager with another entity that is not related to or affiliated with the Developer.

In addition, during the term of the Affordability Period, the Developer shall annually submit to the Authority for its reasonable approval a budget for the operation of the Project. The fee paid to Property Manager shall not exceed the reasonable and customary fees paid to such property managers for similar rental properties in Riverside County. Other fees and payments shall be consistent with prevailing market rates for the services performed and goods provided in consideration for such fees and payments. The Developer shall ensure that the reasonably foreseeable expenses of operating the Project do not materially exceed the budget which has been approved by the Authority. The Developer shall annually provide to the Authority a detailed accounting of operating expenses and shall make available its books and records to the Authority for inspection and copying, upon reasonable advance notice during its normal hours of business.

6.7 Authority Regulatory Agreement

The Developer shall execute, acknowledge, and deliver to Authority the Authority Regulatory Agreement to be recorded with respect to the Site in the official records of Riverside County. The Authority Regulatory Agreement shall contain those portions of this Agreement relating to affordable housing requirements, and other provisions which are intended to survive the completion of construction of the Project.

6.8 Maintenance of Site

During construction of the Project and throughout the Affordability Period, the Developer shall maintain the Site and the improvements thereon in conformity with the Authority Regulatory Agreement in all material respects.

Failure to meet any of the foregoing conditions precedent set forth in this Section prior to Developer's sale of any of the Affordable Units shall constitute a breach hereunder by Developer.

6.9 Nondiscrimination Covenants

Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of § 12955 of the Government Code, as those bases are defined in §§ 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of § 12955, and § 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, or any part of it, nor shall the Developer or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Site, including the Affordable Units, or any portion thereof. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Government Code § 12955.9. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Civil Code §§ 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code § 51(d) and § 1360 and Government Code § 12955(n), (o), and (p) shall apply to the foregoing paragraph.

Developer shall refrain from restricting the Affordable Units, on account of any basis listed in Government Code § 12955(a) or (d), as those bases are defined in Government Code §§ 12926(m), 12926.1, 12955 (p)(1), and 12955.2. All such deeds, leases, contracts or subcontracts shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

- a. In deeds: "The grantee herein covenants by and for himself or herself,

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

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in § 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Civil Code §§ 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code §§ 51(d) 1360, Government Code § 12955(n), (o), and (p) shall apply to the foregoing paragraph.

b. In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code § 12955(a) or (d), as those bases are defined in Government Code §§ 12926(m), 12926.1, 12955 (p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Government Code § 12955.9. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Civil Code §§ 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code §§ 51(d) and 1360 and Government Code § 12955(n), (o), and (p) shall apply to the foregoing paragraph.

c. In contracts: “There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code § 12955(a) or (d), as those bases are defined in Government Code §§ 12926(m), 12926.1, 12955 (p)(1), and 12955.2, in connection with the performance of this contract nor shall the contracting party himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, contractors, subcontractors or vendees with respect to the premises.”

Notwithstanding the foregoing paragraph, with respect to familial status,

the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in § 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Civil Code §§ 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code §§ 51(d) and 1360, and Government Code §12955(n), (o), and (p) shall apply to the foregoing paragraph.

6.10. Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction

The Authority is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether the Authority has been, remains or is an owner of any land or interest therein in the Site. The Authority shall have the right, if this Agreement or any covenants in any agreement pursuant to this Agreement, including the Grant Deed and the Declaration, are breached, following notice and expiration of all applicable cure periods, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and such covenants may be entitled.

7. INDEMNITY AND INSURANCE

7.1. Developer's Indemnity

To the full extent permitted by law, Developer shall indemnify, defend and hold harmless Authority, and any and all of its employees, officials and agents ("Indemnitees") from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or cost of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest or defense costs, including expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, to: (i) Developer's failure to comply with all applicable laws; (ii) defects in the design of the Project as to all or any portion of the Project developed or caused to be developed by Developer, or (iii) any negligent performance or act or negligent failure to perform or act pursuant to this Agreement by Developer, or by any individual or entity that Developer shall bear the legal liability thereof including but not limited to officers, agents, employees or contractors of Developer.

Without affecting the rights of Indemnitees under any provisions of this Agreement, Developer shall not be required to indemnify and hold harmless Indemnitees for liability attributable to the active negligence of Indemnitees, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction.

Failure of Indemnitees to monitor compliance with these requirements imposes no additional obligations on Indemnitees and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend Indemnitees as set forth here is binding on the successors,

assigns or heirs of Developer and shall survive the termination of this Agreement.

This indemnification provision supplements and in no way limits the scope of the indemnification set out elsewhere in this Agreement. The indemnity obligation of Developer under this Section shall survive the expiration or termination, for any reason, of this Agreement.

7.2. Insurance

Prior to the commencement of any work of improvement upon the Site and without limiting Developer's indemnity obligations set forth in the Agreement, Developer shall procure and maintain in full force during the term of this Agreement, the following forms of insurance coverage:

a. Workers' Compensation insurance which complies with all applicable state laws and requirements.

b. Comprehensive General Liability insurance with limits not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate for bodily injury and property damage, including coverages for contractual liability, personal injury, broad form property damage, products and completed operations.

c. Property insurance covering all real and personal (non-expendable) property leased or purchased in connection with the completion of the Project in a form appropriate for the nature of such property, covering all risks of loss, excluding earthquake and flood, for 100% of the replacement value, with deductible, if any, acceptable to the Authority, naming the Authority as loss payee.

d. Developer shall cause the general contractor to maintain insurance of the types and in at least the minimum amounts described in subsections a and b above, and shall require that such insurance shall meet all of the general requirements of subsections e, f, and g below. Unless waived by Authority, liability insurance to be maintained by the general contractors pursuant to this subsection shall name as additional insured Authority, and its officers, agents, employees and representatives.

e. The required insurance shall be provided under an occurrence form, and Developer shall maintain such coverage continuously throughout the term of this Agreement. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

f. Each insurance policy required by this Agreement shall contain the following clauses:

(1) "This insurance shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days' prior written notice has been given to the Housing

Authority of the City of Riverside.”

(2) “It is agreed that the Housing Authority of the City of Riverside is self-insured and any insurance maintained by it shall apply in excess of and not contribute with insurance provided by this policy.”

(3) “The Housing Authority of the City of Riverside and its officers, agents, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the Housing Authority of the City of Riverside.”

g. Developer shall deliver to Authority insurance endorsements evidencing the existence of the insurance policies required by this Agreement, and including the applicable clauses referenced above. Also, the Authority has the right to demand, and to receive within a reasonable time period, copies of any insurance policies required under this Agreement.

h. In addition to any other remedies the Authority may have if Developer fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, Authority may at its sole option, in the event Developer has failed to commence curing such default within thirty (30) days of notice or thereafter fails to diligently pursue such cure, declare Developer to be in default, terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies Authority may have and is not the exclusive remedy for Developer’s failure to maintain insurance or secure appropriate endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which Developer may be held responsible for payments of damages to persons or property resulting from Developer’s performance of the work covered under this Agreement.

8. DEFAULTS, REMEDIES AND TERMINATION

8.1. Defaults – General

Subject to the extensions of time set forth in Section 9.8, failure or delay by either party to perform, comply with or observe any of the conditions, provisions, terms, covenants or representations of this Agreement, including any of the Attachments hereto, constitutes a default under this Agreement. As provided herein below, the party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence. The non-defaulting party shall give written notice of default to the party in default, specifying the default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the date of default.

Except as required to protect against further damages, the non-defaulting party may not institute legal proceedings against the party in default until an “Event of Default” (as such term is hereinafter defined) has occurred. For purposes of this Agreement, an “Event of Default” for purposes of instituting legal proceedings by a non-defaulting party against the defaulting party

shall mean a failure to satisfy, perform, comply with or observe any of the conditions, provisions, terms, covenants or representations contained in this Agreement, including any Attachment hereto, and such failure having continued uncured or without the defaulting party commencing to diligently cure for thirty (30) days after notice thereof in writing is mailed by the injured party to the defaulting party; provided, however, that if such event of default cannot be cured within such thirty (30) day period and Developer has diligently commenced efforts to cure, the Developer shall have such reasonable time to diligently prosecute such cure to completion. If a different period or notice requirement is specified for any particular default under any other provision of this Agreement, including any of the Attachments hereto, the specific provision shall control.

8.2. Legal Actions

8.2.1. Institution of Legal Actions

In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either party may institute an action at law or equity to cure, correct or remedy any Event of Default, to recover damages as provided herein for any Event of Default, or to obtain any other remedy consistent with the purpose of this Agreement.—Such legal actions shall be instituted in the Superior Court of the County of Riverside, State of California.

8.2.2. Applicable Law

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

8.2.3. Acceptance of Service of Process

In the event that any legal action is commenced by Developer against Authority, service of process on Authority shall be made by personal service upon the Authority's Secretary, or in such other manner as may be provided by law.

In the event that any legal action is commenced by Authority against Developer, service of process on Developer shall be made by personal service upon the President of the Developer or in such other manner as may be provided by law, whether made within or without the State of California.

8.3. Rights and Remedies are Cumulative

To the extent permitted by law and except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same Event of Default or any other Event of Default by the other party.

8.4. Inaction Not a Waiver of Default

Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

8.5. Specific Performance

Upon an Event of Default, the non-defaulting party, at its option, may thereafter (but not before) commence an action seeking specific performance and/or other equitable relief to enforce the terms of this Agreement pertaining to such default.

8.6. Rights of Termination and Damages

8.6.1. Termination by Developer

Provided the Developer is not in default of any of the terms and conditions of this Agreement, then in the Event of Default by the Authority, the Developer shall have the right to terminate this Agreement by written notice to Authority in accordance with the provisions of Section 9.1. Upon termination by the Developer pursuant to this Section 8.6.1, the Authority may enter into a new agreement with respect to the development of the Site and, except as expressly provided to the contrary herein with respect to obligations that survive the termination of this Agreement, there shall be no further rights or obligations between the Authority and the Developer. In addition, the Developer may apply to a court of competent jurisdiction for relief at law or in equity as may be appropriate and permissible.

8.6.2. Termination by Authority

Provided the Authority is not in default of any of the terms and conditions of this Agreement, then upon an Event of Default by the Developer, the Authority shall have the right to terminate this Agreement by written notice to the Developer in accordance with the provisions of Section 9.1. In addition, the Authority may apply to a court of competent jurisdiction for relief at law or in equity as may be appropriate and permissible.

8.7. Reentry and Revesting of Title in the Authority After the Conveyance and Prior to Completion of Construction

Subject to the approval of the senior construction loan lender or permanent loan lender, as applicable, and any equity investor in the Project, the Authority has the additional right, at its election, to reenter and take possession of the Site (or any part thereof), with all improvements thereon, and terminate and revest in the Authority the estate (or part thereof) conveyed to the Developer if after any Conveyance and prior to the issuance of the Release of Construction Covenants, the Developer (or its successors in interest) shall:

a. Subject to the extensions of time set forth in Section 9.8, fail to start the construction of the Project as required by this Agreement for a period of forty-five (45) days after written notice of default thereof from the Authority; or

b. Subject to the extensions of time set forth in Section 9.8, abandon or substantially suspend construction of the Project as required by this Agreement for a period of thirty (30) days after written notice thereof from the Authority; or

c. Contrary to the provisions of Section 2.2, transfer or suffer any involuntary transfer of the Site or any part thereof in violation of this Agreement.

The periods set forth in paragraphs a., b., and c. above shall be extended if, within forty-five (45) days after notice is delivered by the Authority, the Developer delivers to the Authority notice that it has elected to submit a plan to cure such default or defaults within one hundred eighty (180) days of the Developer's notice to the Authority.

Such right to reenter, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit: (i) any mortgage or deed of trust or other security interest permitted by this Agreement; or (ii) any rights or interests provided in this Agreement for the protection of the holders of such mortgages or deeds of trust or other security interests.

Upon issuance of a Release of Construction Covenants for the Project, the Authority's right to reenter, terminate and revest shall terminate.

Subject to the rights of the senior construction loan lender and any equity investor in the Project, upon the revesting in the Authority of title to the Site or portion thereof as provided in this Section 8.7, the Authority shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Site or portions thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties as determined by the Authority, who will assume the obligation of making or completing the Project, or such improvements in their stead as shall be satisfactory to the Authority and in accordance with the uses specified for such parcel or part thereof. Such party shall be required to pay for a pro rata share of the cost of construction, maintenance and operation of the common area improvements upon the Site. Upon such resale of the Site or portions thereof, the net proceeds thereof after repayment of any mortgage or deed of trust encumbering such parcel which is permitted by this Agreement, shall be applied:

First, to reimburse the Authority, all reasonable costs and expenses incurred by the Authority, excluding Authority staff costs, but specifically including (but not limited to) any expenditures by the Authority in connection with the recapture, management and resale of the Site or part thereof (but less any income derived by the Authority from the Site or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Site or part thereof which the Developer has not paid; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Site or part thereof at the time or revesting of title thereto in the Authority, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its

successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Project or any part thereof on the Site; and any amounts otherwise owing the Authority, and in the event additional proceeds are thereafter available. Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (i) the costs incurred for the acquisition and development of the Site or part thereof and for the Project existing on such Site at the time of the reentry and possession, less (ii) any net gains or income withdrawn or made by the Developer from such Site or the improvements thereon. Any balance remaining after such reimbursements shall be retained by the Authority as its property.

The rights established in this Section 8.7 are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the Authority will have conveyed the Site or portion thereof to the Developer for redevelopment purposes, particularly for development of the Project and not for speculation in land.

8.8. Limitation on Damages

Without limiting the generality of the foregoing, the Parties shall not in any event be entitled to, and the Parties hereby waive, any right to seek consequential damages of any kind or nature from any other Party or Parties arising out of or in connection with this Agreement, and in connection with such waiver, the Parties are familiar with and hereby waive the provision of § 1542 of the California Civil Code which provides as follows:

“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 HIS SETTLEMENT WITH THE DEBTOR.”

9. GENERAL PROVISIONS

9.1. Notices, Demands and Communications Between the Parties

Unless otherwise specified in this Agreement, it shall be sufficient service or giving of any notice, request, certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given 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: Northtown Housing Development Corporation
Attn: President
10071 Feron Boulevard
Rancho Cucamonga, California 91730

To Authority: Housing Authority of the City of Riverside
Attn: Executive Director
3900 Main Street
Riverside, California 92522

Copies to: City of Riverside
Attn: City Attorney
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 (3rd) day from the date it is postmarked if delivered by registered or certified mail.

9.2. Subordination

The Authority agrees to subordinate the provisions of this Agreement, the Grant Deed, the lien of the Authority Regulatory Agreement and the lien of the Authority Declaration to the senior construction loan, and when converted into its permanent phase, permanent loan, the City HOME loan, any other construction and permanent financing approved by the Authority Executive Director as part of the Evidence of Financing or Project Budget.

9.3 Conflicts of Interest

No member, official or employee of the Authority shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

9.3. Warranty Against Payment of Consideration for Agreement

Developer warrants that it has not paid or given and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as project managers, architects, engineers, attorneys, and public relations consultants.

9.4. Nonliability of Authority Officials and Employees

No member, official, employee, representative or agent of the Authority shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by Authority or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement.

9.5. Approval by Authority and Developer

Approvals required of the Parties shall be given within the time set forth in the

Schedule of Performance or, if no time is given, within a reasonable time. Wherever this Agreement requires the Authority or Developer to approve any contract, document, plan, proposal, specification, drawing or other matter, such approval shall not be unreasonably withheld or delayed. In the event that a Party declines to approve any contract, document, plan, proposal, specification, drawing or other matter, such denial shall be in writing and shall include the reasons for such denial. The Party considering the request for such approval shall use commercially reasonable efforts to respond to such request for approval within fifteen (15) days of receipt unless expressly provided to the contrary herein.

9.6. Plans and Data

If this Agreement is terminated, the Authority shall have the right but not the obligation to purchase from Developer all plans, drawings, studies and related documents concerning the Project within Developer's possession and control, without representation or warranty. The purchase price for all or any part of such materials shall be their cost to Developer, less amounts already disbursed to the Developer from the City HOME Loan proceeds for such purposes.

9.7. Force Majeure

In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God or any other deity; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof including the acquisition of the Site, or any portion thereof, unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of the City or any other public or governmental agency or entity (other than that acts or failure to act of the Authority shall not excuse performance by the Authority); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform or relief from default, including without limitation the allocation of Authority revenues to the State of California by a legislative act to fund deficits in the state budget. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement among the Authority and the Developer. That notwithstanding, if said prevention or delay extends for one (1) year, any party, by notice in writing to the other, may terminate this Agreement.

9.8. Applicable Law; Interpretation

The laws of the State of California shall govern the interpretation and enforcement of this Agreement. This Agreement shall be construed as a whole and in accordance with its fair meaning and as though both of the parties participated equally in its drafting. Captions and organizations are for convenience only and shall not be used in construing meaning.

9.9. Inspection of Books and Records, Reports

The Authority or its designee has the right at all reasonable times, and upon reasonable advance notice of not less than 48 hours, to inspect the books and records and other related documents of the Developer pertaining to the satisfaction of their obligations hereunder as reasonably necessary for purposes of enforcing the provisions of this Agreement. Such books, records and related documents shall be maintained by the Developer at locations as agreed by the parties. Throughout the term of this Agreement, the Developer shall submit to the Authority reasonable written progress reports as and when reasonably requested by Authority on all matters pertaining to the Project of the Site.

9.10. Administration

This Agreement shall be administered by the Executive Director following approval of this Agreement by the Authority. Whenever a reference is made in this Agreement to an action, finding or approval to be undertaken by the Authority, the Executive Director is authorized to act on behalf of the Authority unless specifically provided otherwise or the context should require otherwise. The Executive Director shall have the authority to issue interpretations, waive provisions and enter into amendments of this Agreement on behalf of the Authority so long as such actions do not substantially change the uses or development permitted on the Site, or add to the costs of the Authority as specified herein or as agreed to by the Authority Board. Notwithstanding the foregoing, the Executive Director may in his/her sole and absolute discretion refer any matter to the Authority Board for action, direction or approval.

9.11. Mutual Cooperation

Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement. To the extent that any lender to, or any equity investor in the Project, requires modifications to this Agreement or any attachment hereto, the Authority agrees to make such modification within a reasonable time on the condition that such modification does not materially change the rights and obligations of the Parties as set forth herein.

9.12. Ground Breaking and Grand Openings

To insure proper protocol and recognition of the Authority Board, the Developer shall cooperate with Authority staff in the organization of any Project-related ground breaking, grand openings or any other such inaugural events/ceremonies sponsored by the Developer and celebrating the development which is the subject of this Agreement providing Authority staff with at least two (2) weeks' prior notice of any such event.

9.13. Independent Contractor

The parties agree that the Developer, in the performance of this Agreement shall act as and be an independent contractor and shall not act in the capacity of an agent, employee or

partner of the Authority.

10. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

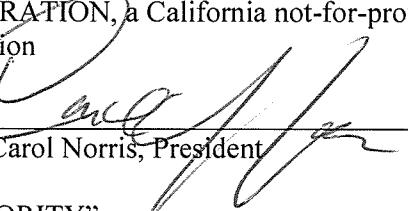
This Agreement includes forty-six (46) pages and Attachment Nos. 1 through 11 which constitute the entire understanding and agreement of the Parties. Two (2) duplicate originals of this Agreement shall be executed each of which shall be deemed to be an original. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterpart shall constitute one and the same instrument.

Except as otherwise provided herein, this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Authority or Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of Authority and Developer.

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

“DEVELOPER”

NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California not-for-profit corporation

By: 
Carol Norris, President

“AUTHORITY”

By: 
Moises Lopez
Executive Director

Attested to:
Moises Lopez
Deputy City Manager

CERTIFIED AS TO FUNDS AVAILABILITY:

BY: 
Chief Financial Officer/City Treasurer

By: _____
Authority Secretary

Approved as to form:

By: 
Authority General Counsel

ATTACHMENT NO. 1

SITE PLAN

ATTACHMENT NO. 1

ATTACHMENT NO. 2
SITE LEGAL DESCRIPTION

ATTACHMENT NO. 2

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

PARCEL A

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

The Southwesterly rectangular 50 feet of Lots 10 and 11 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM the Northwesterly 10 feet of the Southwesterly rectangular 50 feet of said Lot 10.

Said legal description is pursuant to Parcel A of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official Records of Riverside County California.

Area – 4,012.6 S.F. more or less

PARCEL B

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

The Northeasterly rectangular 100 feet of Lot 10 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM that portion of said land conveyed to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104346 of Official records of Riverside County, California.

ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

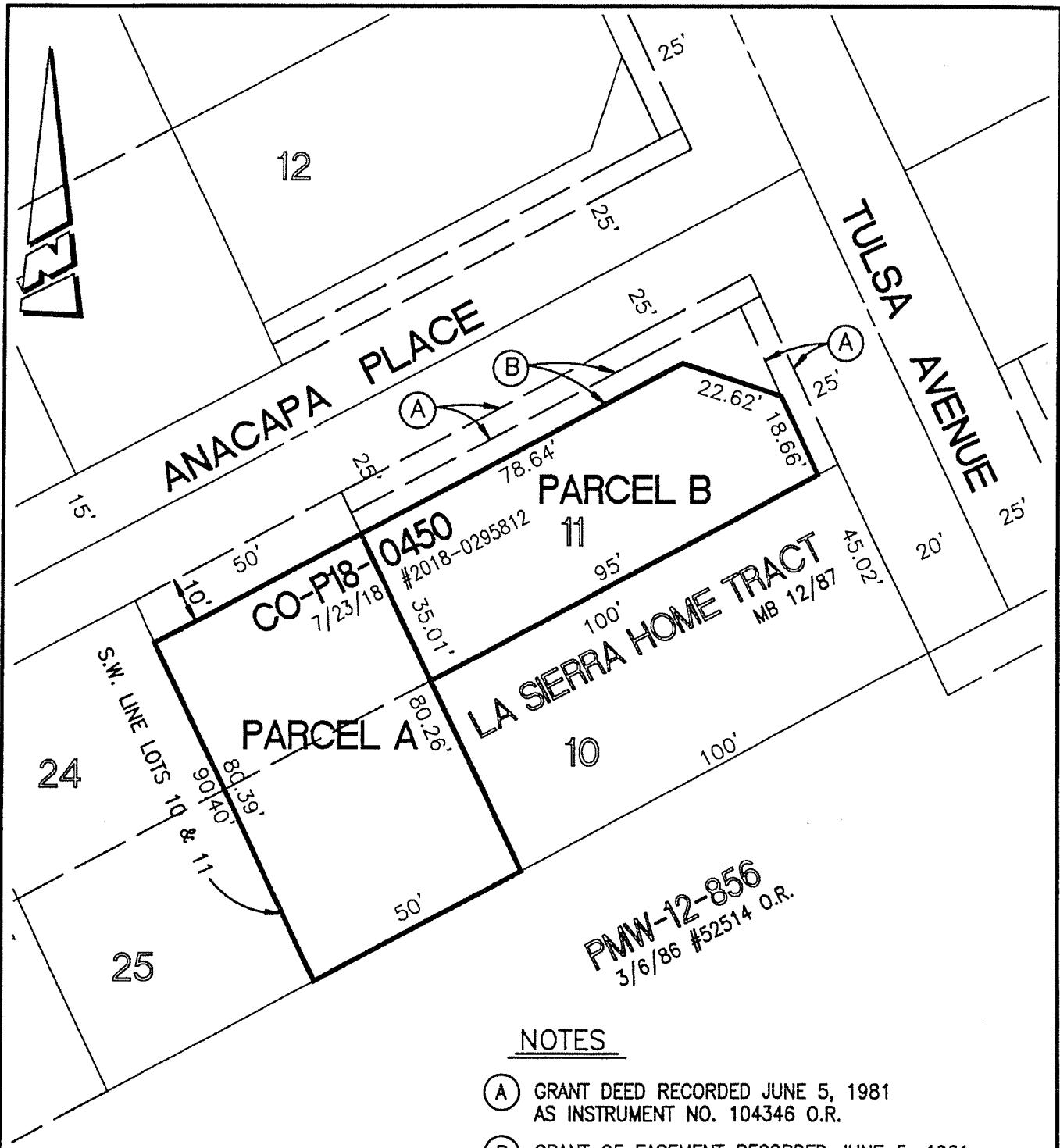
Said legal description is pursuant to Parcel B of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official records of Riverside County California.

Area – 3,189.1 S.F. more or less

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

 11/16/18 Prep. 
Curtis C. Stephens, L.S. 7519 Date





• 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 1

SCALE: 1"=30'

DRAWN BY: CURT

DATE: 6/13/18

SUBJECT: CO-P18-0450 - ANACAPA LOTS

ATTACHMENT NO. 3
PROJECT DESCRIPTION

ATTACHMENT NO. 3

11502 Anacapa Place, Riverside Scope of Work

The NHDC team proposes to develop 2 high quality and well-designed single-family homes on the vacant lot located at 11502 Anacapa Place in the City of Riverside. The location offers an opportunity to create a project with distinctive architectural design that can serve as a catalyst for future development in the neighborhood.

The site consists 8,276 sq. ft. lot that is owned by the Housing Authority and currently unimproved. The property resides between 2 single family homes with detached 2 car garages. With the support of the Housing Authority, the NHDC team proposes to redevelop the sites with 2 quality, new construction residential homes consisting of House #1: is 1,090 sq. ft. with 2 bedrooms and 1 bathroom with a 400 sq. ft. attached 2 car garage, House #1 will also be ADA adaptable. House #2: is 1,269 sq. ft. with 3 bedrooms and 2 bathrooms with a 400 sq. ft. attached 2 car garage. On House #1, NHDC would like to market to a disabled veteran with their caretaker, or a disabled veteran with a spouse and small children.

Both of these dwellings will contain a long-term covenant to ensure continued affordability and will be built to implement the goals and vision of the City of Riverside. NHDC proposes these units as long-term rentals and to rent these homes to low income households at 80% AMI. NHDC proposes to manage these rental units with our on-site management and maintenance staff located at our Multi-family apartment complex located at the corner of Mission Blvd., and Crestmore Street, Jurupa Valley. These properties are less than 11 miles apart, so NHDC's response will be quick.

ATTACHMENT NO. 4
SCHEDULE OF PERFORMANCE

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

Milestone	Date
Execute Development Agreement	December 2018
Submit Building Permit	July 2019
Begin Construction	August 2019
Complete Construction	February 2020
Tenants to Occupy Unit	March 2020

ATTACHMENT NO. 5

PROJECT BUDGET



DIVERSIFIED PACIFIC DEVELOPMENT, INC.
8891 Mission Blvd
Riverside, CA 92509
Phone: (951) 790-1395
Fax: (951) 360-9005

Date: 9/10/18

Anacapa Residential Unit Proposal

To: Debi Myers - NHDC
8590 Haven Avenue, Suite 205
Rancho Cucamonga, CA 91730

FROM: Alfredo Martinez
Ven Tran

Project: Anacapa units APN 141-173-012 and 141-173-130

cc: Darryl Brown - NHDC Consultant
Riverside, ca

1	Concrete Foundation and pest control	\$ 24,971.39
2	Plumbing/rough and finish	\$ 15,852.66
3	Rough Carpentry	\$ 46,727.46
4	Siding	\$ 6,500.00
5	Electrical/fixtures	\$ 5,751.97
6	Heating & Air Conditioning	\$ 6,900.00
7	Fireplace Box	\$ 1,250.00
8	marble and tile face	\$ 1,100.00
9	Sheet Metal	\$ 1,510.00
10	Exterior Windows	\$ 5,800.00
11	Exterior Door and Slider	\$ 2,150.00
12	Roofing	\$ 12,512.00
13	Insulation	\$ 2,200.00
14	Drywall (Excludes garage)	\$ 7,500.00
15	Garage Door	\$ 1,200.00
16	Ext. Masonry	\$ 2,500.00
17	Cabinets	\$ 4,300.00
18	Countertops	\$ 2,850.00
19	Closetshel and Pole/Doors	\$ 2,250.00
20	Finish Carpentry and Hardware	\$ 5,600.00
21	Painting	\$ 4,250.00
22	Ceramic Tile	\$ 2,700.00
23	Carpet Flooring	\$ 2,200.00
24	Stucco	\$ 8,500.00
25	Mirrors	\$ 500.00
26	Kitchen Appliances	\$ 1,850.00
27	Blinds	\$ 1,650.00
28	Unlavl	\$ 950.00
29	Clean up / Rough	\$ 1,500.00
30	Clean up Move in	\$ 450.00
31	Tub No Enclosure	\$ 950.00
32	Shower with Enclosure	\$ 1,200.00
33	concrete porch	\$ 2,500.00
34	Final Pick up	\$ 650.00
35	Equipment	\$ 500.00
36	Sub-total	\$ 195,825.48
	2-units	\$ 391,650.96

***Does not include any Deepen Footing, offsite, landscape, flatwork or sidewalks, curb and gutter, sewer or water connection, Asphalt work.

This work is listed below and projected based on current preliminary plans

Offsite/Site work/ General Conditions

1	Off-site Work	
2	Street Lights (Conduit & Pull box +SCE costs	3500
3	Sewer, Remove Curb & Gutter	1850
4	Sewer, Remove existing curb approach or sidewalk	Inc. 2
5	Close off 6" curb approach	4300
6	Construct 4" Sidewalk / Curb & Gutter	Inc. 4
7	Watermeter /Service relocation/Abandon old	3600
8	Sewer Connection & Lateral /Backflow	6700
9	Fire Hydrant	
10	Thru Backfill/ Cll Base	Inc. 9
11	A/C Patch/Seewer & Removal	2000
	Subtotal	\$ 21,550.00

12	Site Work	
13	Parkway Trees	650
14	Concrete Steps	N/A
15	Drive/ Curbs/ Gate/ Track Concrete	1000
16	Remove Existing Trees	N/A
17	Remove Existing Fences	950
18	Block Wall/ Retaining Wall	1200
19	Fire Hydrant/ Curb & Gutter	N/A
20	Chain Link fencing (New)	6150
21	Water Lateral Improvements	n/a
22	Strip grass, Remove trees, Recompact Pads	500
23	Concrete/ Water	10500
24	Difference, Sidewalks	650
25	Finish Grading	3200
26	Rough grading per soils report, Export spoils	11200 price increased per the soils report to overext Sft deep and 5 feet out date of change 8/9/18
27	Wrought Iron / Sliding Gate	1100
28	Sewer Lateral	
29	Residential Fencing	N/A
30	Landscape	2268
31	Replant trees	
32	Mailbox post	400
33	Underground gas	TBD
34	Overhead Electric , Phone , CA-TV	TBD
35	Waterproof Ret. Wall	
36	Subtotal	\$ 45,268.00

37	Customer Service /Warranty	\$ 500
38	Warranty Extension	N/A
39	Temp. Fence Security (6 month)	1200
40	Temp. Power (6month)	1200
41	Portable Toilets (6month)	1200
42	Temp. Trailer	N/A
43	Usability Insurance	\$ 4,431.11
44	Field supervision/office/phone/equipment (6month)	\$ 12,050.00
45	Job Phone	Inc. above
46	Job Water	Inc. above
47	Job Electric	Inc. above
	Subtotal	\$ 20,591.11
	Subtotal Housing Costs	\$ 391,650.96
	Subtotal Site & General Condition Costs	\$ 87,809.11
	Subtotal Development Costs	\$ 479,460.07
	Contingency (3%)	\$ 14,383.40
	Overhead & Profit (8%)	\$ 38,356.81
	Total Development Costs	\$ 521,200.68

ATTACHMENT NO. 6

GRANT DEED

RECORDING REQUESTED BY:)
Housing Authority of the City of Riverside)
3900 Main Street)
Riverside, California 92522)
Attention: Authority Secretary)
)
AFTER RECORDATION, MAIL TO)
AND MAIL TAX STATEMENTS TO:)
)
Northtown Housing Development Corporation)
Attn: President)
10071 Feron Boulevard)
Rancho Cucamonga, California 91730)

(Space above for Recorder's Use
Only) This document is exempt
from recording fees pursuant to
Government Code Section 27383

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged, this ____ day of _____, 201_____, the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity ("Grantor") hereby grants to NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Grantee"), certain real property hereinafter referred to as the "Property" situated in the City of Riverside, County of Riverside, State of California, and legally described in Exhibit A attached hereto and incorporated herein by this reference, located at 11502 Anacapa Place, Riverside, California 92505, also known as Assessor Parcel Nos. 141-173-012 and 141-173-036, subject to the existing covenants, conditions, restrictions, reservations, and easements of record described therein.

1. The Site is being conveyed by the Grantor pursuant to that certain Disposition and Development Agreement by and between the Grantor and the Grantee dated _____, 201_____("Agreement"), a copy of which is on file with the Secretary of the Grantor as a public record and which is incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the same meaning as those used in the Agreement.

2. Grantor excepts and reserves from the conveyance herein described all interest of the Grantor in oil, gas, hydrocarbon substances and minerals of every kind and character lying

more than five hundred (500) feet below the surface, together with the right to drill into, though, and to use and occupy all parts of the Site lying more than five hundred (500) feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said Site or other lands, but without, however, any right to use either the surface of the Site or any portion thereof within five hundred (500) feet of the surface for any purpose or purposes whatsoever, or to use the Site in such a manner as to create a disturbance to the use or enjoyment of the Site.

3. During the term of the Agreement and the Regulatory Agreement (as defined below), the Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Grantee shall devote the Site only to residential uses for Qualified Low Income Households as specified in the Agreement and that certain Regulatory Agreement entered into by and between the Grantor and the Grantee dated _____, 201_____ and recorded against the Site (“Regulatory Agreement”). The Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Grantee shall develop, use, and operate the Project upon the Site in accordance with the Agreement and the Regulatory Agreement.

4. Subject to the approval of the construction loan lender or permanent loan lender having senior priority, as applicable, and any investor limited partner of Grantee, the Grantor has the additional right, at its election, to reenter and take possession of the Site (or any part thereof), with all improvements thereon, and terminate and revest in the Grantor the estate (or part thereof) conveyed to the Developer if after any Conveyance and prior to the issuance of the Release of Construction Covenants, the Developer (or its successors in interest) shall:

(a) subject to the extensions of time set forth in Section 9.8 of the Agreement, fail to start the construction of the Project as required for a period of forty-five (45) days after written notice of default thereof from the Grantor; or

(b) subject to the extensions of time set forth in Section 9.8, abandon or substantially suspend construction of the Project as required by this Agreement for a period of thirty (30) days after written notice thereof from the Grantor; or

(c) contrary to the provisions of Section 2.2 of the Agreement, transfer or suffer any involuntary transfer of the Site or any part thereof in violation of this Agreement.

(d) The periods set forth in paragraphs a., b., and c. above shall be extended if, within forty-five (45) days after notice is delivered by the Grantor, the Developer delivers to the Grantor notice that it has elected to submit a plan to cure such default or defaults within one hundred eighty days of the Developer’s notice to the Grantor.

(e) Such right to reenter, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit: (i) any mortgage or deed of trust or other security interest permitted by Grantor; or (ii) any rights or interests provided in this Agreement for the protection of the holders of such mortgages or deeds of trust or other

security interests.

(f) Upon issuance of a Release of Construction Covenants for the Project, the Grantor's right to reenter, terminate and revest shall terminate.

(g) Subject to the rights of a construction loan lender and any investor limited partner of Grantee, upon the vesting in the Grantor of title to the Site or portion thereof as provided in this Section, the Grantor shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Site or portions thereof as soon and in such manner as the Grantor shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties as determined by the Grantor, who will assume the obligation of making or completing the Project, or such improvements in their stead as shall be satisfactory to the Grantor and in accordance with the uses specified for such parcel or part thereof. Such party shall be required to pay for a pro rata share of the cost of construction, maintenance and operation of the common area improvements upon the Site. Upon such resale of the Site or portions thereof, the net proceeds thereof after repayment of any mortgage or deed of trust encumbering the Site which is permitted by this Agreement, shall be applied:

(h) First, to reimburse the Grantor, all reasonable costs and expenses incurred by the Grantor, excluding Grantor staff costs, but specifically including (but not limited to) any expenditures by the Grantor in connection with the recapture, management and resale of the Site or part thereof (but less any income derived by the Grantor from the Site or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Site or part thereof which the Developer has not paid; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Site or part thereof at the time or vesting of title thereto in the Grantor, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Project or any part thereof on the Site; and any amounts otherwise owing the Grantor, and in the event additional proceeds are thereafter available.

(i) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (a) the costs incurred for the acquisition and development of the Site or part thereof and for the Project existing on such Site at the time of the reentry and possession, less (b) any net gains or income withdrawn or made by the Developer from such Site or the improvements thereon.

(j) Any balance remaining after such reimbursements shall be retained by the Grantor as its property.

(k) The rights established in this Section are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These

rights are to be interpreted in light of the fact that the Grantor will have conveyed the Site or portion thereof to the Developer for redevelopment purposes, particularly for development of the Project and not for speculation in land.

5. Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, or any part of it, nor shall the Grantee or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Site, including the Affordable Units, or any portion thereof. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph.

Grantee shall refrain from restricting the sale of the Site, including the Affordable Units, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All such deeds, leases, contracts, or subcontracts shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

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

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing

paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph.

b. In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph.

c. In contracts: “There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision(m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in connection with the performance of this contract nor shall the contracting party himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, contractors, subcontractors or vendees with respect to the premises.”

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph.

6. Except as otherwise provided, the covenants contained in this Grant Deed shall remain in effect in accordance with the terms and conditions of the Regulatory Agreement. The

covenants against discrimination contained in Section 5 of this Grant Deed shall remain in effect in perpetuity.

7. To the fullest extent permitted by law or equity, the covenants and agreements contained in this Grant Deed shall, without regard to technical classification or designation, legal or otherwise, be binding on the Grantees' successors and assigns and run for the benefit and in favor of and shall be enforceable by the Grantor and its successors and assigns for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and such aforementioned parties shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

8. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Agreement; provided, however, except as otherwise set forth in a subordination agreement between a lender to the Project and the Grantor, that any successor of Grantee to the Site shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale, or otherwise.

9. Only Grantor, its successors and assigns, and the Grantee and the successors and assigns of the Grantee in and to all or any part of the fee title to the Site shall have the right to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed, or to subject the Site to additional covenants, easements, or other restrictions. For purposes of this Section 9, successors and assigns of the Grantee means only those parties who hold all or any part of the Site in fee title, and does not include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity holding less than a fee interest in the Site.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, as of the date first written above.

“GRANTOR”

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public entity

By: _____
Executive Director

ATTESTED TO:

By: _____
Authority Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

The undersigned Grantee accepts title subject to the covenants hereinabove set forth.

“GRANTEE”

NORTHTOWN HOUSING DEVELOPMENT
CORPORATION, a California not-for-profit
corporation

By: _____
Carol Norris, President

EXHIBIT A

LEGAL DESCRIPTION

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

PARCEL A

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

The Southwesterly rectangular 50 feet of Lots 10 and 11 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM the Northwesterly 10 feet of the Southwesterly rectangular 50 feet of said Lot 10.

Said legal description is pursuant to Parcel A of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official Records of Riverside County California.

Area – 4,012.6 S.F. more or less

PARCEL B

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

The Northeasterly rectangular 100 feet of Lot 10 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM that portion of said land conveyed to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104346 of Official records of Riverside County, California.

ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

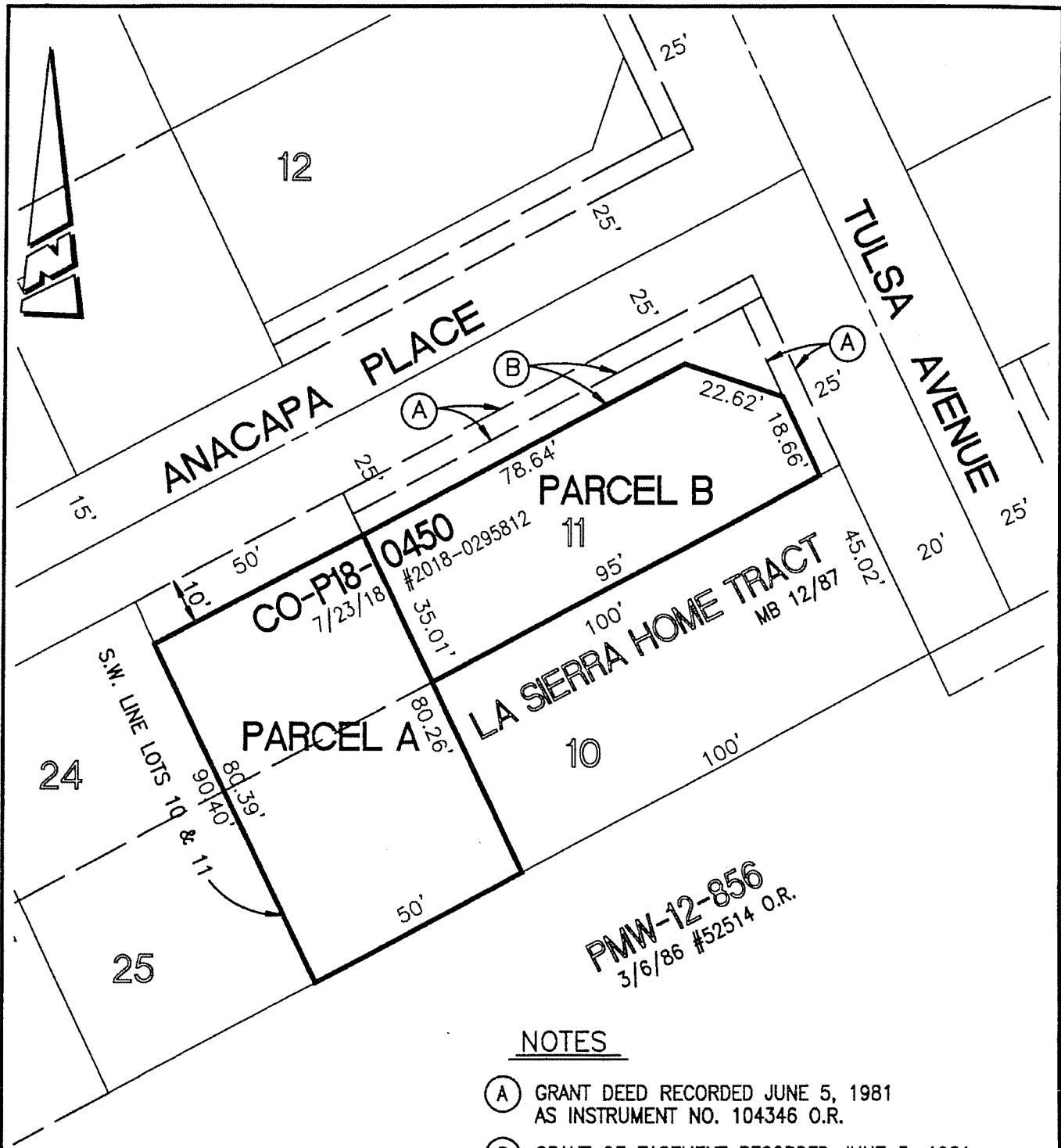
Said legal description is pursuant to Parcel B of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official records of Riverside County California.

Area – 3,189.1 S.F. 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 11/16/18 Prep. 3
Curtis C. Stephens, L.S. 7519 Date





• 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 1

SCALE: 1"=30'

DRAWN BY: CURT

DATE: 6/13/18

SUBJECT: CO-P18-0450 - ANACAPA LOTS

ATTACHMENT NO. 7

AUTHORITY REGULATORY AGREEMENT

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Housing Authority of the City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director)
)
Project: 11502 Anacapa Place)

(Space above for Recorder's Use Only)

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

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("Regulatory Agreement") is entered into the _____
day of _____, 201_____, by and between the HOUSING AUTHORITY OF THE CITY
OF RIVERSIDE, a public entity ("Authority") and NORTHTOWN HOUSING DEVELOPMENT
CORPORATION, a California nonprofit public benefit corporation ("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 Authority is a public entity established by action of the City Council of
the City of Riverside pursuant to Resolution No. 21275 for the purpose of providing affordable
housing opportunities through a variety of programs within the City of Riverside and exercising
governmental functions and powers pursuant to the California Housing Authorities Law (Health
& Safety Code § 34200, *et seq.*, "Housing Authority Law").

B. The Authority has established certain sources of funding for the purpose of
increasing, improving and preserving the community's supply of housing available to low and
moderate income households at an affordable housing cost.

C. In furtherance of the Authority's affordable housing goals and activities,
Authority and Developer have entered into that certain Disposition and Development Agreement
dated _____, 2018 ("Disposition Agreement"), which is incorporated herein by this reference
and a copy of which is on file as public record of the Authority at its offices located at 3900 Main
Street, Riverside, CA 92522. Pursuant to the Disposition Agreement, the Authority has agreed to
transfer to the Developer, for a land value write-down, certain real property located at 11502
Anacapa Place within the City of Riverside and further identified as Assessor Parcel Nos. (APN)
141-173-012 and 141-173-036 ("Authority Property" or "Site") for the development of two (2)

Affordable Units and any improvements appurtenant thereto (“Project”).

D. As a condition to the transfer of the Authority Property, the Developer has agreed to sell, the Project in accordance with certain covenants, conditions and restrictions as set forth in this Regulatory Agreement. This Regulatory Agreement is intended to ensure that Developer, its successors, its assigns and every successor in interest to the Site or any part thereof, shall sell, maintain and occupy the Project in accordance with the terms and conditions of this Regulatory Agreement, including that the Units shall be available only to Qualified Low Income Households at Affordable Rent as specified herein for not less than fifty-five (55) years.

E. The transfer of the Authority Property to Developer and the completion and operation of the Project pursuant to the terms and conditions of the Disposition Agreement and this Regulatory Agreement are in the vital and best interest of the City and the health, safety and welfare of its residents, and are in accord with the public purposes and provisions of applicable state and local laws, including (without limitation) the Authority’s replacement and inclusionary housing obligations pursuant to Section 33413 of the Community Redevelopment Law.

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 Disposition Agreement and attachments thereto:

“Affordable Rent” means the amount of monthly rent, including a reasonable utility allowance, that does not exceed the lesser of the maximum allowable rent to be charged by Developer and paid by Qualified Low Income Households, as the case may be, occupying the Affordable Units, as determined pursuant to (i) applicable regulations pursuant to any other source of financing secured for, and continuing to be secured by, the Project, or (iii) if applicable, any effective Section 8 Program regulations as to any Affordable Unit designated as a project-based Section 8 unit or otherwise occupied by a holder of a Rental Voucher or Rental Certificate evidencing participation in the Section 8 Program. For purposes of calculating Affordable Rent a “reasonable utility allowance” shall be the allowance reasonably permitted by the Authority.

“Affordable Units” means the two (2) single family residences, at 11502 Anacapa Place, required to be maintained and available to, occupied by, or held vacant for occupancy to Qualified Low Income Households.

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

“Authority” means the Housing Authority of the City of Riverside, a public entity, exercising governmental functions and powers and organized and existing the Housing Authority Law and an express beneficiary to this Regulatory Agreement pursuant to Section 10 hereof.

“City” means the City of Riverside, a California municipal corporation.

“Developer” is defined in Section 1.1 of the Agreement.

“Displaced Persons” means any individual, partnership, limited partnership or association who is temporarily or permanently displaced from the Site due to the implementation of the Project and the Disposition Agreement and who qualify as a “displaced person” pursuant to the definition provided in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601(6) and in Government Code Section 7260(c) of the California Relocation Assistance Act of 1970, as amended from time to time.

“Disposition Agreement” means that certain Disposition and Development Agreement dated for identification purposes only as of _____, 201_____, entered into by and between the Authority and Developer. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Disposition Agreement.

“Effective Date” means the Effective Date of the Disposition Agreement.

“Environmental Laws” means any and all 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.

“Executive Director” means the Executive Director of the Authority or his/her designated representative.

“Governmental Regulations” means any 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, rehabilitation, 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,” “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, (iii) any polychlorinated biphenyls (PCBs), (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 chemical, compound, material, mixture or substance used in the normal course of operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with Environmental Laws.

“Hazardous Substance Contamination” means contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Site by Hazardous Substance, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Substance at any time (whether before or after the Effective Date) emanating from the Site.

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

“Marketing Plan” is defined in Section 5.A. of this Regulatory Agreement.

“Operating Reserve” is defined in Section 3.E. of this Regulatory Agreement.

“Parties” means Authority and Developer.

“Project” means the acquisition of the Site, the construction two single family residences, and any improvements appurtenant thereto by the Developer upon the Site in accordance with the Project Entitlements.

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

“Relocation Laws” means the California Relocation Assistance Act, California Government Code Section 7260 *et seq.* and the implementing regulations thereto in 25 California Code of Regulations Section 6000 *et seq.*, any other applicable local, state, or federal regulations relating to the provision and administration of relocation assistance and benefits to eligible persons and households who are or may be temporarily or permanently displaced from the Site due to the implementation of the Project and this Regulatory Agreement.

“Request for Notice of Default” means a request for notice of default to be recorded against the Site substantially in the form shown in Attachment No. 10 to the Disposition Agreement.

“Schedule of Performance” means that certain Schedule of Performance of required actions attached to the Disposition Agreement as Attachment No. 4.

“Site” means that certain real property referenced in Recital D above as delineated on the Site Plan (Attachment No. 1 to the Disposition Agreement) and more particularly described in the Site Legal Description (Attachment No. 2 to the Disposition Agreement).

“Units” means the individual Units 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.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that Developer, and such successors and assigns, shall (i) construct, use, maintain and operate the Site as a housing development containing two (2) single family residences, on 11502 Anacapa Place, for affordable for-rent units; (ii) make available, restrict occupancy to, and rent at an Affordable Rent to Qualified Low Income Households, pursuant to NSP and HOME Program regulations.

During the Affordability Period, all uses undertaken by Developer on the Site 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 Site shall at any time be utilized on a transient basis, nor shall the Site 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. Developer shall not convert the Site to condominium ownership during the Affordability Period without the prior written approval of Authority, which approval Authority may grant, withhold or deny in its sole and absolute discretion.

B. Affordable Housing.

Except as provided herein below, commencing upon and throughout the Affordability Period, Developer covenants and agrees that all of the Units in the Project shall be operated and maintained for affordable housing purposes available for occupancy exclusively to Qualified Low Income Households at an Affordable Rent in accordance with the provisions of this Regulatory Agreement. It is the intent of the Authority that the Affordable Units qualify as replacement housing and inclusionary housing pursuant to Section 33413 of the Community Redevelopment Law in furtherance of the Authority’s affordable housing goals and objectives and the requirements resulting from anticipated projects including demolition and new construction in the City’s redevelopment project areas and within the territorial jurisdiction of the Authority.

Developer agrees to make available, restrict occupancy to, and rent at an Affordable Rent to Qualified Low Income Households.

C. Income Requirements. Prior to leasing an Affordable Unit and annually thereafter, Developer shall certify the eligibility of each tenant applicant as Qualified Low Income Household. The Developer shall, upon request by Authority, complete such certification on forms provided by the Authority. Developer shall submit such income certification and such additional information as may be required in the future by Authority. Such supporting documentation shall

include true copies of income tax returns from the owners 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 Authority if none of the above forms of verification is available to Developer.

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

E. Rent Schedule and Utility Allowance. The Authority will establish maximum monthly allowances for utilities and services to be used by the Developer in calculating Affordable Rent. The Developer shall submit to the Executive Director or her/his designee for review and approval the Affordable Rent proposed by Developer for all of the Units. The maximum monthly rent must be recalculated by Developer and reviewed and approved by the Authority annually.

F. Increases in Tenant Income. Dwelling 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 Authority are being taken to ensure that all vacancies are filled in accordance with this Section until the noncompliance is corrected. A Qualified Low Income Household that qualifies as a Qualified Low Income Household prior to occupancy of a Unit shall be deemed to continue to be so qualified until such time as recertification of such Qualified Low Income Household's income demonstrates that such Qualified Low Income Household no longer qualifies as a Qualified Low Income Household.

A Qualified Low Income Household occupying a Unit whose income increases to an amount that exceeds the maximum qualifying income may continue to occupy his or her Unit and be charged rent, including a reasonable utility allowance, equal to the lesser of (i) Affordable Rent for a Qualified Low Income Household; (ii) the maximum allowable rent determined pursuant to the HOME Loan Agreement; or (iii) applicable Section 8 rents if the Qualified Low Income Household receives Section 8 Program assistance.

G. 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. Developer must provide Qualified Low Income Households occupying the Units not less than thirty (30) days' prior written notice before implementing any rent increase.

H. Tenant Protections.

(1) Rental Agreement/Lease. The Developer shall execute or cause to be executed a written rental agreement/lease with each Qualified Low Income Household occupying a Unit identifying by name all permitted occupants. The rental agreement/lease must be in a form reasonably approved by the Authority and must be for not less than six (6) months, unless otherwise mutually agreed by the tenant and the Developer.

(2) Prohibited Rental Agreement/Lease Terms. The rental agreement/lease shall not contain any of the following provisions:

- a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilty, or to a judgment in favor of the Developer in a lawsuit brought in connection with the lease;
- b. Treatment of property. Agreement by tenant that the Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Unit after the tenant has moved out of the Unit. The Developer may dispose of this personal property in accordance with state law;
- c. Excusing Developer from responsibility. Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;
- d. Waiver of notice. Agreement of the tenant that the Developer may institute a lawsuit without notice to the tenant;
- e. Waiver of legal proceedings. Agreement by the tenant that the Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

I. 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 by the Developer's service upon the tenant of a written notice specifying the grounds for the action.

J. Tenant Selection. Developer shall submit for the approval of the City a management and marketing plan for rental of all of the Affordable Units. Developer's marketing of the Affordable Units shall be in compliance with federal and state fair housing laws. The marketing plan, at a minimum, requires publicizing the availability of the Affordable Units within the City, such as notices in any City-sponsored newsletter, advertising in local newspapers, and notice in City offices. In the event the City implements a master waiting list for affordable housing in the City ("Master List"), then Developer shall provide notices to persons on the Master List of the availability of the Affordable Units, prior to undertaking other forms of marketing. Developer shall give the persons on the Master List not fewer than fifteen (15) days after receipt of such notice to respond by submitting application forms for rental of the Affordable Units. Selection of residents shall be made based upon the Master List, rather than on a first-come, first-serve basis. Provided, however, (i) all tenants of each Affordable Unit shall meet the income requirements set forth herein and tenancy and eligibility shall be in conformance with the terms and standards set forth in the management marketing plan and no preference may be used for the purpose or effect of delaying or otherwise denying admission to the Property or unit based on the race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, or source of income of an applicant household; and (ii) nothing herein shall restrict Developer from screening tenants through the application of criteria which is lawful and customary in apartment management in Riverside County and otherwise consistent with federal, state and local regulations and restrictions related to the financing for the Project.

K. Selection of Tenants. Developer must adopt written tenant selection policies and criteria approved Authority that are consistent with the purpose of providing housing for Qualified Low Income Households, and that provide for the selection of tenants from written waiting list in chronological order of their application insofar as it practicable and the prompt written notification to any rejected applicant of the grounds for any rejection. Subject to all fair housing laws and absent a Master List described above, selection of tenants shall be made randomly within the following levels of priority, rather than a first-come, first serve basis:

(1) First Priority. Households which are displaced from their primary residence as a result of an action of City or Authority, a condominium conversion involving the household's residence, expiration of affordable housing covenants applicable to such residence, or closure of a mobile home or trailer park community in which the household's residence was located, and the household resided in such housing as the household's primary place of residence for at least two years prior to such action or event.

(2) Second Priority. Households which meet one of the following criteria: (i) households which are displaced from their primary residence as a result of an action of City or Authority, a condominium conversion involving the household's residence, expiration of affordable housing covenants applicable to such residence, or closure of a mobile home or trailer

park community in which the household's residence was located, and the household resided in such housing as the household's primary place of residence for at least one year but less than two years prior to such action or event; (ii) households with at least one member who resides within the City, as that person's primary place of residence; (iii) households with at least one member who works or has been hired to work within the City, as that person's principal place of full-time employment; or (iv) households with at least one member who is expected to live within the City as a result of a bona fide offer of employment within the City.

(3) Third Priority. Other Low Income Households who do not meet the criteria for first priority or second priority above.

L. Compliance with Use and Occupancy Laws. 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 Site.

M. Nondiscrimination. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, military or veterans status, or source of income in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor shall the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the location, subtenants, or vendees of any Unit or in connection with the employment of persons for the operation and management of the Site. All deeds, rental agreements, leases or contracts made or entered into by the Developer as to the Units or the Site or portion thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, military or veterans status, or source of income in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

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

"There shall be no discrimination against or segregation of any person or group of persons on account of race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, military or veterans status, or source of income in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her,

establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants or vendees in the premises herein leased.”

3. In contracts: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, military or veterans status, or source of income, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the premises.”

The covenants established in this Regulatory Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority, its successors and assigns, Authority and any successor in interest to the Site, or any part thereof. The nondiscrimination covenants shall remain in effect in perpetuity.

N. No Nuisance. Developer shall not maintain, cause to be maintained, or allow to be maintained on or about the Site any public or private nuisance, including, without limitation, the conduct of criminal activities set forth in the nuisance abatement provisions of the Uniform Controlled Substances Act (Health & Safety Code Section 11570, *et seq.*) as currently exists or as may be amended from time to time, or the Street Terrorism Enforcement and Prevention Act (Penal Code Section 186.22, *et seq.*), as currently exists or as may be amended from time to time.

O. No Hazardous Substance Activity. Developer shall comply with all Governmental Regulations in connection with Hazardous and shall comply with all Governmental Regulations in connection with the construction and operation of the Project.

In addition, Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Substances which are located in, on or under the Site. Such precautions shall include compliance with all Governmental Regulations with respect to Hazardous Substance. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Substances. Notwithstanding the foregoing, this Regulatory Agreement shall not prohibit the use of such products in quantities as are customarily used in the construction, maintenance, rehabilitation or management of residential developments or associated buildings and grounds, or used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project including without limitation alcohol, aspirin, tobacco and saccharine.

3. OPERATION AND MANAGEMENT OF THE PROJECT

A. Compliance with Agreement. The Developer shall comply with all the terms and provisions of the Disposition Agreement and all applicable Governmental Regulations.

B. Taxes and Assessments. The Developer shall pay all real and personal property

taxes, assessments and charges and all franchise, income, employment, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Site; provided, however, that the Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

C. Operation and Management. Developer shall manage, operate and maintain the Project in first class condition and in accordance with professional property management standards for similar properties in the Southern California area and shall maintain or cause to be maintained the interiors and exteriors of the Units in a decent, safe and sanitary manner. The Units shall be maintained in accordance with the requirements of the City's Municipal Code and all applicable Governmental Regulations.

The parties acknowledge that Authority is interested in the long term management and operation of the Project and in the qualifications of any person or entity retained by the Developer for that purpose ("Property Manager"), including Developer as Property Manager. The Developer shall submit for the reasonable approval of the Authority, a detailed "Management Plan" which sets forth in detail the duties of the Property Manager, the tenant selection process, a security system and crime prevention program, the procedures for the collection of rent, the procedures for monitoring of occupancy levels, the procedures for eviction of tenants, the rules and regulations of the Project and manner of enforcement, a standard lease form, and other matters relevant to the management of the Project. The Developer may from time to time submit amendments and modifications to the Management Plan for the reasonable approval of the Authority. The management of the Project shall be in compliance with the approved Management Plan.

Developer may contract for property management services with an experienced and qualified property management entity (based upon the criteria set forth herein below) approved by Authority which approval shall not be unreasonably withheld. In the Event of Default by the Property Manager of the requirements set forth in this Regulatory Agreement, the Authority shall provide notice to Developer of such default and Developer shall use its best efforts to correct such default. Upon failure by the Property Manager and/or Developer to cure such default within sixty (60) days of written notice by the Authority, the Authority shall have the right to require Developer to immediately remove and replace the Property Manager with another property manager or property management company who is reasonably acceptable to Authority and who has not less than five (5) years' experience in property management, including experience managing multifamily residential developments of the size, quality and scope of the Project.

The fee paid to any Property Manager shall not exceed the reasonable and customary fees paid to such property managers for similar rental properties in Riverside County. Other fees and payments shall be consistent with prevailing market rates for the services performed and goods provided in consideration for such fees and payments. The Developer shall ensure that the expenses of operating the Project do not materially exceed the budget which has been approved by the Authority. The Developer shall annually provide to the Authority a detailed accounting of

operating expenses and shall make available its books and records to the Authority for inspection and copying, upon reasonable advance notice during its normal hours of business.

D. Crime Free Multi Housing Program. Throughout the Affordability Period, the Developer covenants and agrees to participate in and fully complete the City's Crime Free Multi Housing Program for the Site within twelve (12) months following the close of Escrow for the acquisition of the Site by Developer. Developer shall continue its compliance with the City's Crime Free Multi Housing Program throughout the Affordability Period, unless authorized by Authority to cease participation. Evidence of compliance with this requirement shall be forwarded annually to the Authority within said twelve (12) month period.

E. Reserve Requirements. Developer shall, or shall cause the Property Manager, if any, to, set aside not less than Two Hundred Dollars (\$250.00) per Unit in the Project per year or such greater amount established and required by the HOME Program or other permanent lender or any equity investor in the Project, subject to annual adjustment, if any, into a separate interest-bearing trust account (the "Capital Replacement Reserve"). The amount required to be placed into the Capital Replacement Reserve shall increase at the rate determined by the permanent lender or any equity investor in the Project. 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. 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. Not less than once per year, Developer, at its expense, shall submit to the City and the Authority an accounting for the Capital Replacement Reserve.

F. Operating Reserve. Developer shall not be required to set aside any Operating Reserves for this Project.

G. Record Keeping. Developer shall annually provide to Authority its Annual Financial Statement for the preceding year and shall make available its books and records to Authority for inspection and copying, upon reasonable advance notice during its normal hours of business. As a part of the monitoring and compliance with this Regulatory Agreement, Developer shall annually cause each Qualified Low Income Household occupying a Unit in the Project to complete an income certification in accordance with Section 2.C. of this Regulatory Agreement. In the event the Developer fails to submit to Authority all of the documentation required by this Regulatory Agreement, Developer shall be in default of this Regulatory Agreement. Upon failure by the Developer to cure such default within thirty (30) days of written notice by the Authority, the Authority may seek all available remedies as set forth in this Regulatory Agreement.

H. Right of Entry For Inspection. Representatives of Authority shall be entitled to enter the Site, upon at least forty-eight (48) hours' notice during normal business hours, to monitor compliance with this Regulatory Agreement, to inspect the records of the Project with respect to the Units, and to conduct an independent audit of such records. The Developer agrees to cooperate with Authority in making the Site available for such inspection. If for any reason Authority is unable to obtain the Developer's consent to such an inspection, the Developer understands and agrees that Authority may obtain at Developer's expense an administrative inspection warrant or other appropriate legal order to obtain access to such records. Developer

agrees to maintain records in a business-like manner on the Site or in a location approved in writing by the Director and to make such records available to Authority upon twenty-four (24) hours' notice. Unless Authority otherwise approves, such records shall be maintained throughout the Affordability Period.

4. OBLIGATION TO CONSTRUCT, MAINTAIN, REPAIR AND REBUILD

A. Construction Covenant. Developer covenants and agrees to complete the construction in accordance with the Disposition Agreement, including without limitation the Project Development and all approved plans, drawings, documents and permits issued by the City and/or other governmental agency exercising jurisdiction over the Project.

(1) Labor Standards. The Developer shall comply with all applicable federal and state labor standards.

(2) Compliance with Governmental Regulations. Developer shall carry out the design, construction and operation of the Project in conformity with applicable Governmental Regulations, including without limitation, all applicable labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code Section 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code Section 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* as currently exists or as may be amended from time to time.

B. Schedule of Performance. Developer covenants and agrees to commence the Project and to diligently prosecute to completion the Project in accordance with the Schedule of Performance (Attachment No. 4 to the Disposition Agreement). Before commencement of development of the Project, Developer shall secure or cause to be secured any and all permits and permit ready letters which may be required by the City or other governmental agency affected by such work. Upon satisfactory completion of the construction of the Project as determined by the Authority and upon written request therefor by the Developer, the Authority shall record the Release of Construction Covenants releasing the Developer from the covenant to construct set forth above.

C. Maintenance and Replacement. Except for the normal wear and tear, the Developer shall, at its sole cost and expense, maintain and repair the Site keeping the same in first class condition and in a safe, decent and sanitary condition, including the Units, walkways, driveways and landscaping, and from time to time make all necessary and proper repairs, renewals and replacements as they may be required by this Regulatory Agreement and by all applicable Municipal Code and Uniform Code provisions. Developer shall manage and maintain the Project in accordance with all applicable housing quality standards and local code requirements, concerning marketing, operation, maintenance, repair, security, rental policy and method of selection of tenants.

D. Interior Maintenance. Developer shall maintain the interior of buildings, including carpet, drapes and paint, in clean and habitable condition.

E. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. All graffiti and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed within seventy-two (72) hours of their creation or within seventy-two (72) hours after notice to Developer.

F. Landscaping. All landscaped parcels and all front and side-yard setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by the City and shall be maintained in sound horticultural condition in accordance with the standards established by the City from time to time. No structure, improvement or other non-plant material shall be constructed or otherwise placed on the landscaped areas of the Project without prior written approval by the Director.

The following minimum standards shall apply to all landscaped areas of the Project: (1) lawn grasses shall not exceed six (6) inches in height; (2) hedges shall be trimmed; (3) no trees, shrubbery, lawns, and other plant life shall be dying from lack of water or other necessary maintenance; (4) no trees or shrubbery shall grow uncontrolled without proper pruning; (5) no vegetation shall be overgrown so as to be likely to harbor rats or vermin; (6) no dead, decayed or diseased trees, weeds and other vegetation shall be allowed. In addition to the forgoing, no yard areas shall be left unmaintained, including: (1) no broken or discarded furniture, appliances and other household equipment stored in yard areas for periods exceeding one (1) week; (2) no packing boxes, lumber, trash, dirt and other debris stored in yards for periods exceeding one (1) week in areas visible from public property or neighboring properties; (3) no unscreened trash cans, bins or containers stored for unreasonable periods in areas visible from public property or neighboring properties; and (4) no vehicles parked or stored in other than approved parking areas.

G. Right To Enter To Cure. If at any time the Developer fails to maintain the Site in accordance with this Section 4 and such condition is not corrected within twenty-four (24) hours after written notice from the Authority with respect to graffiti, debris, waste material, and general maintenance, or thirty (30) days after written notice from the Authority 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 Authority, in addition to whatever remedies it may have at law or at equity, shall have the right to enter upon the Site and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Site, and to attach a lien upon the Site, or to assess the Site, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Authority and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by the Developer upon demand.

H. Damage and Destruction; Developer's Duty to Rebuild. If all or any portion of the Site and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of the Developer, subject to the availability of funds, to rebuild, repair or construct said portion of the Site and/or the improvements in a timely manner which will restore it to Riverside Municipal or Building Code compliance condition as approved by the City and the Authority.

In furtherance of the requirements of this Section 4.H., Developer shall keep the improvements on the Site insured by carriers at all times satisfactory to the Authority against loss by fire, rent loss and such other hazards (other than earthquake), casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy in an amount of the full replacement cost of the improvements as required by the Disposition Agreement. In the event of loss, Developer shall give prompt notice to the insurance carrier and the Authority.

If the Site is abandoned by the Developer, or if Developer fails to respond to the Authority within thirty (30) days from the date notice is mailed by Authority to Developer that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds to restoration or repair of the Site.

I. Time Limitation. Upon damage to the Site or the improvements thereon, the Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within one year after the damage occurs and complete reconstruction within a term deemed acceptable by the parties after damage occurs, or if appropriate, to demolition and vacation of the Site within one year, unless prevented by causes beyond its reasonable control.

5. MISCELLANEOUS PROJECT REQUIREMENTS

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

6. COVENANTS

A. Affordability Period. The provisions of this Regulatory Agreement shall apply to the Site throughout the Affordability Period. This Regulatory Agreement shall bind any successor, heir 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 Authority, except as expressly released by the Authority. Authority transfers the Authority Property on the condition and in consideration of this provision, and would not do so otherwise.

B. Covenants to Run with the Land. Authority and 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 in title to the Site. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site 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 Authority expressly releases such conveyed portion of the Site from the requirements of this Regulatory Agreement.

7. ENFORCEMENT AND REMEDIES

A. Remedies. Subject to the notice and cure rights of the Developer set forth in Section 8 of the Disposition Agreement, in the event of default or breach of any of the terms or conditions of this Regulatory Agreement by Developer, its successors or assigns, Authority 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 of Riverside 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 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 Site for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of the City, 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. Owner specifically waives any rights provided to it pursuant to California Code of Civil Procedure Section 394 or state statutes or judicial decisions of like effect.

D. Nuisance. The result of every act or omission whereby any of the covenants contained in this Regulatory Agreement are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the Authority's rights under law.

E. Right of Entry. The Authority has the right of entry at reasonable hours after reasonable attempts to contact 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 Authority shall have the right of entry at reasonable hours to enforce compliance with this Regulatory Agreement which the Developer has failed to perform.

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

G. 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.

H. 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.

8. HOLD HARMLESS

Except to the extent of Authority's active negligence, Developer agrees to defend and to hold Authority and its 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 Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf and which relate to the Project. Developer agrees to and shall defend Authority and its respective officers, agents, employees, representatives, elected and appointed boards and officials from any action for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

9. ASSIGNMENT OF AGREEMENT

This Regulatory Agreement shall be binding upon Developer, its successors and assigns and all persons claiming under or through Developer. Wherever this Regulatory Agreement employs the term "Developer," it shall be deemed to include Developer, its successors and assigns and all persons claiming under or through Developer. Assignment of this Regulatory Agreement shall be limited to authorized assignees of the Disposition Agreement in compliance with Section 2 thereof.

10. THIRD PARTY BENEFICIARIES

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

11. RECORDATION

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

12. NOTICE

Written notice, demands and communications between City, Authority 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: Northtown Housing Development Corporation
10071 Feron Boulevard
Rancho Cucamonga, California 91730
ATTN: President

To Authority: Housing Authority of the City of Riverside
Attn: Executive Director
3900 Main Street
Riverside, California 92522

Copies to: City of Riverside
Attn: City Attorney
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 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.

13. 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.

14. SUBORDINATION

This Regulatory Agreement and the covenants contained herein shall be subordinate to the senior construction loan, and when converted into its permanent phase, permanent loan, the City HOME loan, and the regulatory agreement recorded in connection with any award of low-income housing tax credits.

15. 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.

16. 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.

17. ATTORNEYS' FEES

In any action to interpret or enforce any provision of this Regulatory Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees.

18. MODIFICATION OF AGREEMENT

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

19. SOLE AND ONLY AGREEMENT

This Regulatory Agreement, the Disposition 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 Site. In the event of a conflict between this Regulatory Agreement and Disposition Agreement, the provisions of this Regulatory Agreement shall control.

Authority and 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. Authority and 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.]

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

“DEVELOPER”
NORTHTOWN HOUSING DEVELOPMENT
CORPORATION, a California not-for-profit
corporation

Dated: _____

By: _____
Carol Norris, President

“AUTHORITY”

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public entity

Dated: _____

By: _____
Executive Director

ATTESTED TO:

By: _____
Authority Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

PARCEL A

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

The Southwesterly rectangular 50 feet of Lots 10 and 11 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM the Northwesterly 10 feet of the Southwesterly rectangular 50 feet of said Lot 10.

Said legal description is pursuant to Parcel A of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official Records of Riverside County California.

Area – 4,012.6 S.F. more or less

PARCEL B

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

The Northeasterly rectangular 100 feet of Lot 10 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM that portion of said land conveyed to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104346 of Official records of Riverside County, California.

ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

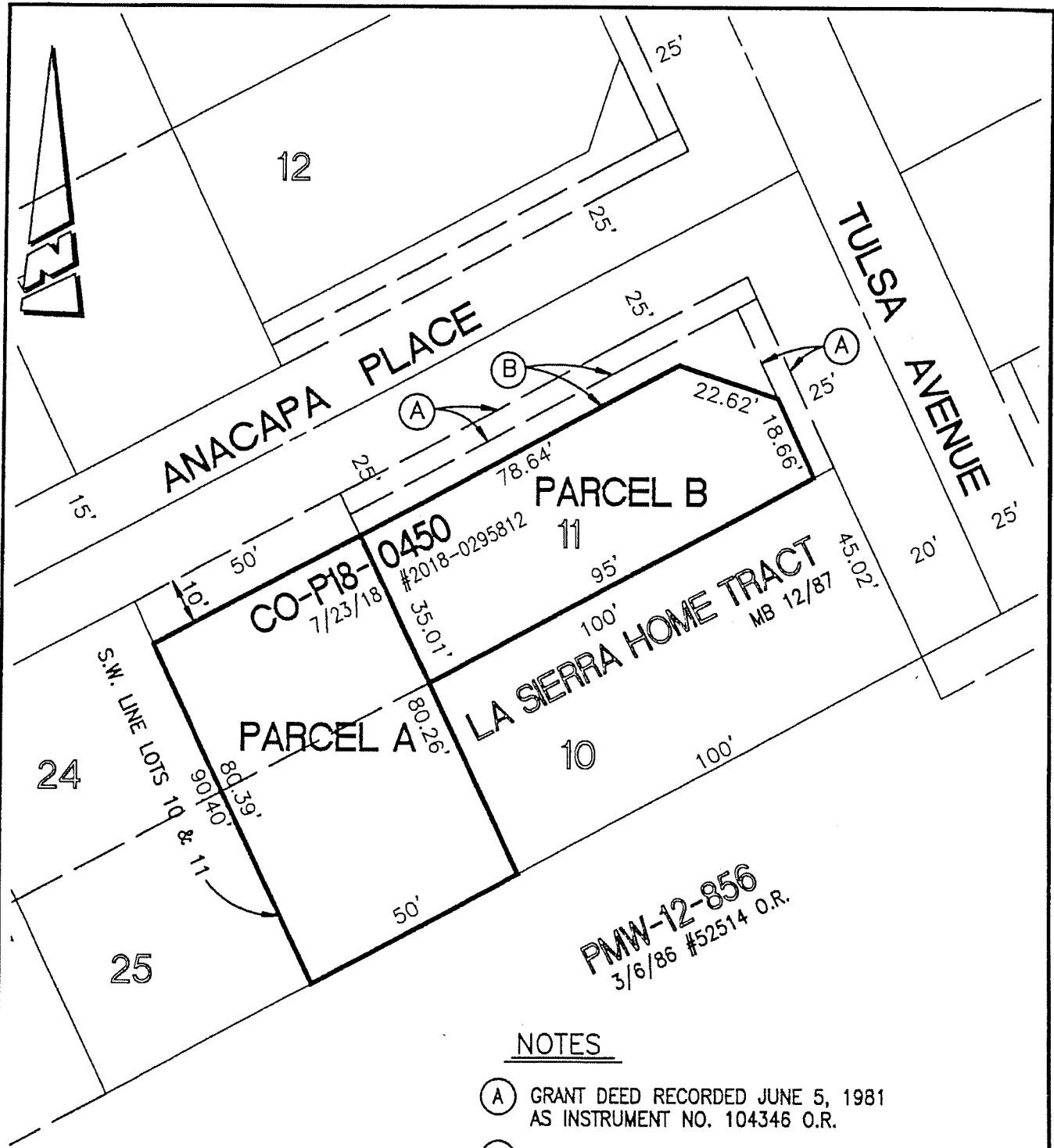
Said legal description is pursuant to Parcel B of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official records of Riverside County California.

Area – 3,189.1 S.F. more or less

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

 11/16/18 Prep. 
Curtis C. Stephens, L.S. 7519 Date





NOTES

- (A) GRANT DEED RECORDED JUNE 5, 1981
AS INSTRUMENT NO. 104346 O.R.
- (B) GRANT OF EASEMENT RECORDED JUNE 5, 1981
AS INSTRUMENT NO. 104347 O.R.

• 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 1

SCALE: 1"=30'

DRAWN BY: CURT

DATE: 6/13/18

SUBJECT: CO-P18-0450 - ANACAPA LOTS

ATTACHMENT NO. 8

NOTICE OF AFFORDABILITY RESTRICTIONS

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Housing Authority of the City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director)
)
Project: 11502 Anacapa Place)

(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 at 11502 Anacapa Place, in the City of Riverside, County of Riverside, State of California, and known as Assessor's Parcel Numbers 141-173-012 and 141-173-036 and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, is subject to certain affordability covenants and restrictions identified in the Regulatory Agreement by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity ("Authority") and NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Owner"), recorded concurrently herewith 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 the Release of Construction Covenants

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.]

“OWNER”

NORTHTOWN HOUSING DEVELOPMENT
CORPORATION, a California not-for-profit
corporation

Dated: _____

By: _____
Carol Norris, President

“AUTHORITY”

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public entity

Dated: _____

By: _____
Executive Director

ATTESTED TO:

By: _____
Authority Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

PARCEL A

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

The Southwesterly rectangular 50 feet of Lots 10 and 11 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM the Northwesterly 10 feet of the Southwesterly rectangular 50 feet of said Lot 10.

Said legal description is pursuant to Parcel A of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official Records of Riverside County California.

Area – 4,012.6 S.F. more or less

PARCEL B

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

The Northeasterly rectangular 100 feet of Lot 10 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

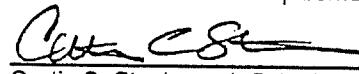
EXCEPTING THEREFROM that portion of said land conveyed to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104346 of Official records of Riverside County, California.

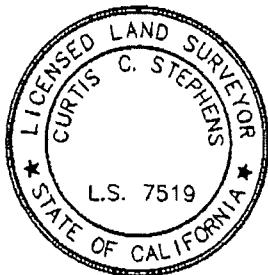
ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

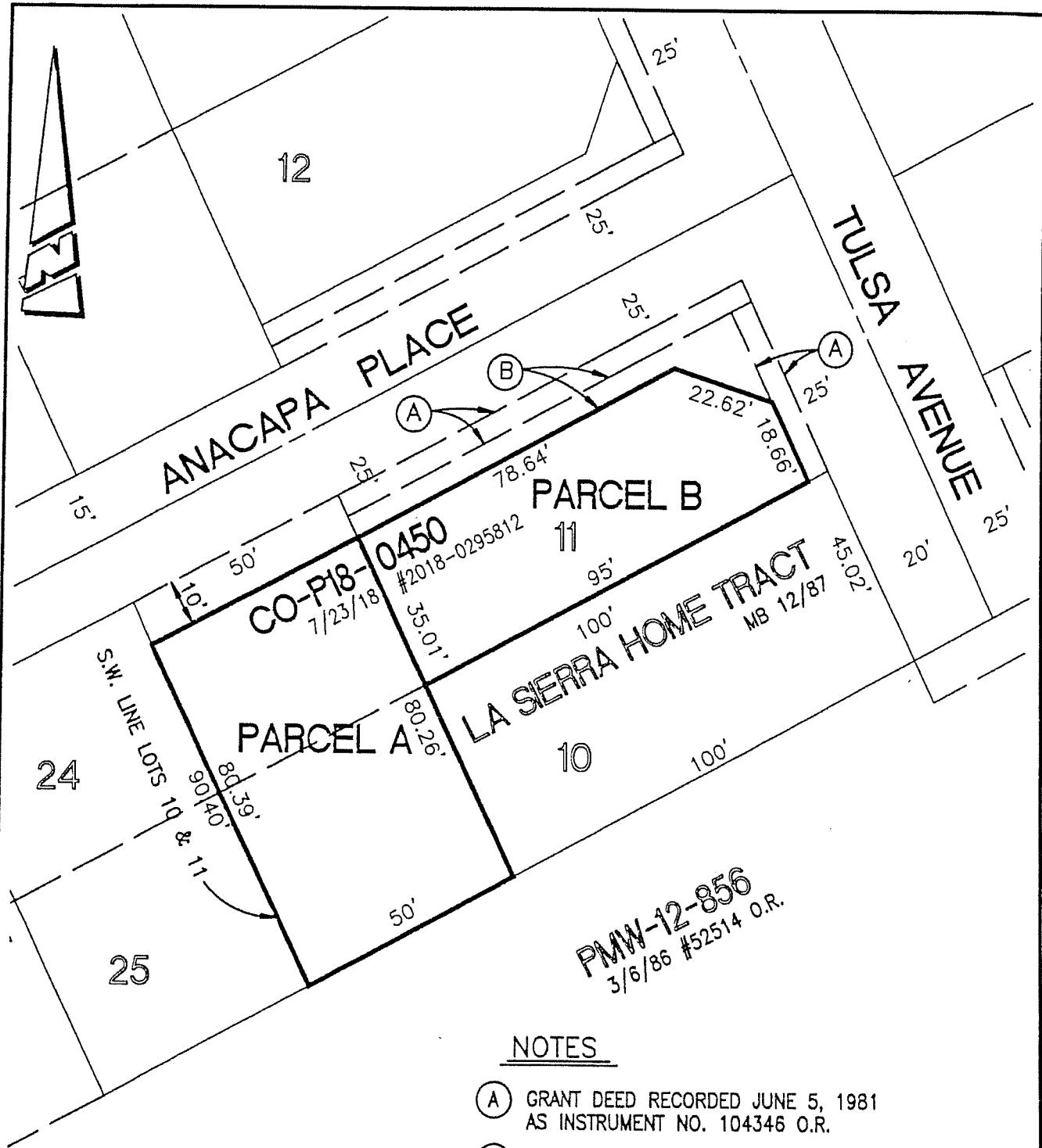
Said legal description is pursuant to Parcel B of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official records of Riverside County California.

Area – 3,189.1 S.F. more or less

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

 11/16/18 Prep. 
Curtis C. Stephens, L.S. 7519 Date





• 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 1

SCALE: 1"=30'	DRAWN BY: CURT	DATE: 6/13/18	SUBJECT: CO-P18-0450 - ANACAPA LOTS
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ATTACHMENT NO. 9

RELEASE OF CONSTRUCTION COVENANTS

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Housing Authority of the City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director)
)
Project: 11502 Anacapa Place)

(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 _____, 201____, by the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity ("Authority") in favor of NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Developer").

R E C I T A L S

A. The Authority and the Developer entered into that certain Disposition and Development Agreement dated for identification purposes only as of _____, 2018 ("Agreement").

B. Pursuant to the Agreement, the Authority and the Developer entered into that certain Regulatory Agreement dated _____, 201____. The Agreement provides for the completion of certain construction on and improvements to ("Project") certain real property ("Site") situated in the City of Riverside, California, and more particularly described on Exhibit "A" attached hereto and made a part 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 in the Agreement and the Regulatory Agreement, the Authority shall furnish the Developer with a Release of Construction Covenants upon completion of the Project which Certificate shall be in such form as to permit it to be recorded in the Riverside County Recorder's Office.

D. The Authority has conclusively determined that the construction of the Project required by the Agreement, and the Regulatory Agreement on the Site has been satisfactorily completed.

NOW, THEREFORE, Authority hereto certifies as follows:

1. As provided in the Regulatory Agreement, the Authority 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 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 under the Disposition Agreement, or the Regulatory Agreement to construct the Project, 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 Authority has executed this Release as of the date set forth above.

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public entity

By: _____
Executive Director

ATTESTED TO:

By: _____
Authority Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

PARCEL A

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

The Southwesterly rectangular 50 feet of Lots 10 and 11 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM the Northwesterly 10 feet of the Southwesterly rectangular 50 feet of said Lot 10.

Said legal description is pursuant to Parcel A of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official Records of Riverside County California.

Area – 4,012.6 S.F. more or less

PARCEL B

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

The Northeasterly rectangular 100 feet of Lot 10 of La Sierra Home Tract as shown by map on file in Book 12, Page 84 of Maps, records of Riverside County, California.

EXCEPTING THEREFROM that portion of said land conveyed to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104346 of Official records of Riverside County, California.

ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

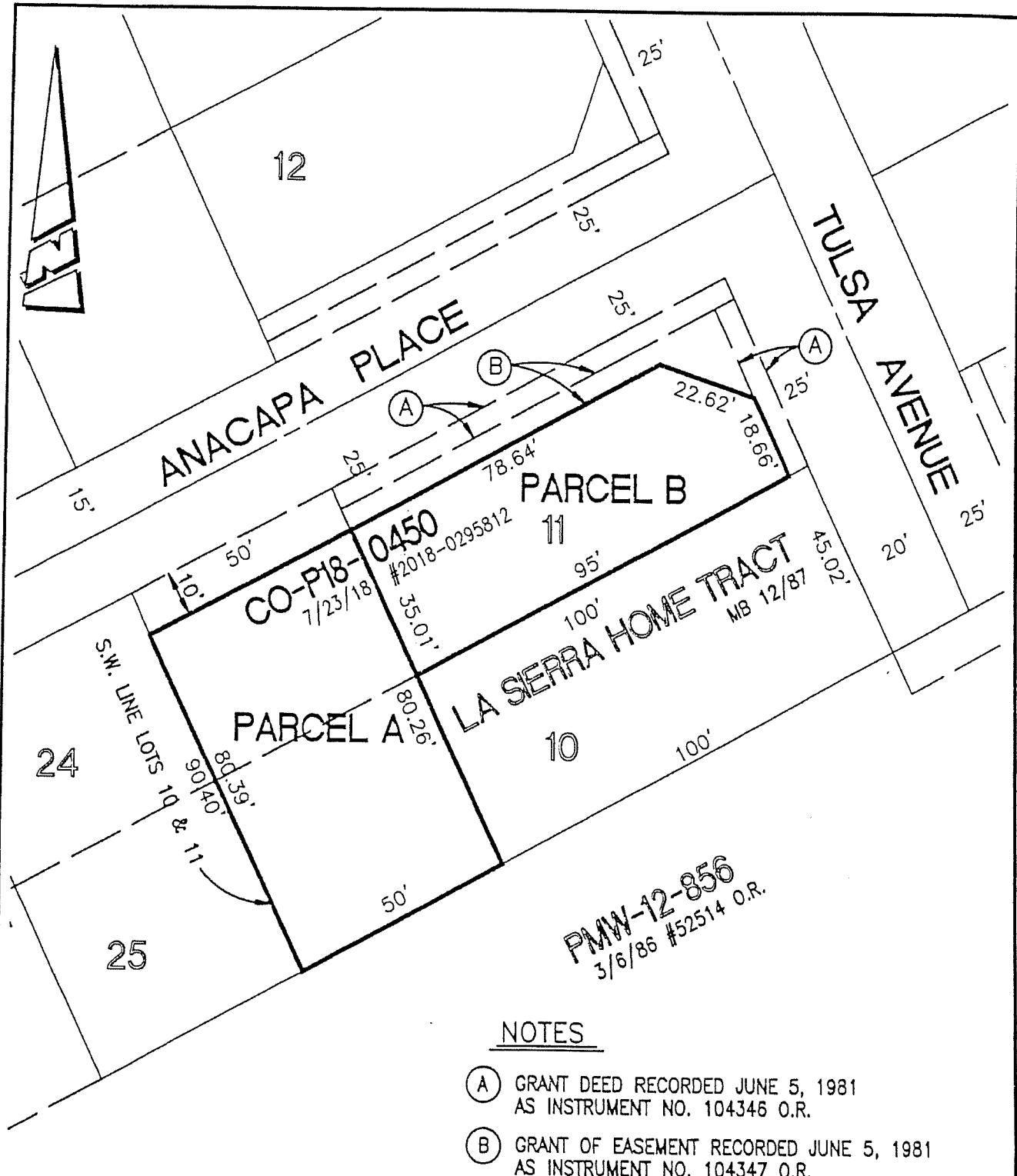
Said legal description is pursuant to Parcel B of Certificate of Compliance CO-P18-0450 recorded July 23, 2018, as Document No. 2018-0295812 of Official records of Riverside County California.

Area – 3,189.1 S.F. 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 11/16/18 Prep. 
Curtis C. Stephens, L.S. 7519 Date





• 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 1

SCALE: 1"=30'	DRAWN BY: CURT	DATE: 6/13/18	SUBJECT: CO-P18-0450 - ANACAPA LOTS
---------------	----------------	---------------	-------------------------------------

ATTACHMENT NO. 10

REQUEST FOR NOTICE OF DEFAULT

RECORDING REQUESTED BY _____
AND WHEN RECORDED MAIL TO: _____
Housing Authority of the City of Riverside _____
3900 Main Street _____
Riverside, CA 92522 _____
Attn: Executive Director _____
Project: 11502 Anacapa Place _____

(Space above for Recorder's Use Only)

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

REQUEST FOR NOTICE OF DEFAULT
(Under Section 2924b Civil Code)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust recorded on _____, 20_____, in Book _____, Page _____, Official Records of Riverside County, California, executed by NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, as Trustor, in which HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity, is named as Beneficiary, and Lawyer's Title, as Trustee, be mailed to:

Housing Authority of the City of Riverside
3900 Main Street
Riverside, California 92522
Attn: Executive Director

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public entity

By: _____
Executive Director

ATTESTED TO:

By: _____
Authority Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

ATTACHMENT NO. 10

ATTACHMENT NO. 11

ASSIGNMENT OF PLANS, REPORTS AND DATA

FOR VALUE RECEIVED, and subject to the rights of any lender to the Project, NORTHTOWN HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (“NHDC”), does hereby assign, pledge, transfer and set over to the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity (“Authority”), all of its rights, title and interest in and to the following (collectively, “Plans, Reports and Data”): any and all plans, drawings, studies, reports and related documents concerning the Property, and all amendments, modifications, supplements, general conditions and addenda thereto, including, without limitation, Environmental Reports, all architectural and engineering plans, any architect’s agreement entered into hereafter (“Architect’s Agreement”) by and between NHDC and any architect engaged to perform services with respect to the Property (“Architect”) and those certain plans and specifications referred to therein, and all amendments, modifications, supplements, general conditions and addenda thereto (collectively, “Architectural Plans”) prepared by Architect for the account of NHDC in connection with the development of certain real property located in the City of Riverside, County of Riverside, State of California more particularly described on Exhibit “A” attached hereto (“Property”). The Plans, Reports and Data, including, without limitation, the Architect’s Agreement and the Architectural Plans, are hereby assigned as collateral security under the Disposition and Development Agreement (“DDA”) executed by the parties. All capitalized terms not defined herein shall have the meaning set forth in the DDA. For purposes hereof, “Environmental Reports” means any “Phase 1” and/or “Phase 2” investigations of the Property and all final reports and test results (not including drafts) provided by Developer’s environmental consultant, if any.

Upon the occurrence and during the continuance of an Event of Default under the DDA, or any other document relating to the DDA (collectively, “DDA Documents”), Authority shall have the right, but not the obligation, at any time, in its own name or in the name of NHDC, or otherwise, to take such action as Authority may at any time or from time to time determine to be necessary or desirable in order to cure any default by NHDC under the Architect’s Agreement, including, without limitation, the protection of NHDC’s rights with respect to the Architectural Plans or to protect the rights of NHDC thereunder. Authority shall not incur any liability if any action taken by Authority or on its behalf in good faith, pursuant to the foregoing sentence, shall prove to be, in whole or in part, inadequate or invalid, and NHDC hereby indemnifies and agrees to hold Authority harmless from and against any and all loss, claim, demand, cost, liability, damage or expense, including, without limitation, attorneys’ fees and expenses in connection with any such action or actions. NHDC agrees to have each architect engaged to perform services in connection with the Property execute a Consent in the form attached hereto.

Upon the occurrence of an Event of Default or termination under Section 3.5.7 of the DDA, Authority may exercise its rights hereunder and take possession of and title to the Plans, Reports and Data, including, without limitation, all architectural plans and the Architect’s Agreement. Authority shall notify NHDC in writing of its exercise of its rights hereunder in accordance with the notice provisions set forth in the DDA. NHDC shall deliver possession of and title to the Plans, Reports and Data to Authority within forty-eight (48) hours of receipt of Authority’s written notice.

NHDC and Architect, by executing the Consent to this Assignment, agree that Authority does not assume any of NHDC's obligations or duties concerning the Architect's Agreement and the Architectural Plans, including, but not limited to, the obligation to pay for the preparation of the Architect's Agreement and the Architectural Plans, until and unless Authority shall exercise its rights hereunder.

Except for an Assignment to any lender to the Project, NHDC hereby represents and warrants to Authority that no previous assignment of its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, has been made, and NHDC agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, so long as this Assignment is in effect.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the NHDC and Authority.

IN WITNESS WHEREOF, NHDC has caused this Assignment of Plans, Reports and Data to be executed as of _____, 201_.

NHDC:

NORTHTOWN HOUSING DEVELOPMENT
CORPORATION, a California not-for-profit
corporation

Dated: _____

By: _____
Carol Norris, President

CONSENT

The undersigned has prepared the Architectural Plans and hereby consents to the assignment and other conditions set forth in the above Assignment of Plans, Reports and Data. The undersigned also agrees that in the event of a breach by NHDC of any of the terms and conditions of the Architect's Agreement or any other agreement entered into with the undersigned in connection with the Architectural Plans, that so long as NHDC's interest in the Plans is assigned to Authority, the undersigned will give written notice to Authority of such breach. Authority shall have 60 days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require Authority to cure said default, Authority shall only have the option to do so.

The undersigned also agrees that in the event of default by NHDC under any of the documents or instruments entered into in connection with the Disposition and Development Agreement, the undersigned, at Authority's request, shall continue performance under the Architect's Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Architect's Agreement for all services rendered on Authority's behalf.

Dated:

ARCHITECT:

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Project: P18-0450 Anacapa Lots
APN: 141-173-012 & 141-173-036

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Area – 4,012.6 S.F. more or less

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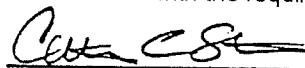
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ALSO SUBJECT TO an Easement for Public Street Purposes as granted to the City of Riverside by Deed recorded June 5, 1981, as Instrument No. 104347 of Official records of Riverside County, California.

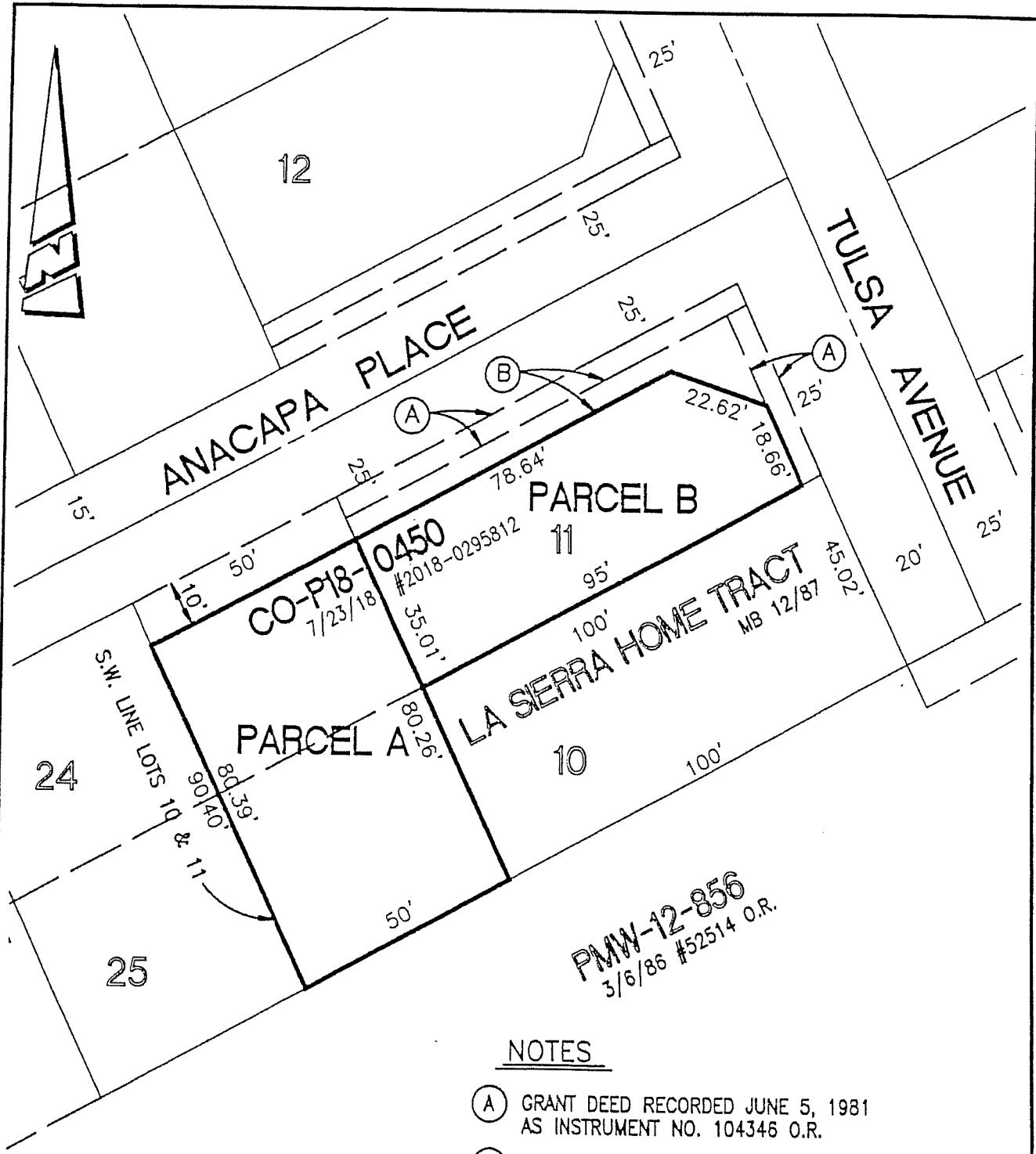
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 11/16/18 Prep. 
Curtis C. Stephens, L.S. 7519 Date





• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 1 OF 1

SCALE: 1"=30'	DRAWN BY: CURT	DATE: 6/13/18	SUBJECT: CO-P18-0450 - ANACAPA LOTS
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