RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, APPROVING A PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH RAILROAD AVE STORAGE LLC FOR THE SALE OF APPROXIMATELY 3.7 ACRES OF SUCCESSOR AGENCY-OWNED VACANT LAND KNOWN AS MADISON AT RAILROAD, BEARING ASSESSOR'S PARCEL NUMBERS 230-245-013, -015, PORTION OF 230-233-013, AND PORTION OF 230-253-010, FOR THE DEVELOPMENT OF A MIXED-USE PROJECT INCLUDING FOUR AFFORDABLE HOUSING 3-BEDROOM HOMES AND A SELF-STORAGE FACILITY, IN THE SALE AMOUNT OF $650,000.

WHEREAS, pursuant to Resolution No. 22322, adopted by the City Council of the City of Riverside ("City") on January 10, 2012, the City of Riverside agreed to serve as the Successor Agency ("Successor Agency") to the Redevelopment Agency of the City of Riverside ("Redevelopment Agency") commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill x1 26 ("AB 26"); and

WHEREAS, Health and Safety Code Section 34177 (i) provides that a successor agency is required to continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties; and

WHEREAS, the Successor Agency currently owns approximately 3.7 acres of vacant land, known as Madison at Railroad, bearing Assessor's Parcel Numbers 230-245-013, -015, portion of 230-233-013, and portion of 230-253-010 ("Property"); and

WHEREAS, pursuant to AB 1484 and Health and Safety Code Section 34191.5(c)(2), the Successor Agency prepared a Long Range Property Management Plan dated February 25, 2014, for the disposition of the former Redevelopment Agency properties, which included the Property; and

WHEREAS, on March 6, 2014, the Department of Finance approved the Successor Agency Long Range Property Management Plan ("Plan"); and

WHEREAS, Railroad Ave Storage LLC submitted a proposal to purchase and develop the Property as a mixed-use project including four (4) affordable housing 3-bedroom units and a self-storage facility; and

WHEREAS, the Successor Agency desires to sell the Property to Railroad Ave Storage LLC pursuant to the Plan, as described in the Purchase, Sale, and Development Agreement, attached hereto as Exhibit "A" and incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside, California, as the Successor Agency to the Redevelopment Agency of the City of Riverside, as follows:

Section 1. The above recitals are incorporated herein as if set forth herein in full.

Section 2. Pursuant to the Long Range Property Management Plan, the Successor Agency hereby agrees to convey the Property to Railroad Ave Storage LLC.

Section 3. It is in the best interest of the Successor Agency to enter into a Purchase, Sale, and Development Agreement with Railroad Ave Storage LLC for the disposition of approximately 3.7 acres of vacant land, known as Madison at Railroad, bearing Assessor's Parcel Numbers 230-245-013, -015, portion of 230-233-013, and portion of 230-253-010, for the subsequent development of a mixed-use project including four (4) affordable housing 3-bedroom units and a self-storage facility in the sale amount of Six Hundred Fifty Thousand Dollars ($650,000).

Section 4. That the City Manager, or his designee, acting on behalf of the Successor Agency, is authorized to execute the Purchase, Sale, and Development Agreement and any other documents as necessary to carry out the intent of this Resolution.

ADOPTED by the City Council as the Successor Agency, this _________ day of _____________, 2026.

____
PATRICIA LOCK DAWSON
Mayor of the City of Riverside

Attest:

____
DONESIA GAUSE
Secretary of the Successor Agency

/ /

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I, Donesia Gause, City Clerk of the City of Riverside, California, acting as the Secretary of the Successor Agency to the Redevelopment Agency of the City of Riverside, hereby certify that the foregoing resolution was duly and regularly adopted at a meeting of the City Council of said City, acting as the Secretary of the Successor Agency to the Redevelopment Agency of the City of Riverside, at its meeting held on the _________ day of _____________, 2026, by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this ________ day of ______________, 2026.

____
DONESIA GAUSE
Secretary of the Successor Agency

313607 SW 03/19/26

EXHIBIT "A"

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

RAILROAD AVE STORAGE LLC

This Purchase, Sale, and Development Agreement ("Agreement") is entered into this ___ day of _______________, ____ ("Effective Date"), by and between the CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body ("Seller") and RAILROAD AVE STORAGE LLC, a California limited liability company ("Buyer"). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

RECITALS

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

B. Pursuant to Government Code sections 54220, et seq., on February 22, 2024, Seller gave notice of the planned sale of certain surplus property to the State of California Department of Housing and Community Development's ("HCD") approved list of affordable housing developers. In the notice, Seller indicated that no funding was available to subsidize the production of affordable housing units from the Seller and that the surplus properties were intended to be sold subject to a current fair market value appraisal.

C. On or about April 22, 2024, prior to the expiration of the 60-day notice of availability period under Government Code section 54222, Buyer submitted a letter of interest for the acquisition and development of the below-described Property.

D. On June 24, 2024, Buyer submitted a proposal for the purchase and development of the below-described Property.

E. On September 11, 2025, HCD notified Seller and acknowledged Seller's compliance with AB 1486 on the disposition of the below-described Property to Buyer. A true and correct copies of this letter from HCD is attached hereto as Exhibit "A" ("HCD Approval Letter). On April 16, 2026, HCD met with Seller and again acknowledged Seller's compliance with AB 1486 on the disposition of the below-described Property to Buyer.

ARTICLE I
AGREEMENT OF SALE

1.1 **Property.** Seller owns that certain real property located at Madison Street and Railroad Avenue, Riverside, California, bearing Assessor's Parcel Nos. 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010 (collectively, "Property"), more particularly described in Exhibit "B," Legal Description and depicted in Exhibit "C," Plat Map, attached hereto. This Agreement is subject to the approvals of the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside, the Countywide Oversight Board for the County of Riverside, and the California Department of Finance.

1.2 **Intention.** Buyer desires to purchase in fee the Property from Seller to develop a horizontal mixed-use project, with a self-storage facility of up to three separate two-story, elevator-served buildings totaling approximately 96,000 square feet (70,000 square feet rentable) and affordable housing consisting of four single family, three-bedroom homes with two-car garages for sale (the "Project"). Seller desires to sell and convey the Property to Buyer.

1.3 **Due Diligence.** Buyer shall have one hundred twenty (120) days from the Effective Date ("Contingency Date" to perform, in its sole discretion, its due diligence review of the condition of Property and all other matters concerning the Property, including without limitation, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property. Prior to the Contingency Date expiration, Buyer shall have made such inquiries, communicated with local, state and federal government agencies as it sees fit, retained such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Should Buyer, its contractors, consultants and agents require entry upon the Property for the purpose of surveying the same, making engineering and environmental tests and conducting such other investigations as approved by Seller, Buyer shall first obtain a Right of Entry from Seller and provide such insurance as Seller may require and hold Seller harmless from any liability which may arise due solely to such entry. Seller authorizes Buyer to make all inquiries of appropriate governmental authorities with respect to the Property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the Contingency Date expiration, Buyer shall deliver written notice to Seller accepting the Property or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date expiration, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

1.4 **Right of Entry**. After Seller's execution of this Agreement and during Escrow, Seller grants to Buyer and its agents, employees, contractors or subcontractors, the right to enter into and upon the Property for the purpose of conducting a Phase 1 Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required for the preparation by Buyer of its development plans for the Property provided that the Buyer obtains prior written approval from Seller before any intrusive testing is allowed. Buyer shall provide Seller with twenty-four (24) hours' notice prior to such entry. Prior to entry Buyer shall provide Seller with all certificates of insurance and additional insured endorsements in the amounts required by

Seller, such as, but not limited to commercial general, workers' compensation and automobile. Buyer agrees to keep the Property free and clear of any liens or encumbrances that may arise out of Buyer's inspection of and activities on the Property. All costs, expenses, liability or charges incurred in or related to the performance of any and all of such studies and work on the Property including the preparation by Buyer of any plans or maps or other documents related thereto shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property, to the same or similar condition as existed on the Effective Date. Buyer shall not have any such obligation if Escrow closes and title to the Property vests in Buyer. The right to enter the Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

1.5 **Assumption of the Risk.** Subject to the other provisions of this Agreement, Buyer agrees, that by its acceptance of the Property under Section 1.3, it assumes the risk that an adverse condition of the Property may not have been revealed by its own Due Diligence. On Buyer's acceptance, Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's Due Diligence.

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

ARTICLE II
PURCHASE PRICE, ESCROW, DEPOSIT AND BUYER'S OBLIGATION

2.1 **Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be the sum of Six Hundred and Fifty Thousand Dollars ($650,000) ("Purchase Price") for the Property as set forth in Section 1.2 herein ("Project"). The Purchase Price shall be payable by Buyer to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The Purchase Price represents full fair market value for the Property.

2.2 **Escrow.** Within ten (10) days following the Effective Date, Seller shall open an escrow ("Escrow") with Stewart Title of California, 1200 California Street Suite 120, Redlands, CA 92374 ("Escrow Holder") as the escrow holder, for the purpose of consummating this Agreement. The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

2.3 **Deposit.** Within fifteen (15) days following the Effective Date, Buyer shall deliver a deposit in the amount of Sixty-Five Thousand Dollars ($65,000) ("Deposit") to the Escrow Holder which will be applied towards the Purchase Price at the Close of Escrow; subject, however, to the Seller's right to liquidated damages as set forth in Section 7.5 in the event of Buyer's default. After ninety (90) days following the Contingency Date expiration, Buyer's Deposit shall become non-refundable and will be applied towards the Purchase Price at the Close of Escrow. If this Agreement is terminated after Buyer's Due Diligence Period, the Deposit shall be released to Seller unless the parties agree to further extend the Agreement.

2.4 **Buyer's Approval Period.** Within one-hundred twenty (120) days following the Contingency Date expiration, Buyer shall submit an application and applicable submittal requirements as outlined in Exhibit "D" to the Planning Division of the City of Riverside's Community & Economic Development Department for:

(a) Project design review of Buyer's proposed development of the Project including specific site plan and preliminary elevations ("Project Design");

(b) All necessary entitlements, technical studies and environmental clearance for the Project ("Entitlements"); and

(c) Any other documents, permits or applications required for the development of the Project.

ARTICLE III
CLOSING

3.1 **Close of Escrow.** Escrow shall close the earlier of: (i) twenty-four (24) months after the Buyer's Approval Period expiration; or (ii) ten (10) days following Buyer's completion of the requirements set forth in Section 3.2.2 ("Close of Escrow"). If the Escrow is not in a condition to close by the Close of Escrow, any party who is not then in default, upon notice in writing to the Escrow Holder and the other party and so given on the Close of Escrow, may demand the return of their documents and cancel the Escrow. If no demand for cancellation is made, then Escrow will close as soon as possible, but no later than twenty-four (24) months after the Effective Date.

3.2 **Closing Documents.**

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

(a) a grant deed sufficient for recording, conveying the Property;

(b) A fully executed Notice of Affordability Restrictions on Transfer of Property, which shall be in such form as that attached hereto as

Exhibit “E” as to permit it to be recorded in the Riverside County Recorder’s Office; and

(c) all additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

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

(a) the Purchase Price and other cash charges provided for in this Agreement;

(b) copies of Buyer’s authority documents and/or such other documents evidencing Buyer’s due existence and authority to enter into and consummate the transaction contemplated by this Agreement as Seller or Escrow Holder may require;

(c) evidence of Project Entitlements and necessary grading and building permits;

(d) evidence of Buyer’s cash or financing to construct the Project along with a development pro-forma that shows the total construction costs for the Project;

(e) A fully executed Regulatory Agreement, which shall be in such form as that attached hereto as Exhibit “F” as to permit it to be recorded in the Riverside County Recorder’s Office; and

(f) A fully executed Covenant and Agreement and Declaration of Restrictions (Right of Reverter in Favor of City of Riverside), which shall be in such form as that attached hereto as Exhibit “G” as to permit it to be recorded in the Riverside County Recorder’s Office; and

(g) All additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

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

3.4 **Condition of Title**. Seller shall convey fee simple merchantable and insurable title of the Property to Buyer free and clear of all liens, restrictions, delinquent taxes and assessments, and encumbrances as evidenced by a California Land Title Association (CLTA) Title Insurance Policy ("Title Policy") issued by a title insurance company to be selected by Buyer in an amount equal to the purchase price. The Title Policy shall show as exceptions with respect to the Property only matters approved in writing by Buyer. Any exceptions to title representing monetary liens or encumbrances may, at the discretion of Buyer, be disapproved by Buyer, and upon the direction of the Buyer, Escrow Holder is hereby authorized and instructed to cause the reconveyance or partial reconveyance, as the case may be, of any such monetary exceptions to Buyer's title to the Property at or prior to the Close of Escrow.

3.5 **Costs.**

3.5.1 At the Close of Escrow, and as a debit from the closing proceeds to be paid to Seller, Seller shall be responsible for: (i) the cost for a CLTA Standard form policy of title insurance for Buyer; and (iii) any other expenses customarily charged to Seller in connection with similar transactions including its own attorney's fees.

3.5.2 At the Close of Escrow, Buyer shall be responsible for: (i) all recording fees and any and all state, county, and local governmental transfer taxes, documentary or otherwise, and/or the cost of documentary stamps to be affixed to the instrument or instruments of conveyance; (ii) the cost of an extended American Land Title Association (ALTA) owners title policy and associated costs if Buyer chooses such coverage; (iii) 100% of the cost for escrow charges imposed by the Escrow Holder; (iv) any taxes disclosed in Section 3.3; and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees.

3.6 **Brokerage Commissions**. The parties acknowledge that neither party has been represented by a broker with respect to this transaction.

ARTICLE IV
"AS-IS" PURCHASE

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) THE INFORMATION IS PROVIDED ON AN "AS-IS, WHERE-IS"

BASIS AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION; and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

4.2 **As-Is Property.** On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof.

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

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

4.5 **Past Uses.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN “AS-IS, WHERE-IS” BASIS

THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY LEAD TO CONTAMINATION OF THE PROPERTY. BUYER HAS OBTAINED AND READ ALL ENVIRONMENTAL ASSESSMENTS REGARDING THE PROPERTY WHICH A REASONABLY DILIGENT BUYER WOULD HAVE OBTAINED PRIOR TO THE PURCHASE THEREOF. BUYER ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY.

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

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

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

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

____
Buyer's Initials

ARTICLE V
REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI
BUYER'S OBLIGATION AFTER CLOSE OF ESCROW

6.1 **Buyer's Obligations After Closing.**

6.1.1 Buyer shall commence construction of the Project no later than one hundred twenty (120) days after Close of Escrow. Failure to commence construction as required herein shall result in the payment of a Two Hundred and Fifty Dollar ($250.00) per diem penalty by Buyer to the Seller for failure to commence construction within ninety (120) days from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction commencement deadline may be extended for up to three (3) months at Seller's sole discretion.

6.1.2 Buyer shall complete construction of the Project within twenty-four (24) months following the Close of Escrow. Failure to complete construction within the time required herein shall result in the payment of a Five Hundred Dollar ($500.00) per diem penalty by Buyer to Seller for every day past the completion date. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction deadline may be extended for up to three (3) months at Seller's sole discretion.

6.1.3 A Schedule of Performance is attached hereto as Exhibit "H", which sets forth the dates for Buyer's performance of obligations under this Agreement.

6.1.4. Buyer shall comply with all design standards, zoning, planning and building laws, regulations and review procedures imposed with respect to the Property, including Title 20 of the Riverside Municipal Code if applicable, by the City, and any other public and/or quasi-public entity having such jurisdiction regarding the development of the Property.

6.1.5 Local Hiring Compliance

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

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

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

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

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

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

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

ARTICLE VII
DEFAULTS

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

7.2 Opportunity to Cure. No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to cure the alleged default within fifteen (15) business days in the case of a non-monetary default, or five (5) business days in the case of a monetary default. The parties agree that all notices of default in order to be effective must state with reasonable specificity: (a) the nature of the default; (b) the reasonable actions which the defaulting party must take to cure such default; and (c) the time in which such action must be taken. In the event that a default cannot be cured within a fifteen (15) day period, as long as the defaulting party is diligently attempting to cure such default, the parties can mutually agree to extend the time period in which the default must be cured.

7.3 Buyer's Default.

7.3.1 Buyer's Default Prior to Close of Escrow. If Buyer is deemed to be in default with its obligations hereunder, prior to Close of Escrow, the Seller shall be entitled to termination of this Agreement and shall be entitled to retain the Deposit as liquidated damages as set forth in Section 7.5 below.

7.3.2 Buyer's Default After Close of Escrow. If Buyer is deemed to be in default with its obligations hereunder, after Close of Escrow, the Seller shall be entitled to the following alternative remedies, at the Seller's discretion:

(a) Liquidated Damages. In the event Buyer fails to commence, diligently proceed with, or complete construction of the Project as required by Section 6.1 hereof, the Buyer shall pay liquidated damages to the Seller for each day of delay as provided in Section 6.1 hereof until such default has been cured or until title to the Property has been reconveyed to the Seller in accordance with Section 7.3.2(b) below.

(b) Power of Termination. In the event Buyer: (a) has not commenced construction as provided in Section 6.1 hereof; (b) has informed Seller by written notice that Buyer is either unable or has elected not to proceed with the development of the Property for any reason, or (c) abandons or substantially suspends construction of the Project as required by this Agreement for a period of thirty (30) days after written notice thereof from the Seller, subject to force majeure delays as described in the Agreement, then the Grant Deed conveying the Property to the Buyer shall be automatically terminated and title to the Property shall revert to the City of Riverside upon written notice from Seller to Buyer and the City of Riverside's delivery to Buyer of the original Purchase Price paid by the Buyer for the Property at the time of Close of Escrow as evidenced in a final escrow closing statement, less any amounts required to place the Property into compliance with the Riverside Municipal Code (if applicable) (the "Power of Termination"). Such Power of Termination 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 City of Riverside's Power of

Termination shall terminate. This Power of Termination shall be in the Covenant and Agreement and Declaration of Restrictions. The City of Riverside agrees that if Buyer provides Seller with proof that Buyer has secured financing or cash (or a combination of financing and cash) equal to the cost of acquisition and construction of the entire Project, including drafts of construction loan financing agreements, security documents, agreements with equity investors, and related documents, the City of Riverside shall not exercise its Power of Termination.

(c) The rights established in this Section 7.3.2 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 (i) the Seller will have conveyed the Property or portion thereof to the Buyer for redevelopment purposes, particularly for the development of the Project, and not for speculation in land, and (i) failure of the Buyer to complete the Project once development of the Project has been commenced will cause extreme harm and damage to the Seller and the businesses and residents of the City of Riverside by creating a blighted property in place of the proposed Project.

7.4 **Waiver of Right to Specific Performance.** If Seller fails to convey the Property to Buyer in accordance with the provisions of this Agreement, and such failure constitutes a default under this Agreement, Buyer shall not have the right to receive any equitable relief, including without limitation the right to record a lis pendens against the Property under applicable law or to pursue the specific performance of this Agreement.

7.5 Liquidated Damages. BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, SELLER SHALL BE ENTITLED TO COLLECT THE SUM REPRESENTING THE AMOUNT OF THE DEPOSIT OF $65,000.00 AND REASONABLE ATTORNEY'S FEES INCURRED BY SELLER AS LIQUIDATED DAMAGES FROM BUYER. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTIONS 1.3 AND 1.4. IF SELLER IS ENTITLED TO THE DEPOSIT IN ACCORDANCE WITH THIS SECTION 7.5, BUYER AGREES TO DELIVER, ON WRITTEN REQUEST OF SELLER, SUCH INSTRUCTIONS AS MAY BE REASONABLY NECESSARY TO CAUSE THE ESCROW HOLDER TO

DELIVER THE DEPOSIT TO SELLER.

_______________________ _______________________

Buyer's Initials **Seller's Initials**

7.5.1 **LOCAL HIRING/SKILLED AND TRAINED WORKFORCE PROGRAM LIQUIDATED DAMAGES. FAILURE OF BUYER TO COMPLY WITH THE PROVISIONS OF SECTION 6.1.5 (LOCAL HIRING COMPLIANCE) WILL RESULT IN DAMAGES BEING SUSTAINED BY SELLER. SUCH DAMAGES ARE, AND WILL CONTINUE TO BE, IMPRACTICABLE AND EXTREMELY DIFFICULT TO DETERMINE. FOR EACH SEMI-ANNUAL REPORT THAT BUYER FAILS TO COMPLY WITH SECTIONS 6.1.5, BUYER SHALL PAY TO SELLER, THE SUM OF TWENTY-FIVE THOUSAND DOLLARS ($25,000) FOR EACH VIOLATION. EXECUTION OF THIS AGREEMENT SHALL CONSTITUTE AGREEMENT BY SELLER AND BUYER THAT SAID SUM IS THE MINIMUM VALUE OF THE COSTS AND ACTUAL DAMAGE CAUSED BY THE FAILURE OF BUYER TO COMPLY. SUCH SUM IS LIQUIDATED DAMAGES AND SHALL NOT BE CONSTRUED AS A PENALTY AND WILL BE OWED TO THE SELLER UPON SELLER' S NOTICE TO BUYER.**

_______________________ _______________________

Buyer's Initials **Seller's Initials**

ARTICLE VIII
MISCELLANEOUS

8.1 **CEQA Compliance**. Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon Seller's compliance with the California Environmental Quality Act ("CEQA") in the sale of the Property. Buyer must comply with CEQA in connection with the development of the Property.

8.2 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.

8.3 **Assignability.** Buyer may, at any time prior to the Close of Escrow, assign all of its rights, title, and interest in and to this Agreement to any affiliate or any subsidiary with the consent of Seller; otherwise, this Agreement is not assignable. Seller's consent shall not be unreasonably withheld. As used herein, an "affiliate" or "subsidiary" shall mean any entity which is controlled by or is under common control with Buyer.

8.4 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors and permitted assigns.

8.5 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

8.6 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

8.7 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller:	The City of Riverside Attn: Community & Economic Development Director 3900 Main Street, 3rd Floor Riverside, California 92522
If to Buyer:	David Peery Railroad Avenue Storage LLC 6930 Indiana Avenue, Suite 1 Riverside, CA 92506

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

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

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

8.10 **Amendments.** This Agreement may be amended or supplemented only by written documents signed by the parties or their designated representatives as designated at the time of execution of this document.

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

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

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

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

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

8.16 **Nondiscrimination.** The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, genetic expression, sex, sexual orientation, or military or veteran's status, in connection with the performance of this Agreement. The parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

8.17 **Ratification.** This Agreement may be subject to the approval and ratification by the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside, the Countywide Oversight Board for the County of Riverside, and the California Department of Finance. In the event any of the listed entities fails or refuses to approve this Agreement, there shall be no liability on the part of the Seller and this Agreement shall become null and void and of no further force and effect.

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

8.19 **Days.** "Days" shall mean calendar days, unless otherwise specified.

8.20 **Digital and Counterpart Signatures**. Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a "digital signature" is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

[SIGNATURES ON FOLLOWING PAGE.]

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

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

By:________________________________
City Manager, on behalf of the Successor Agency to the Former Redevelopment Agency of the City of Riverside

ATTESTED TO:

By:______________________________
City Clerk, on behalf of the Successor Agency to the Former Redevelopment Agency of the City of Riverside

CERTIFIED AS TO AVAILABILITY OF FUNDS:

By:______________________________
Chief Financial Officer

APPROVED AS TO FORM:

By:_______________________________
Successor Agency General Counsel

RAILROAD AVE STORAGE LLC,
a California limited liability company

By:_______________________________
Name:_____________________________
Title:______________________________

and

By:_______________________________
Name:_____________________________
Title:______________________________

EXHIBIT “A”

HCD APPROVAL LETTER

(Inserted behind this page)

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
651 Bannon Street, Suite 400, Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

September 11, 2025

Patricia Sanchez, Project Coordinator
City of Riverside
3900 Main Street, 2nd Floor
Riverside, CA 92522

SENT VIA EMAIL TO: PSanchez@riversideca.gov

Dear Patricia Sanchez:

RE: Written Findings Regarding the City of Riverside's Surplus Land Disposition Documentation for the Property at Madison Street and Railroad Avenue (APNs 230-233-013, 230-245-013, 230-245-015 and 230-253-010)

Thank you for submitting your surplus land documentation, on behalf of the City of Riverside (City), for review by the California Department of Housing and Community Development (HCD). Your documentation was received on May 26, 2025. This letter constitutes HCD's written findings pursuant to Government Code section 54230.5 of the Surplus Land Act (SLA), for the property located at APNs 230-233-013, 230-245-013, 230-245-015 and 230-253-010.

Analysis

According to your letter and included documents, a Resolution declaring the property to be surplus was issued on April 27, 2021 and Notices of Availability (NOA) were sent on February 22, 2024. During the required 60-day period, two affordable housing entities expressed interest in the property. One of the submitted bids did not meet the SLA affordability requirements and the City selected Railroad Avenue Storage to build a mixed-use project that includes four owner occupied affordable housing units with equity sharing agreements. The City has provided a summary of negotiations and a draft copy of the equity sharing agreement.

Conclusion

If the submitted documentation and assertions by the City are complete and accurate, HCD finds that all the requirements under the SLA for the purposes of disposing of the surplus land located at APNs 230-233-013, 230-245-013, 230-245-015 and 230-253-010 have been met. Once a final disposition has taken place, please provide HCD with a copy of the respective recorded equity sharing agreements pursuant to SLA Guidelines, Section 400(b)(1).

If you have any questions or need additional technical assistance, please contact Mathew Manweller, Senior Housing Specialist at Mathew.Manweller@HCD.ca.gov.

Sincerely,

Laura Nunn

Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development

EXHIBIT "B"

LEGAL DESCRIPTION

(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

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

PARCEL 1

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

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

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

ALSO EXCEPTING THEREFROM that portion described as follows:

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

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

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

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

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

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

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

Area – 162,216 S.F. (3.724 Ac.) more or less

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

2/21/2024 Prep. cs

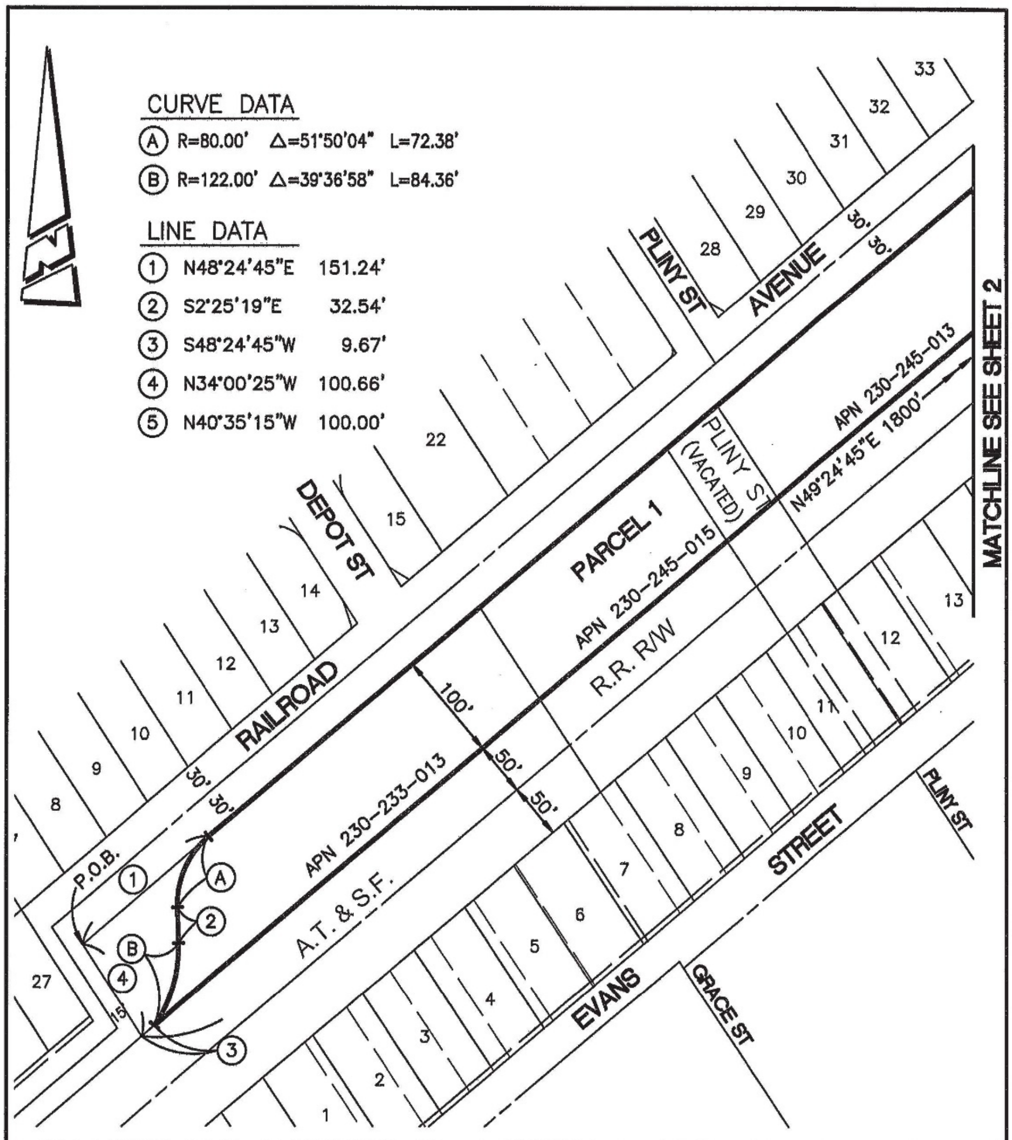
Douglas B. Webber, L.S. 9477 Date

LICENSED LAND SURVEYOR
DOUGLAS B. WEBBER
L.S. 9477
STATE OF CALIFORNIA

EXHIBIT "C"

PLAT MAP

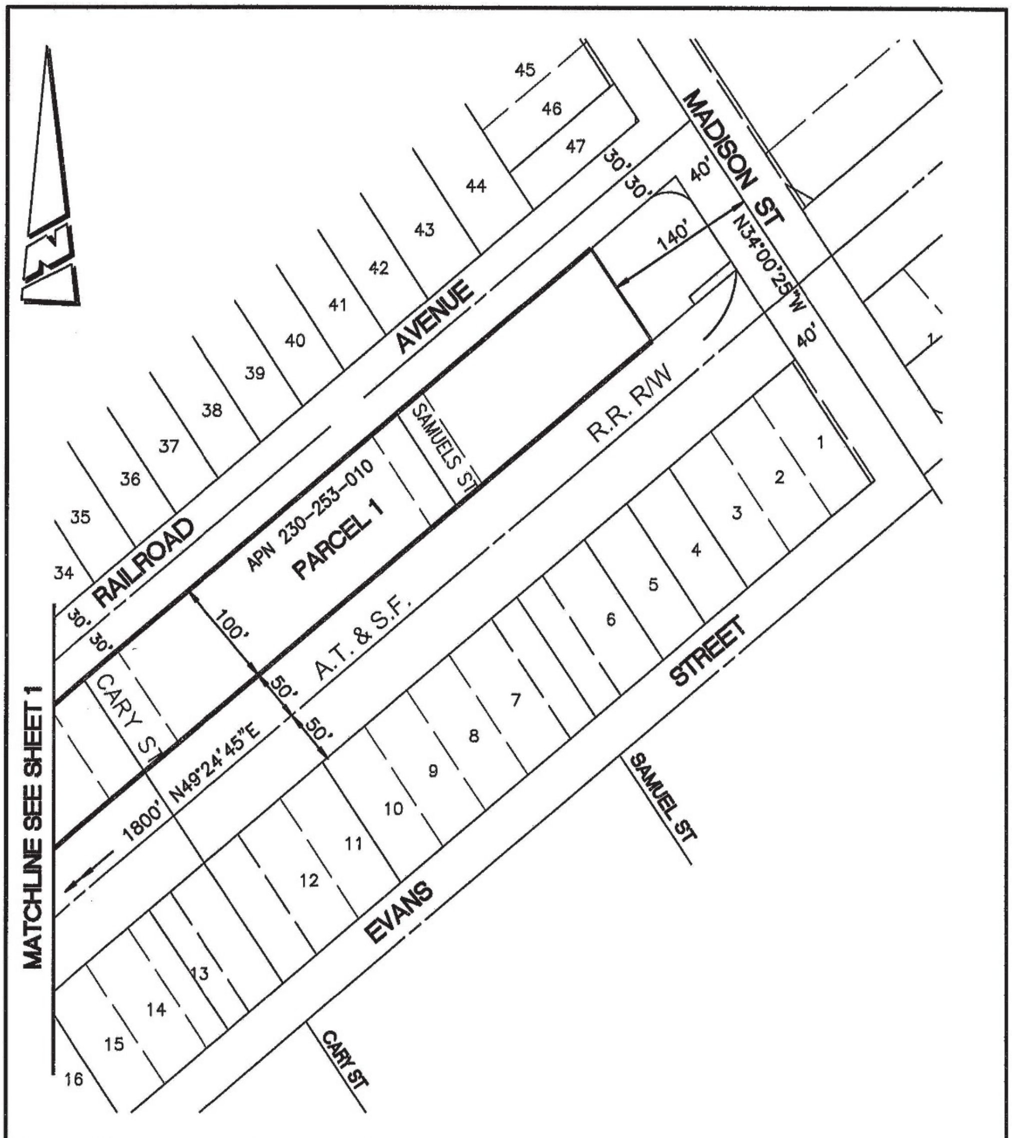
(Inserted behind this page)



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	SHEET 1 OF 2	

SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010



• CITY OF RIVERSIDE, CALIFORNIA •		
THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	SHEET 2 OF 2	
SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010

Exhibit D

APPLICATION INFORMATION

Community & Economic Development Department
Planning Division

3900 Main Street, 3rd Floor • Riverside, CA 92522
(951) 826-5800
RiversideCA.gov/Planning

DEVELOPMENT APPLICATION INFORMATION

Welcome to the City of Riverside Development Review process. It is our goal to assist you in you in processing your application as quickly and efficiently as possible. Many of our application requests can be processed at an administrative level, such as variances and minor conditional use permits, while other, such as conditional use permits, site plan reviews or legislative actions require public hearings before the Planning Commission and/or City Council.

The City of Riverside project entitlement process consists of two phases, the Application Phase and the Public Hearing Phase as outlined below. The filing deadlines for each phase are available on-line or at the Planning Counter. Planners are also available to help you at the Planning Counter, via e-mail at CEDDInfo@riversideca.gov or by calling (951) 826-5371.

PROCEDURES

APPLICATION PHASE

City staff reviews an application to ensure that all of the required information is provided and evaluates the project including a preliminary review of the project's impact on the environment to establish the proper environmental documentation for the project. At the end of this 21-day review period, the applicant will be invited to meet with the Development Review Committee to review comments or issues raised by the various departments. The following week, staff provides written comments identifying deficiencies that need to be address or deeming the project "complete" to move onto the next phase of review. If the application is complete, you will be provided with a tentative date to return to the Development Review Committee for final action or a tentative hearing date for the Planning Commission or City Council. Some applications may require subsequent Application Phase periods to review changes to the revised application.

PUBLIC HEARING PHASE (IF APPLICABLE)

Once the application phase is complete, staff schedules the application for a hearing before the Planning Commission or City Council. This process usually takes 7 weeks. At this time, staff also conducts the final environmental review in compliance with the California Environmental Quality Act. For more complex environmental review cases, the documentation is done prior to entering the Public Hearing Phase. All legal noticing is prepared as required by state law and the hearing is scheduled. There are very minor or no plan changes during this phase. Staff prepares the staff report and a copy of the staff report is sent to you the week prior to the public hearing.

FILING FEES

See current Fee Schedule (filing fees are generally non-refundable). Additional fees may be required to be submitted PRIOR to scheduling a project for hearing. Check with the Planning Division for current fees.

https://riversideca.gov/cedd/sites/riversideca.gov.cedd/files/pdf/planning/forms/2023/DEVELOPMENT%APPLICATION%20INFORMATION

EXHIBIT "E"

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

(Inserted behind this page)

NOTICE OF AFFORDABILITY RESTRICTIONS)
RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director of the Successor Agency to the former Redevelopment Agency of the City of Riverside)

Project: Madison Street and Railroad Avenue, APNs: 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010)

(Space above for Recorder's Use Only)
This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

Notice of Affordability Restrictions on Transfer of Property

This Notice of Affordability Restrictions on Transfer of Property (the "Notice"), is executed on this _____ day of ______________________ for reference purposes only, by the Successor Agency to the former Redevelopment Agency of the City of Riverside, a public entity, and its successors, assigns, and transferees (the "Declarant"), with reference to the following facts:

RECITALS

A. Declarant is the sole owner in fee simple of certain real property located at the Madison Street and Railroad Avenue, Riverside, California, bearing Assessor's Parcel Nos. 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010 ("Property") and as further described in Exhibit "A," attached hereto and incorporated herein by this reference.

B. In anticipation of the disposal of the Property, Declarant complied with the provisions of the Surplus Land Act (California Government Code §54220, *et seq.*) (the "Act").

C. On April 27, 2021, Declarant's Riverside City Council adopted Resolution No. 43, which, among other things, declared the Property as non-exempt surplus land pursuant to Section 54221(b)(1) of the Act.

D. Thereafter, Declarant issued Notices of Availability of the Property to all entitled entities, and Declarant received one notice of interest within the statutory period of availability.

In consideration of the above recitals, Declarant hereby declares the Property shall be held, transferred, conveyed, leased, occupied, or otherwise disposed of and used subject to the following restrictive covenants:

If ten (10) or more residential units are developed on the Property, not less than fifteen (15) percent of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Rental units shall remain affordable to and occupied by lower income households for a period of fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915 of the California Government Code. These requirements shall be covenants or restrictions running with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

IN WITNESS WHEREOF, Declarant has executed this Notice of Affordability Restrictions on Transfer of Property the day and year first written above and agrees to be bound by the terms and provisions hereof.

"DECLARANT"
THE CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
a public entity

By:_______________________________________

Its: Executive Director of the Successor Agency to the former Redevelopment Agency of the City of Riverside

ATTESTED TO:

By:_________________________________
City Clerk on behalf of the City of Riverside

APPROVED AS TO FORM:

By:______________________________
Successor Agency General Counsel

EXHIBIT “A”

LEGAL DESCRIPTION

(Attached)

EXHIBIT "A"
LEGAL DESCRIPTION

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

PARCEL 1

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

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

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

ALSO EXCEPTING THEREFROM that portion described as follows:

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

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

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

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

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

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

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

Area – 162,216 S.F. (3.724 Ac.) more or less

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

2/21/2024 Prep. cs

Douglas B. Webber, L.S. 9477 Date

LICENSED LAND SURVEYOR
DOUGLAS B. WEBBER
L.S. 9477
STATE OF CALIFORNIA

Madison BNSF legal dbw

EXHIBIT "F"

REGULATORY AGREEMENT

(Inserted behind this page)

NOTICE OF AFFORDABILITY RESTRICTIONS
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Riverside
3900 Main Street
Riverside, CA 92522
Attn: Executive Director of the Successor Agency to the former Redevelopment Agency of the City of Riverside

Project: Madison Street and Railroad Avenue, APNs: 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010

(Space above for Recorder's Use Only)
This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("**Regulatory Agreement**") dated for identification purposes only as of _____________ ___, ________, by and between **THE CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity ("**City**"), and **RAILROAD AVE STORAGE LLC**, a California limited liability company ("**Developer**").

RECITALS

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

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

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

C. Pursuant to Government Code sections 54220, et seq., on February 22, 2024, Seller gave notice of the planned sale of certain surplus property to the California Department of Housing and Community Development's ("**HCD**") approved list of affordable housing developers. In the notice, Seller indicated that no funding was available to subsidize the production of affordable housing units from the Seller and that the subject surplus properties were intended to be sold subject to a current fair market value appraisal.

D. On or about April 22, 2024, prior to the expiration of the 60-day notice of availability period under Government Code section 54222, Buyer submitted a letter of interest for the acquisition and development of the below-described Property.

E. On June 24, 2024, Developer submitted a proposal for the purchase and development of the below-described Property. Developer has assigned its rights with respect to such proposal to Buyer, with which Developer has a development relationship.

F. The Successor Agency and Developer entered into that certain Purchase, Sale, and Development Agreement dated for identification purposes only as of _______________ (the "**Agreement**"), which is incorporated herein by this reference and a copy of which is on file as public record of the City at its offices located at 3900 Main Street, Riverside, CA 92522.

G. Under the Agreement, the Developer shall own the Property, located at Madison Street and Railroad Avenue, Riverside, California, bearing Assessor's Parcel Nos. 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010 (also referred to herein as "**Site**" or the "**Property**"), more particularly described in Exhibit "A," Legal Description and depicted in Exhibit "B," Plat Map, attached hereto, for the development of a horizontal mixed-use project, with a self-storage facility of up to three separate two-story, elevator-served buildings totaling approximately 96,000 square feet (70,000 square feet rentable) and four affordable housing single family, three-bedroom homes with two-car garages for sale to persons and families of low or moderate income, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of forty-five (45) years (the "**Project**"). One of the conditions of the Agreement is that the Developer enter into this Regulatory Agreement with the City.

H. This Regulatory Agreement is intended to ensure that Developer, its successors, its assigns and every successor in interest to the Property or any part thereof, shall sell one hundred percent (100%) of the Affordable Units within the Project in accordance with the terms and conditions of this Regulatory Agreement, including that the Affordable Units within the Project shall be available for sale to Qualified Home Buyers at an Affordable Housing Cost as specified herein for a minimum of forty-five (45) years.

I. The completion and operation of the Affordable Units, as defined below, within the Project pursuant to the terms and conditions of the Agreement and this Regulatory Agreement are in the vital and best interest of the health, safety, and welfare of the residents of the City of Riverside and are in accord with the public purposes and provisions of applicable state and local laws.

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

1. DEFINITIONS:

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

"Adjusted Family Income" means the anticipated total annual income (adjusted for family size) of each individual or family residing or treated as residing in the New Home as calculated in accordance with Treasury Regulation 1.167(k) - 3b)(3) under the Code, as adjusted, based upon family size in accordance with the household income adjustment factors adjusted and amended from time to time, pursuant to Section 8 of the United States Housing Act of 1937, as amended.

"Affordable Housing Cost" means the cost to a Qualified Buyer to purchase an Affordable Unit which would result in an Affordable Monthly Housing Expense for Low Income Households including all of the following associated with the Affordable Unit, estimated or known as of the date of the proposed purchase of the Affordable Unit: (i) principal and interest payments on a mortgage loan(s) including any rehabilitation loans and any loan insurance fees associated therewith (a first lien mortgage loan is required hereunder to bear a fixed rate of interest and require level payments throughout its term); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance, the product of thirty-five percent (35%) times eighty percent (80%) of AMI adjusted for family size appropriate to the Unit.

"**Affordable Unit**" means a dwelling unit that will be offered for sale exclusively to an Income Eligible Household pursuant to this Agreement and is also referred to herein as "**New Home**".

"**Affordability Period**" means the period commencing upon the Release of Construction Covenants and terminating on the forty-fifth (45th) anniversary thereof.

"**Agreement**" means the Regulatory Agreement, including all the attachments thereto.

"**City**" shall mean the City of Riverside.

"**City Manager**" shall mean the City Manager acting on behalf of the Successor Agency or on behalf of the City, as applicable and according to context.

"**Delivery Date**" means the date of delivery of title and possession of the New Home from the Developer to the Qualified Home Buyer at the close of the New Home Escrow.

"**Effective Date**" means the date upon which this Regulatory Agreement is executed by the City Manager on behalf of the Successor Agency.

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

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

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

"**Hazardous Substance**" means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101), as amended from time to time, or now or hereafter otherwise classified or regulated pursuant to any Environmental Laws as a "**hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", ''toxic substance", ''toxic pollutant"** or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or "**EP toxicity**'', (ii) any asbestos or asbestos containing material, any polychlorinated biphenyls (PCB's), (iii) any polychlorinated biphenyls (PCB's), (iv) any urea formaldehyde, and (v) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. Notwithstanding the foregoing, "**Hazardous Substances**" shall not include any household cleaner or chemical, compound, material, mixture, or substance used in the normal course of operating an apartment complex, so long as such household cleaner, chemical, compound, material, mixture, or substance is used in accordance with Environmental Laws and stored in reasonable quantities.

"**HCD**" means the California Department of Housing and Community Development.

"**Income Eligible Household**" shall mean a Very Low- or Low-Income Household, which is eligible to buy a particular Affordable Unit.

"**Low-Income Household**" means a Household earning not more than eighty percent (80%) of AMI, as defined in the California Health and Safety Code § 50093.

"**New Home**" means the completed affordable single-family residential dwelling unit (including the land and landscape improvements thereon) as constructed and installed by the Developer and sold to the Qualified Home Buyer.

"**New Home Escrow**" means the real estate conveyance transaction or escrow by and between the Developer and the Qualified Home Buyer (or later, by and between the Qualified Home Buyer and the Successor-In-Interest). The transfer of the New Home from the Developer to the Qualified Home Buyer (or later, by and between the Qualified Home Buyer and the Successor-In-Interest) shall be accomplished upon the close of the New Home Escrow.

"**Parties**" means the Successor Agency and the Developer.

"**Project**" means the development referenced in this agreement.

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

"**Qualified Very Low-Income Household**" means a Household whose aggregate gross income is less than fifty percent (50%) of AMI and qualifies as a "very low income household" pursuant to Health and Safety Code section 50105 or any successor statute. "Gross income" shall be determined in accordance with Section 6914 of Title 25 of the California Code of Regulations.

"**Qualified Home Buyer**" means the purchaser of the New Home from the Developer (e.g.: all persons identified as having a property ownership interest vested in the New Home as of the close of the New Home Escrow). At the close of the New Home Escrow, the Qualified Home Buyer shall: (i) have an annual Adjusted Family Income which does not exceed the household income qualification limits of a Qualified Low-Income or Very Low-Income Household: and (ii) shall be a first-time homebuyer meaning individuals who have had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property; and (iii) pay no more than an Affordable Housing Cost for the New Home pursuant to the terms of the purchase transaction for the New Home, including all sums payable by the Qualified Home Buyer for its purchase money mortgage financing, insurance, escrow and other fees and costs.

"**Qualified Residence Period**" means, for each Affordable Unit, the period commencing upon the issuance of the certificates of occupancy by the City for such Affordable Unit, which shall be forty-five (45) years.

"**Successor-In-Interest**" means the person, family or household which may acquire the New Home from the Qualified Home Buyer at any time during the Qualified Residence Period by purchase, assignment, transfer or otherwise. The Successor-In-Interest does not need to be a "First-Time Home Buyer" but, such Successor-In-Interest shall have an income level for the twelve (12) months prior to the date on which the Successor-In-Interest acquires the New Home which does not exceed the maximum Adjusted Family Income level for a Low-Income Household. Upon acquisition of the New Home the Successor-In-Interest shall be bound by each of the covenants, conditions and restrictions of this Affordability Covenant.

"**Unit**" or "**Units**" means one hundred percent (100%) of individual residential dwelling units within the Project to be constructed and operated by the Developer on the Site.

"**Very Low-Income Household**" means a Household whose aggregate gross income is less than fifty percent (50%) of AMI and qualifies as a "very low income household" pursuant to Health and Safety Code section 50105 or any successor statute. "Gross income" shall be determined in accordance with Section 6914 of Title 25 of the California Code of Regulations.

2. USE RESTRICTIONS

A. Permitted Uses. The Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof, that the Developer, and such successors and assigns, shall (i) acquire the Property and construct the Project; and (ii) make available to and sell each the Affordable Unit at an Affordable Housing Cost to a Qualified Home Buyer.

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

B. Affordable Housing. Except as provided herein, commencing upon and throughout the Affordability Period, the Developer covenants and agrees that one hundred percent (100%) of the Affordable Units in the Project shall be sold for affordable housing purposes available for occupancy exclusively to Qualified Home Buyers at an Affordable Housing Cost in accordance with the provisions of this Regulatory Agreement.

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

Buyer will submit the proposed purchase price for each Affordable Unit to the City for prior approval, which the City will not withhold if the purchase price does not exceed the Affordable Housing Cost. The City agrees to provide to the Developer any updated income limit and utility allowance issued by the County of Riverside when it becomes available, which amounts will be used to calculate the Affordable Housing Cost.

C. <u>Income Requirements</u>. The Developer hereby acknowledges and represents that, prior to the close of a New Home Escrow, Developer shall notify the City, in writing:

(a) the total household income for the Qualified Home Buyer does not exceed the maximum amount permitted as Adjusted Family Income for a Very Low-Income Household, adjusted for actual family size;

(b) the Qualified Home Buyer shall have the immediate right to occupy the New Home as the principal place of residence and the Qualified Home Buyer does not have the right under the purchase and sale agreement between Developer and Qualified Home Buyer to enter into any arrangement and to lease, sell, transfer or assign the New Home to any third party during the Qualified Residence Period so as to frustrate the purpose of this Affordable Agreement;

(c) the aggregate sum payable each month by the Qualified Home Buyer following the close of the New Home Escrow as principal and interest, property taxes and, property casualty insurance for the acquisition of the New Home does not exceed the Affordable Housing Cost for the household;

(d) the Qualified Home Buyer shall provide the City with the following items of information for inspection by the City promptly upon written request of the City:

(i) State and federal income tax returns filed by all persons who reside in the New Home for the three (3) most recent tax years preceding the close of the New Home Escrow for inspection of such State and federal income tax returns;

(ii) current wage, income and salary statements for all persons residing in the New Home at the close of the New Home Escrow;

(iii) Last three (3) months of bank statements for all persons who reside in the New Home; and

(iv) A certification signed by Qualified Home Buyer, stating that:

(A) the total household income for the Qualified Home Buyer does not exceed the maximum amount permitted as Adjusted Family Income for a Very Low-Income Household, adjusted for actual family size;

(B) the Qualified Home Buyer shall promptly occupy the New Home as the principal place of residence and the Qualified Home Buyer has not entered into any arrangement and shall not lease, sell, transfer or assign the New Home to any third party during the Qualified Residence Period so as to frustrate the purpose of this this Affordable Agreement.

(e) The Qualified Home Buyer has been informed by the Developer that this Affordable Agreement imposes certain restrictions on the use and occupancy of the New Home during the term of this Affordable Agreement and imposes certain restrictions on the resale of the New Home. Upon demand, the Developer will provide written acknowledgment from the Qualified Home Buyer that these restrictions shall be applicable to the New Home and to any resale of the New Home from the Delivery Date, including the equity sharing agreement set forth herein, to the end of the Qualified Residence Period.

(f) The Qualified Home Buyer may or shall obtain certain purchase money mortgage financing for the acquisition of the New Home from an approved lender. The Qualified Buyer shall provide the City with a true and correct copy of the loan agreement by and between Agreement shall be prior and senior to the security interest of the First Mortgage Lender in the New Home. No breach or default by the Qualified Home Buyer of any provision of this Affordable Agreement, nor the exercise by the of any remedy it may have against the Qualified Home Buyer in the event of such a breach or default, shall affect or render invalid the lien of the First Mortgage Lender in the New Home. In the event that the First Mortgage Lender (or its assignee) may foreclose the lien of the First Mortgage Lender in the New Home through trustee sale, judicial foreclosure or by acceptance of deed in lieu of foreclosure, the First Mortgage Lender, and its good faith purchasers for value, shall receive title in the New Home subject to the provisions of this Agreement.

(g) Within fifteen (15) calendar days after the City receives all of the information in this Section 2, the City will notify Developer either that (i) the City concurs with such information and approves the sale of the New Home to the Qualified Home Buyer, or (ii) that City disagrees with any information and disapproves such sale. If the City does not respond within such fifteen (15) calendar day period, City will be deemed to have approved the sale of the New Home to the Qualified Home Buyer.

3. COVENANT OF THE QUALIFIED HOME BUYER TO MAINTAIN RESIDENCY AT AND AFFORDABILITY OF THE NEW HOME DURING THE QUALIFIED RESIDENCE PERIOD

A. The purchase and sale agreement for a New Home Escrow between Developer or its agent and the potential Qualified Home Buyer of any Affordable Unit must include provisions providing for the implementation of Section 2 of this Affordable Agreement. The Escrow Agreement shall also include a provision substantially as follows:

> "Income Eligible potential homeowner is hereby advised that the unit is an Affordable Unit and Developer, as owner, has entered into a Regulatory Agreement with the City of Riverside. A copy of that agreement is attached to this Purchase Agreement. Any questions regarding the agreement can be directed to the City of Riverside Housing and Human Services Director, 3900 Main Street, Riverside, California, 92522, telephone number (951) 826-2515."

B. As a condition of the close of a New Home Escrow, Developer shall certify to the City that the grant deed for such transfer (which shall be in the form attached hereto as Exhibit "C") includes the following acknowledgements and restrictions:

(1) The Qualified Home Buyer for itself, its heirs, successors, and assigns, hereby covenants and agrees that during the term of the Affordability Period the New Home shall be used and occupied by the Qualified Home Buyer as its principal residence. Qualified Home Buyer understands and agrees that City will require, on an annual basis, that the Qualified Home Buyer sign and return an owner-occupancy affidavit.

(2) The Qualified Home Buyer, for itself, its successors and assigns, hereby covenants and agrees that during the term of the Affordability Period, the Qualified Home Buyer shall not sell, transfer or otherwise dispose of the New Home (or any interest therein) without first (i) giving written notice to the City; (ii) obtaining the written concurrence of the City as provided herein; and (iii) complying with the equity sharing agreement set forth herein. At least forty-five (45) calendar days prior to the date on which the Qualified Home Buyer proposes to transfer title in the New Home, the Qualified Home Buyer shall send a written notice to the City as provided in Section 10, of the intention of the Qualified Home Buyer to sell the New Home which includes the following true and correct information:

(i) The resale price of the New Home payable by the proposed new owner, including the terms of all purchase money mortgage financing to be assumed, provided or obtained by the owner, escrow costs and charges, realtor broker fees and all other resale costs or charges payable by either the Qualified Home Buyer or the new owner;

(ii) name address, and telephone number of the escrow company which shall coordinate the transfer of the New Home from the Qualified Home Buyer to the new owner;

(iii) such other relevant information as the City may reasonably request, as provided in Section 2 of this Regulatory Agreement.

(3) Within twenty (20) calendar days following receipt of the notice of intention described in Section 2.3(b) of this Regulatory Agreement, the City shall provide the Qualified Home Buyer with either a preliminary confirmation of approval or a preliminary rejection of approval in writing of the sale. In the event that the City may request additional information relating to the confirmation of the matters described in Section 3 of this Regulatory Agreement, the Qualified Home Buyer shall provide such information to the City as promptly as feasible.

(4) The Qualified Home Buyer agrees to an equity sharing agreement as set forth in this Section 2. of the Affordable Agreement and as calculated under Government Code section 65915(c)(2)(C). Upon resale, the Qualified Home Buyer shall only retain the value of any improvements, the downpayment, and the proportionate share of appreciation occurring during Qualified Home Buyer's period of ownership and shall pay to the City's Housing Authority of a sum equal to the following: the Initial Subsidy (as defined herein) and the City's proportionate share of appreciation. The Initial Subsidy shall be equal to the fair market value of the New Home at the time of initial sale minus the initial sale price to the very low-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value. The City's proportionate share of appreciation shall be equal to the ratio of

the City's Initial Subsidy to the fair market value of the New Home at the time of the initial sale.

4. MISCELLANEOUS PROJECT REQUIREMENTS

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

B. Affirmative Marketing. The Marketing of the Affordable Units shall publicize the availability of the Affordable Units within the City of Riverside in a manner which gives notice to Qualified Households currently living within the City of Riverside before residents of other cities receive such notice, such as notices in any City of Riverside sponsored newsletter, newspaper advertising in local newspapers and notices in City of Riverside offices. Marketing of all the residential units will include but is not limited to a project wed site with interactive leasing information, presence on regional apartment leasing web sites, social media, newspaper, and magazine publications.

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

5. COVENANTS

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

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

6. ENFORCEMENT AND REMEDIES

A. Remedies. Subject to the notice and cure rights of the Developer set forth in the Agreement, in the Event of Default of any of the terms or conditions of this Regulatory Agreement by the Developer, its successors or assigns, the Successor Agency 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 of Riverside. The City of Riverside has the right to enforce all the provisions of this Regulatory Agreement. This Regulatory Agreement does not in any way infringe on the right or duties of the City of Riverside to enforce any of the provisions of the Riverside Municipal Code including, but not limited to, the abatement of dangerous buildings. In addition to the general rights of enforcement, the City of Riverside shall have the right, through its agents and employees, to enter upon any part of the Property for the purpose of enforcing the Riverside Municipal Code, and the ordinances and other regulations of the City of Riverside, and for maintenance and/or repair of any or all publicly owned utilities.

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

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

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

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

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

7. HOLD HARMLESS

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

8. THIRD PARTY BENEFICIARIES

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

9. RECORDATION

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

10. NOTICE

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

If to Developer: xxxx

With a copy to: xxxx

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

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent. Any address for service of notice on any party may be changed by that party serving a notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service.

11. WAIVER

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

12. SEVERABILITY

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

13. CAPTION AND PRONOUNS

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

14. MODIFICATION OF AGREEMENT

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

15. SOLE AND ONLY AGREEMENT

This Regulatory Agreement, the Agreement and all the attachments thereto and incorporated therein integrate all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Property. In the event of a conflict between this Regulatory Agreement and the Agreement, the provisions of this Regulatory Agreement shall control.

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

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

[SIGNATURES ON FOLLOWING PAGE.]

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

CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE

By_______________________________
City Manager acting on behalf of the Successor Agency to the former Redevelopment Agency of the City of Riverside

RAILROAD AVE STORAGE LLC., a California limited liability company

By:_______________________________
Name:_____________________________
Title:_____________________________

By:_______________________________
Name:_____________________________
Title:_____________________________

ATTEST:

By_______________________________
City Clerk acting on behalf of the Successor Agency to the former Redevelopment Agency of the City of Riverside

Approved as to Form:

By_________________________________
Agency General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

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

PARCEL 1

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

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

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

ALSO EXCEPTING THEREFROM that portion described as follows:

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

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

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

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

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

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

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

Area – 162,216 S.F. (3.724 Ac.) more or less

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

DB Webber 2/21/2024 Prep. cs

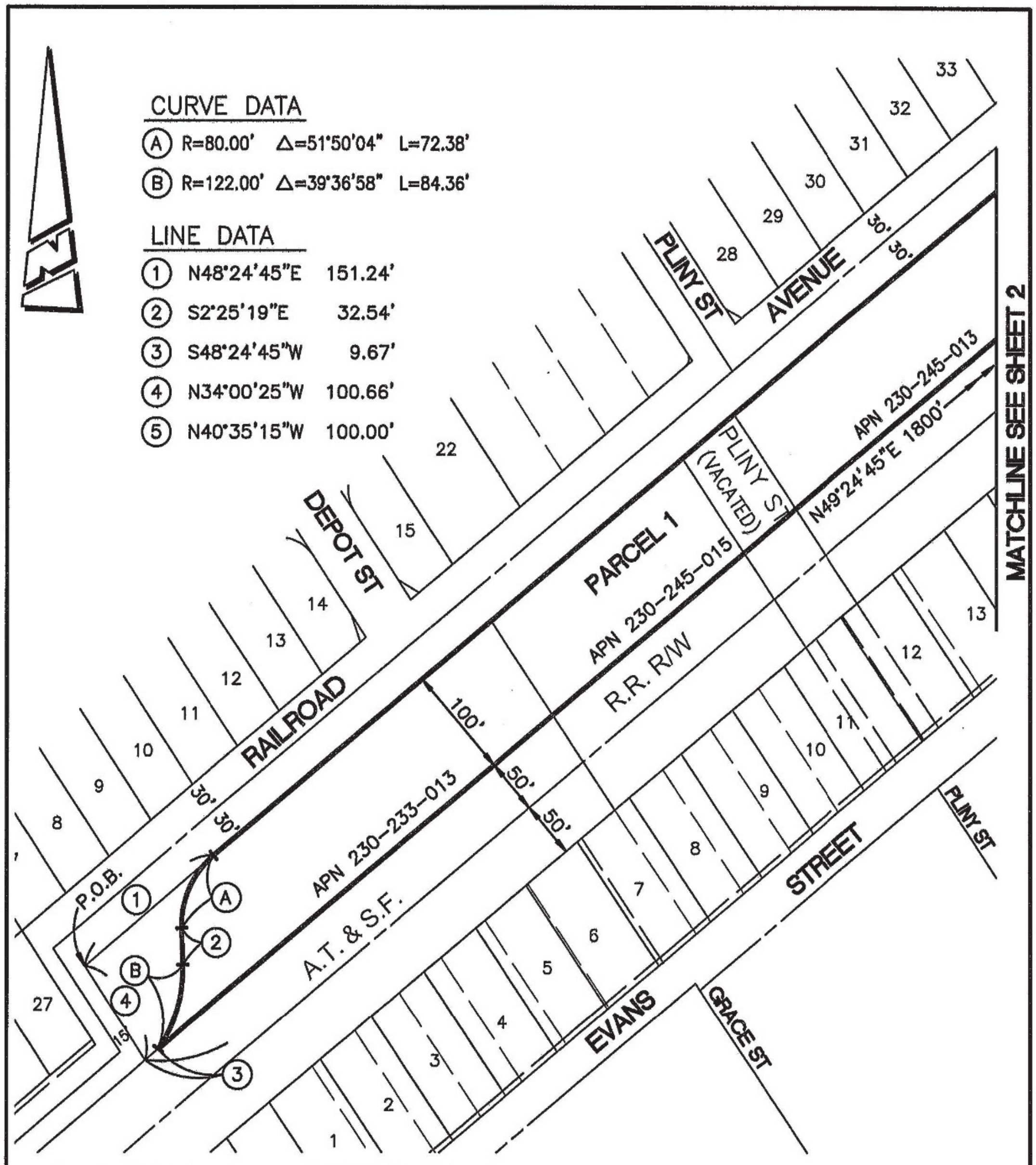
Douglas B. Webber, L.S. 9477 Date

LICENSED LAND SURVEYOR
DOUGLAS B. WEBBER
L.S. 9477
STATE OF CALIFORNIA

EXHIBIT “B”

PLAT MAP

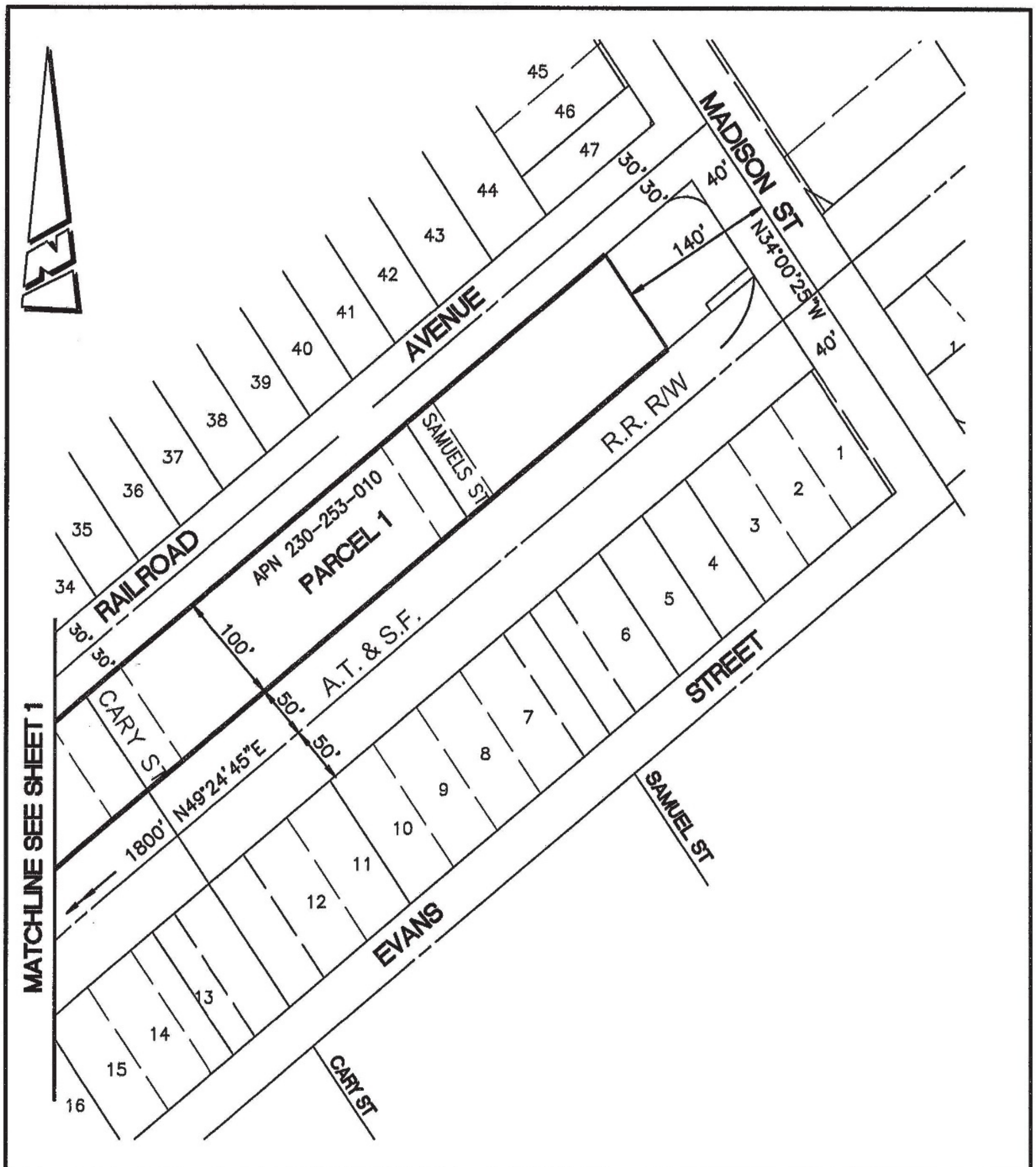
(Inserted behind this page)



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	SHEET 1 OF 2

SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	SHEET 2 OF 2

SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010

EXHIBIT “C”

SAMPLE GRANT DEED

(Inserted behind this page)

EXHIBIT "C"

GRANT DEED

RECORDING REQUESTED BY:

SAMPLE HOMEOWNER DEED – AFFORDABLE UNITS
USE FOR UNITS ________

AND WHEN RECORDED MAIL THIS DEED AND UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO:

____
____
____
Attn: _________________________

The undersigned grantor(s) declare(s):
DOCUMENTARY TRANSFER TAX IS $ ____________________
( ) Unincorporated Area: (X) City of: Riverside
Parcel No.: ____
( ) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, RAILROAD AVE STORAGE LLC, a California limited liability company, a California limited liability company ("**Grantor**"), hereby GRANTS to ______________________________ ("**Grantee**"), the following described real property in the City of Riverside, County of Riverside, State of California:

SEE EXHIBIT "A" ATTACHED HERETO
AND BY THIS REFERENCE MADE A PART HEREOF (THE "**PROPERTY**")

THE REAL PROPERTY CONVEYED HEREIN BY GRANTOR TO GRANTEE IS CONVEYED AND ACCEPTED SUBJECT TO: (i) CURRENT REAL PROPERTY TAXES AND ALL UNPAID GENERAL AND SPECIAL TAXES/BONDS AND ASSESSMENTS; (ii) ALL MATTERS OF RECORD, INCLUDING WITHOUT LIMITATION, EASEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, RIGHTS, RIGHTS OF WAY OF RECORD, AND/OR DISCLOSED BY AN INSPECTION.

AFFORDABLE HOUSING COVENANTS
The Property was transferred subject to that certain Regulatory Agreement between Grantor and the CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body (the "City"), recorded in the Official Records of Riverside County ___________, 202_ as Instrument No.

______________ (the **"Affordable Agreement"**), pursuant to which the Property is required to be sold and conveyed to a very low-income household. Consequently, Grantee is obligated to comply with all terms and conditions set forth in the Affordable Agreement. Without limiting the foregoing, the following terms and conditions are binding on Grantee and run with the land of the Property:

1. <u>Defined Terms</u>:

(a) "**New Home**" means the completed affordable single-family residential dwelling unit (including any land and landscape improvements thereon), as constructed and installed by the Grantor and sold to Grantee.

(b) "**Qualified Residence Period**" means the period commencing upon the issuance of the certificates of occupancy by the City for the New Home and terminating forty-five (45) years thereafter, subject to the equity sharing agreement set forth herein.

2. <u>Covenants and Conditions</u>:

(a) Grantee for itself, its heirs, successors, and assigns, hereby covenants and agrees that during the term of the Qualified Residence Period the New Home shall be used and occupied by Grantee as its principal residence. Grantee understands and agrees that City will require, on an annual basis, that Grantee sign and return an owner-occupancy affidavit to City.

(b) Grantee, for itself, its successors and assigns, hereby covenants and agrees that during the term of the Qualified Residence Period, Grantee shall not sell, transfer or otherwise dispose of the New Home (or any interest therein) without first (i) giving written notice to the City, (ii) obtaining the written concurrence of the City as provided in the Affordable Agreement and (iii) complying with the equity sharing agreement set forth in the Affordable Agreement. At least forty-five (45) calendar days prior to the date on which Grantee proposes to transfer title in the New Home, Grantee shall send a written notice to the City as provided in Section 10 of the Affordable Agreement, of the intention of Grantee to sell the New Home which includes the following true and correct information:

> (i) The resale price of the New Home payable by the proposed new owner, including the terms of all purchase money mortgage financing to be assumed, provided or obtained by the owner, escrow costs and charges, realtor broker fees and all other resale costs or charges payable by either Grantee or the new owner;
>
> (ii) name address, and telephone number of the escrow company which shall coordinate the transfer of the New Home from Grantee to the new owner;
>
> (iii) such other relevant information as the City may reasonably request, as provided in Section 2(c) and 2(d) of the Affordable Agreement.

(c) Within twenty (20) calendar days following receipt of the notice of intention described in Section 2.3(b) of the Affordable Agreement, the City shall provide Grantee with either a preliminary confirmation of approval or a preliminary rejection of approval in writing of the sale.

In the event that the City may request additional information relating to the confirmation of the matters described in Section 3(b) of the Affordable Agreement, Grantee shall provide such information to the City as promptly as feasible.

(d) Grantee agrees to an equity sharing agreement as set forth in Section 2 of the Affordable Agreement and as calculated under Government Code section 65915(c)(2)(C). Upon resale, Grantee shall only retain the value of any improvements, the downpayment, and the proportionate share of appreciation during Grantee's period of ownership and shall pay to the City's Housing Authority of a sum equal to the following: the Initial Subsidy (as defined herein) and the City's proportionate share of appreciation. The Initial Subsidy shall be equal to the fair market value of the New Home at the time of initial sale minus the initial sale price to the very low-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value. The City's proportionate share of appreciation shall be equal to the ratio of the City's Initial Subsidy to the fair market value of the New Home at the time of initial sale.

The undersigned certifies that this is a true and correct copy of the Grant Deed to be used in connection with the sale of units to homeowners.

Dated: _______________, 20__

RAILROAD AVE STORAGE LLC,
a California limited liability company

By: ____

Name: ____

Its: ____

[See next page for acknowledgment.]

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

State of California)
County of)

On ____________________, before me, ____________________________, a Notary Public, personally appeared _______________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _________________________________

ACCEPTANCE BY GRANTEE

GRANTEE HEREBY ACCEPTS THE FOREGOING CONVEYANCE.

Dated: ___________________, 202__

____

____

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

State of California)
County of ______________________)

On ____________________, before me, _____________________________, a Notary Public, personally appeared ________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

Signature __________________________________

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State of California)
County of ______________________)

On ____________________, before me, _____________________________, a Notary Public, personally appeared ________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________________

EXHIBIT G

COVENANT AND AGREEMENT AND DECLARATION OF RESTRICTIONS (RIGHT OF REVERTER)

[Inserted behind this page]

WHEN RECORDED MAIL TO: City Clerk City of Riverside City Hall, 3900 Main Street Riverside, CA 92522 Project: Madison Street and Railroad Avenue, Riverside, California, bearing Assessor's Parcel Nos. 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010	
	For Recorder's Office Use Only

COVENANT AND AGREEMENT AND DECLARATION OF RESTRICTIONS

(Right of Reverter in Favor of City of Riverside)

THIS COVENANT AND AGREEMENT AND DECLARATION OF RESTRICTIONS is made and entered into this ______ day of __________________, _____, by CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body ("Seller") and RAILROAD AVE STORAGE LLC, a California limited liability company ("Buyer") reference to the following facts.

RECITALS

A. Seller owns that certain real property located at Madison Street and Railroad Avenue, Riverside, California, bearing Assessor's Parcel Nos. 230-245-013, 230-245-015, Portion of 230-233-013, and Portion of 230-253-010 (collectively, "Property"), more particularly described in Exhibit "A," Legal Description and depicted in Exhibit "B," Plat Map, attached hereto and incorporated herein by this reference.

B. The Seller and Buyer entered into that certain Purchase, Sale, and Development Agreement dated for identification purposes only as of _______________, 2026 (the "**Agreement**"), which is incorporated herein by this reference and a copy of which is on file as public record of the City at its offices located at 3900 Main Street, Riverside, CA 92522. As a condition of the sale of the Property by the Seller to Buyer, Buyer is required to execute and record a covenant and agreement against the Property regarding a right of reverter to the City of Riverside for a default under the terms of the Agreement ("Covenant"). The Covenant shall provide that if Buyer fails to timely commenced construction, has informed Seller by written notice that Buyer is either unable or has elected not to proceed with the development of the Property for any reason, or abandons or substantially suspends construction of the Project as required by the Agreement for a period of thirty (30) days after written notice thereof from the Seller, subject to force majeure delays as described in the Agreement, then the grant deed conveying the Property to the Buyer shall be automatically terminated and title to the Property shall revert to the City of Riverside upon written notice from Seller to Buyer and the City of Riverside's delivery to Buyer of the original Purchase Price paid by the Buyer for the Property at the time of Close of Escrow as evidenced in a final escrow closing statement, less any amounts required to place the Property into compliance with the Riverside Municipal Code (if applicable). The City of Riverside agrees that if Buyer provides Seller with proof that Buyer has secured financing or cash (or a combination of financing and cash) equal to the cost of acquisition and construction of the entire Project, including drafts of construction loan financing agreements, security documents, agreements with equity investors, and related documents, the City of Riverside shall not exercise its Power of Termination.

C. Buyer hereby offers and agrees to record such Covenant to put future owners, lessees, successors and assigns on notice of said restriction.

NOW, THEREFORE, incorporating the above recitals and for the purposes of complying with the condition of approval and putting future owners, lessees, successors and assigns on notice, Seller and Buyer hereby covenant and agree to the following covenants, conditions, and restrictions.

1. If in the event Buyer: (a) has not commenced construction as provided in Section 6.1 of the Agreement or (b) has informed Seller by written notice that Buyer is either unable or has elected not to proceed with the development of the Property for any reason, and/or (c) abandons or substantially suspends construction of the Project as required by the Agreement for a period of thirty (30) days after written notice thereof from the Seller, subject to force majeure delays as described in the Agreement, then the Grant Deed conveying the Property to the Buyer shall be automatically terminated and title to the Property shall revert to the City of Riverside upon written notice from Seller to Buyer and the City of Riverside's delivery to Buyer of the original Purchase Price paid by the Buyer for the Property at the time of Close of Escrow as evidenced in a final escrow closing statement, less any amounts required to place the Property into compliance with the Riverside Municipal Code (if applicable) (the "Power of Termination"). Such Power of Termination 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 City of Riverside's Power of Termination shall terminate. This Power of Termination shall be included in the Grant Deed from Seller to Buyer. The City of Riverside agrees that if Buyer provides Seller with proof that Buyer has secured financing or cash (or a combination of financing and cash) equal to the cost of acquisition and construction of the entire Project, including drafts of construction loan financing agreements, security documents, agreements with equity investors, and related documents, the City of Riverside shall not exercise its Power of Termination.

2. The terms of this Covenant and Agreement and Declaration of Restrictions may be enforced by the City of Riverside, and its successors and assigns. Should the City of Riverside bring an action to enforce the terms of this Covenant and Agreement and Declaration of Restrictions, each party shall bear their own attorney's fees.

3. This Covenant and Agreement and Declaration of Restrictions shall run with the land and each and all of its terms shall be binding upon the Declarant, its heirs, successors and assigns, and shall continue in effect until such time as released the Community Development Director of the City of Riverside, California, by a writing duly recorded.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, Declarant has caused this Covenant and Agreement and Declaration of Restrictions to be executed as of the day and year first written above.

"SELLER"
CITY OF RIVERSIDE, AS
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE

By_____________________________
City Manager acting on
behalf of the Successor Agency
to the former Redevelopment Agency
of the City of Riverside

"BUYER"
RAILROAD AVE STORAGE LLC.,
a California limited liability company

By:_____________________________
Name:___________________________
Title:____________________________

By:_____________________________
Name:___________________________
Title:____________________________

ATTEST:

By_____________________________
City Clerk acting on
behalf of the Successor Agency
to the former Redevelopment Agency
of the City of Riverside

Approved as to Form:

By_______________________________
Agency General Counsel

EXHIBIT "A"
LEGAL DESCRIPTION

(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

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

PARCEL 1

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

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

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

ALSO EXCEPTING THEREFROM that portion described as follows:

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

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

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

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

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

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

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

Area – 162,216 S.F. (3.724 Ac.) more or less

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

DB W 2/21/2024 Prep. cs

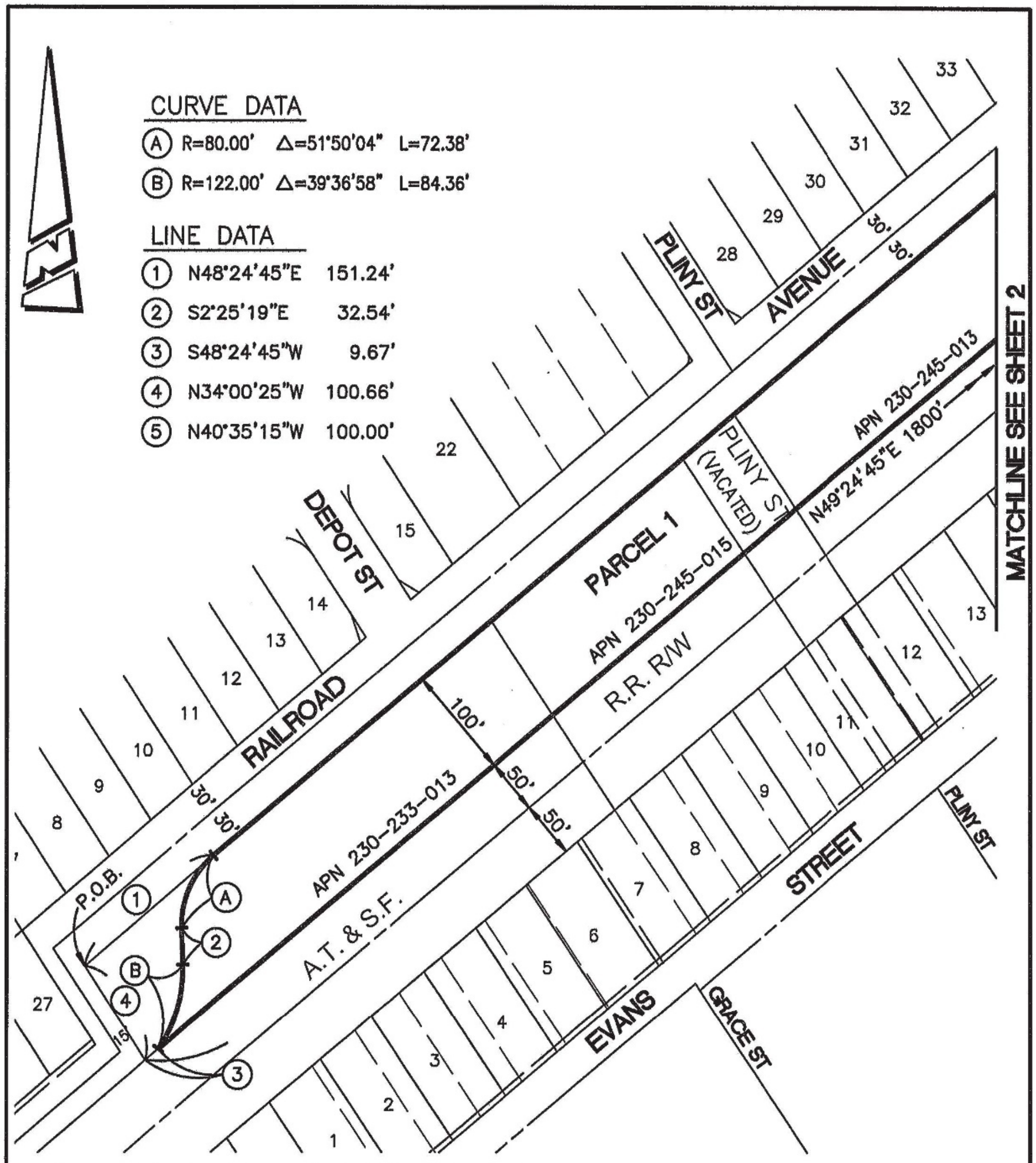
Douglas B. Webber, L.S. 9477 Date

LICENSED LAND SURVEYOR
DOUGLAS B. WEBBER
L.S. 9477
STATE OF CALIFORNIA

EXHIBIT "B"

PLAT MAP

(Inserted behind this page)



• CITY OF RIVERSIDE, CALIFORNIA •

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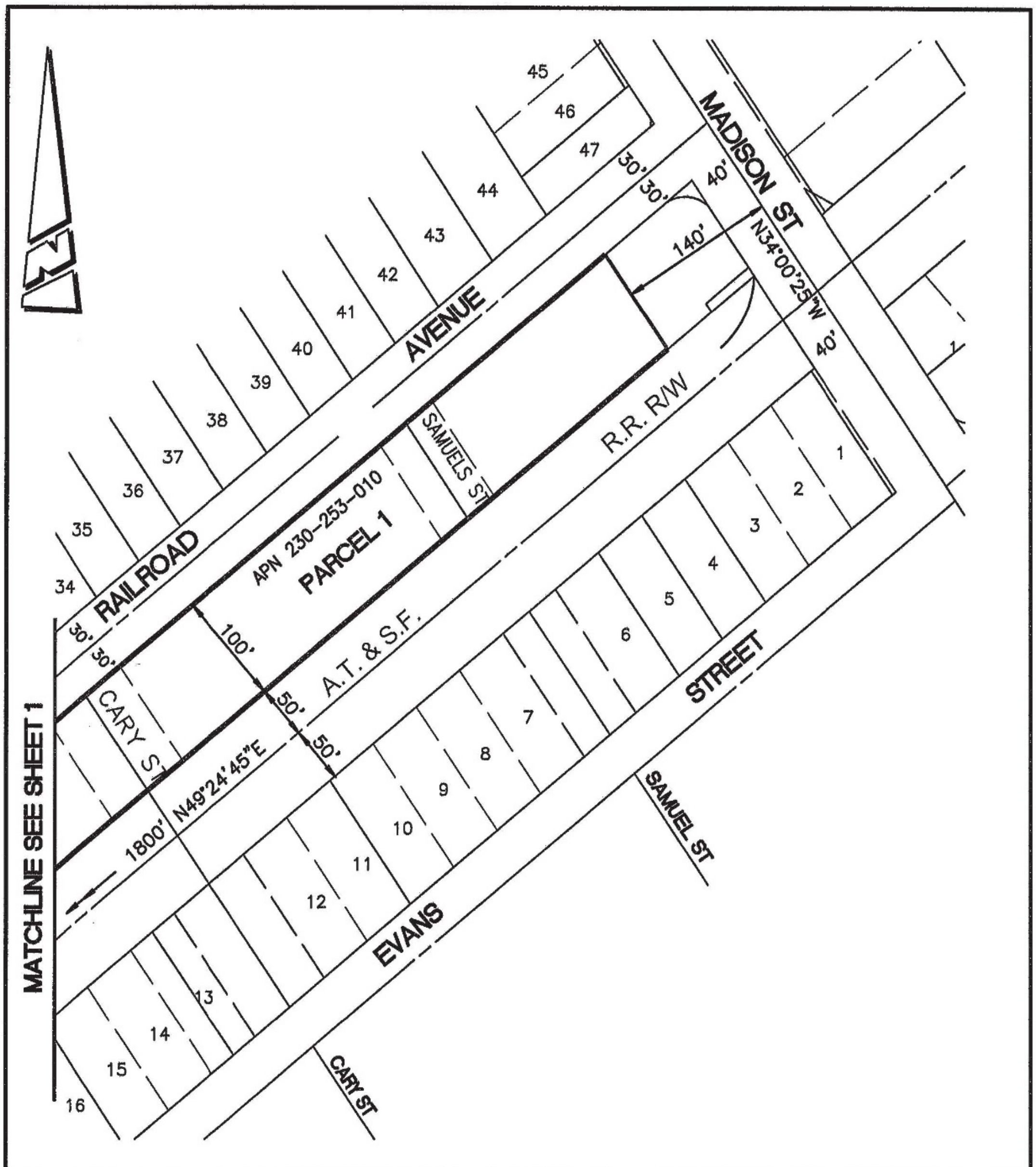
SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	SHEET 2 OF 2

SCALE: NTS	DRAWN BY: cs/dbw DATE: 02/21/24	SUBJECT:APN 230-233-013, 230-245-013, -015 & 230-253-010

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

STATE OF CALIFORNIA)
)ss
COUNTY OF RIVERSIDE)

On __________________, before me, ____________________________________, personally appeared ______________________________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Notary Signature

EXHIBIT H

SCHEDULE OF PERFORMANCE

Event	Section	Timeline
Effective Date		Execution Date / 1 Day
Due Diligence Period	1.3	120 days from the Effective Date
Open Escrow	2.2	Within 10 days following the Effective Date
Deposit	2.3	Within 15 days following the Effective Date
Non-Refundable Deposit	2.3	90 days following the Contingency Date Expiration
Planning Application	2.4	Within 120 days following Contingency Date Expiration
Close of Escrow	3.1	24 months from Buyer's Approval Period
Start Construction	6.1.1	120 days following Close of Escrow
Completion of Construction	6.1.2	24 months from Close of Escrow