

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

PRAXIS DEVELOPMENT GROUP, LLC

(3870 Ottawa Avenue, APN: 221-061-002)

This PURCHASE, SALE, AND DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into this ____ day of _____, 2023, (“**Effective Date**”), by and between **THE CITY OF RIVERSIDE, AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity (“**Seller**”) and **PRAXIS DEVELOPMENT GROUP, LLC**, a California limited liability company (“**Buyer**”) (collectively the Buyer and Seller are referred to herein as “**Parties**” or individually as “**Party**”). 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 1486 (“**AB 1486**”), which provides the following: “The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.” (Government Code Section 54220.)

B. In compliance with Section 2 of AB 1486 and pursuant to Government Code 54220, et seq., on May 26, 2021, Seller gave notice of the planned sale of certain surplus property to the California Department of Housing and Community Development’s (“**HCD**”) approved list of affordable housing buyers. In that notice, Seller indicated neither the Successor Agency to the Redevelopment Agency of the City of Riverside (“**Successor Agency**”) nor the City of Riverside’s Housing Authority had any funding available to subsidize the production of affordable housing units and that the surplus property, located at 3870 Ottawa Avenue, identified as Assessor’s Parcel Number 221-061-002, was intended to be sold subject to a current fair market value appraisal.

C. On July 25, 2021, prior to the expiration of the sixty (60) day notice of availability period under Section 54222(e) of AB 1486, Buyer submitted a proposal for the acquisition and development of the Property.

D. Thereafter, Seller and Buyer engaged in good faith negotiations pursuant to Government Code section 54223, resulting in this Agreement.

E. On February 10, 2023, having come to terms, Seller submitted, among other materials, the form of this Agreement to HCD, pursuant to Government Code Section 54230.5(b)(1).

F. On May 2, 2023, HCD notified Seller of its approval of this Agreement and acknowledged Seller's overall compliance with AB 1486 on the disposition of the Property to Buyer. A true and correct copy of this letter from HCD is attached hereto as **Exhibit "G"** ("**HCD Approval Letter**") and incorporated herein by reference.

ARTICLE I AGREEMENT OF SALE

1.1 **Property.** Seller owns the real property located at 3870 Ottawa Avenue, Riverside, California, bearing an Assessor's Parcel Number 221-061-002 ("**Property**"), more particularly described in Exhibit "A" ("**Legal Description**") and depicted in Exhibit "B" ("**Plat Map**") which are attached hereto and incorporated herein by reference.

1.2 **Intention.** Buyer desires to purchase in fee the Property for the development of a multi-family development on the Property with approximately twelve (12) townhome dwelling units, each townhome to have two dedicated parking spaces, with the final density and the development project subject to approvals outlined in this Agreement ("**Project**"), with not less than twenty-five percent (25%) of the total number of residential units developed on the Property required to be rented at affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. The affordable rental units shall remain affordable to and occupied by lower income households for a period of fifty-five (55) years. 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.

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

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

to give such notice to Seller on or before the expiration of the Due Diligence Period, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

1.5 Right of Entry. After execution of this Agreement by the Parties, and during Escrow, Seller grants to Buyer, its agents, employees or nominees, the right to enter into and upon the Property for the purpose of conducting a Phase I Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required for the preparation by Buyer of its development plans for the Property. Buyer shall provide Seller with two (2) business days' notice prior to such entry and shall not unreasonably interfere with any occupant's use of the Property or any of Seller's other operations on the Property. Buyer must provide Seller with a site plan showing proposed soil boring locations and obtain prior written consent from Seller before any intrusive testing is allowed on the Property. Buyer shall keep the Property free and clear of any liens or encumbrances that may arise out of Buyer's inspection of and activities on the Property. All costs, expenses, liabilities or charges incurred in or related to the performance of any and all of such studies and work on the Property, including the preparation by Buyer of any plans or maps for the development or use of the Property, and the cost of filing, recording reports, plans, maps or other documents related thereto, shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property to the same or similar condition as existed on the Effective Date. 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 exercised during the period during which Escrow is open, or any extension thereof.

1.6 Insurance. During the exercise of the right of entry in Section 1.5 above, Buyer shall maintain commercial general liability insurance in the amount of one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate by an insurance company or companies authorized to transact liability insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class VII or larger. Buyer shall name Seller as an additional insured under its policy and shall provide a Certificate of Insurance and said endorsement to Seller prior to exercising its rights under Section 1.5.

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

ARTICLE II
PURCHASE PRICE, ESCROW, DEPOSIT, AND BUYER'S AND SELLER'S
OBLIGATIONS DURING ESCROW

2.1 **Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be One Hundred Ninety Eight Thousand and Nine Hundred Dollars and No Cents (\$198,900.00) (“**Purchase Price**”). The Purchase Price shall be payable to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The Parties acknowledge and agree that the Purchase Price represents the full fair market value of the Property.

2.2 **Escrow.** Within ten (10) calendar days following the Effective Date, Seller shall open an escrow (“**Escrow**”) with Stewart Title of California – Inland Empire Division (“**Stewart**”), 7065 Indiana Avenue, Riverside, CA 92506, or a company mutually agreed to by both Parties (either of which are referred to herein as “**Escrow Holder**”), for the purpose of consummating this Agreement. The Parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control. The close of escrow shall be (i) twenty-four (24) months following the Effective Date, (ii) thirty (30) calendar days from Buyer’s satisfaction of the conditions listed in Sections 2.4 and 3.2, or (iii) such date mutually agreed to by Buyer and Seller, whichever is earlier (“**Close of Escrow**”).

2.3 **Deposit.** Within fifteen (15) calendar days following the Effective Date, Buyer shall deliver a deposit in the amount of Nine Thousand Nine Hundred and Forty-Five Dollars and No Cents (\$9,945.00) (“**Deposit**”) which is five percent (5%) of Purchase Price 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 the expiration of the Due Diligence Period, as the same may be extended, Buyer’s Deposit shall become non-refundable but shall still 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. Notwithstanding the foregoing, Buyer’s Deposit shall be non-refundable in all circumstances, which amount Seller and Buyer have bargained for and agreed to as independent consideration for Seller’s execution of this Agreement.

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

2.4.1 Within one hundred and twenty (120) calendar days following the expiration of the Due Diligence Period, Buyer shall submit an application to the City of Riverside’s Community & Economic Development Department, Planning Division, pursuant to Title 19 of the Riverside Municipal Code, for the review and approval of the Project (“**Buyer’s Obligations**”). Said application shall include the following:

- (a) A Project Design Review of Buyer's proposed development of the Project, including specific site plan, floor plans and preliminary elevations ("**Project Design**");
- (b) Application for entitlements and environmental clearances for the Project, including, but not limited to, any anticipated conditional use permits and/or variances ("**Project Entitlements**"); and
- (c) Any other documents or applications required for the development of the Project. Notwithstanding the foregoing sentence, the Parties acknowledge that "any other documents" does not include application(s) for building permit(s), which will come after issuance of Project Entitlements.

2.4.2 Within ninety (90) calendar days prior to the Close of Escrow, Buyer to provide Seller a development pro-forma ("**Development Pro-forma**") for the Project.

2.4.3 Within thirty (30) calendar days prior to the Close of Escrow, Buyer to provide Seller proof of financing or cash equal to the cost of construction of the Project as shown on Buyer's Development Pro-forma in Section 2.4.2 above.

2.4.4 Within thirty (30) calendar days prior to the Close of Escrow, Buyer shall have obtained discretionary governmental approval ("**Entitlement Approval**") for the Map (if any), Project Design, Entitlements, ready-to-issue grading and building permits for the development of the Project. The Entitlement Approval date shall be defined as the expiration of the appeal period of the associated environmental document to the Map (if any), Project Design, and Project Entitlements.

2.5 **Seller's Obligations During Escrow.**

During the Escrow period, Seller shall make its best efforts to keep the Property free and clear of any nuisance, trash, contamination, liability or other harm or damage to the Property.

ARTICLE III CLOSING

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

3.2 Closing Documents.

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

- (a) A grant deed sufficient for recording, conveying legal title of the Property to Buyer;
- (b) All additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement;
- (c) An assignment of Seller's right, title, and interest in and to all intangible property owned or held by Seller in connection with the Property or with the use thereof including, without limitation, all permits, maps, surveys, plans, leases, licenses, and agreements.

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

- (a) The Purchase Price of the Property and any additional funds necessary to satisfy Buyer's Obligations relating to the acquisition of the Property, subject to a credit in the amount of the Deposit and any other credits or pro-rations provided for in this Agreement;
- (b) Copies of Buyer's authority documents and/or such other documents and instruments evidencing Buyer's due existence and authority to enter into and consummate the sale of the Property contemplated by this Agreement as Seller or Escrow Holder may require;
- (c) Evidence of grading and building permits for the Project;
- (d) Proof of financing and/or cash funding for the construction of the Project, including a Development Pro-forma that shows the total construction cost of the Project and an income and expense statement and a Net Operating Agreement forecast for the first ten years of operations during the Affordability Period, as defined in the Regulatory Agreement referenced herein and attached hereto as Exhibit "D";
- (e) A schedule of performance, which shall be in such form as that attached hereto as Exhibit "C" and incorporated herein by this

reference setting out the dates and time periods by which certain obligations set forth in this Agreement must be accomplished (“**Schedule of Performance**”). The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Buyer and the Seller. The Seller authorizes the City Manager to make such revisions to the Schedule of Performance as he/she deems reasonably necessary to effectuate the purposes of this Agreement;

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

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

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

3.5 **Costs.**

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

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 (if obtained by Buyer); (ii) the extra cost of an extended ALTA owners title policy and associated costs if obtained by Buyer; (iii) one-half the cost of any escrow charges imposed by the Escrow Holder; (iv) any taxes disclosed in Section 3.3; and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees and any transfer fees.

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

3.7 **Seller's Obligations.** As of the Close of Escrow, Seller shall have performed all of the obligations required to be performed by Seller under this Agreement and all of Seller's representations and warranties shall be true and correct when made and as of the Close of Escrow.

ARTICLE IV "AS-IS" PURCHASE

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use and occupancy of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) **THE INFORMATION IS PROVIDED ON AN "AS-IS, WHERE-IS" BASIS AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION;** and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this

Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

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

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

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

4.5 **Past Uses. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN "AS-IS, WHERE-IS" BASIS THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY**

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

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

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

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

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


Buyer's Initials

**ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS**

5.1 **Seller's Representations, Warranties and Covenants.** Seller hereby represents, warrants and covenants to Buyer as of the Effective 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 the best of Seller's knowledge, Seller has received no written notice of any hazardous materials located on, under, or about the Property, except as disclosed to Buyer.

5.1.5 The material truth and accuracy of the foregoing representations, warranties and covenants 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, warranties, and covenants.

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

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

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

5.2.3 The material truth and accuracy of the foregoing representations, warranties and covenants 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, warranties, and covenants.

5.3 **No Warranties.** Except for those representations, warranties and covenants 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 representations or warranties with respect to the amount or types of fees required to obtain building permits or otherwise to rezone and develop the Property.

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

6.1 Buyer's Obligations After Close of Escrow.

6.1.1 Buyer shall be the master developer of the Project, including site improvements. Buyer agrees that the Project will be constructed, owned, and managed by Buyer until a Certificate of Completion is issued by the City, except that Buyer may assign this Agreement in accord with Section 6.1.7.2.

6.1.2 Buyer shall commence construction of the Project no later than one hundred and eighty (180) calendar days following the Close of Escrow, subject to Permitted Delays ("**Start of Construction**"). A "Permitted Delay" shall be any delays due to war, terrorism, invasion, insurrection, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes or other labor disturbances, walk-outs, bankruptcy of any contractor being utilized by Buyer, riots, floods, earthquakes, fires, casualties, acts of God, pandemics, adverse weather, judicial decisions, any act or failure to act by Sellers or Sellers' representatives, or any similar basis for excused performance which is not within the reasonable control of Buyer. Buyer shall diligently pursue the development of the Project to completion and must obtain a Certificate of Completion before such development may be deemed fully developed. Failure to commence construction or start grading as required herein shall result in the payment of a Five Hundred Dollar (\$500.00) per diem penalty by Buyer to the Seller for failure to commence construction within one hundred and eighty (180) calendar days from the Close of Escrow.

6.1.3 Buyer shall complete construction within thirty-six (36) months following the Close of Escrow ("**Completion of Construction**"). Completion shall be defined as the Buyer receiving a certificate of occupancy, from the City of Riverside's Community and Economic Development Department, Building and Safety Division, for the Project ("**Certificate of**

Occupancy”). Failure to complete construction as required herein shall result in the payment of a Five Hundred Dollar (\$500.00) per diem penalty by Buyer to the Seller for failure to complete construction within thirty-six (36) months from the Close of Escrow.

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

6.1.5 Local Hiring Compliance.

6.1.5.1 Buyer shall comply with all provisions of City Council Resolution No. 23780 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 twenty (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 twenty (20) miles of the Property; and (6) Any other means of obtaining employees who are local individuals that are reasonably calculated to comply with the goals of this section.

6.1.5.4 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the City of Riverside 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. The reports shall include the total number of employees hired, the total number of labor hours for the Project to date, the number local individuals hired, as defined in section 6.1.2.3, the total number of labor hours completed by local individuals, the name and address of each local individual hired, and the occupation or trade of each local individual hired. All reports shall be signed by Buyer under penalty of perjury.

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

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

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

6.1.6 Intentionally Omitted.

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

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

6.1.7.2 **Permitted Transfers by Buyer.** Notwithstanding any other provision of this Agreement to the contrary, Seller approval of an assignment of this Agreement or conveyance of the Property or any part thereof shall not be required in connection with any of the following transfers (each a “**Permitted Transfer**”):

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

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

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

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

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

vi. any transfer to a limited partnership in which Buyer or an entity controlled by Buyer is the administrative general partner. The term “control” as used in the immediately preceding sentence, means, with respect to an entity that is a corporation, the right to the exercise, directly or indirectly, of more than fifty percent (50%) of the voting rights attributable

to the shares of the controlled corporation, and, with respect to an entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person; and

vii. the conveyance, transfer, or assignment of the rights and obligations of the Property or any portion thereof to Innovative Housing Opportunities, Inc., a California nonprofit public benefit corporation (or its designated affiliate), located at 501 North Golden Circle Drive, Suite 100, Santa Ana, California 92705, for the purpose of developing the affordable housing component of the Project.

6.1.7.3 Seller Consideration of Transfer Request. Other than with respect to the Permitted Transfers above, Buyer shall provide Seller with a thirty (30) calendar days' prior written notice of its intent to assign or transfer and request Seller approval of such assignment or transfer. Such notice shall be accompanied by evidence regarding the proposed assignees or purchaser's development, operation and management qualifications and experience and its financial commitments and resources sufficient to enable the Seller to evaluate the proposed assignee or purchaser of its qualifications and ability to perform the Buyer's Obligations pursuant to this Agreement.

6.1.7.4 Within thirty (30) calendar days, or, if Seller's City Council approval is required, forty-five (45) calendar days, after the receipt of Buyer's written request for Seller approval of an assignment or a transfer pursuant to Section 6.1.7, Seller shall respond in writing either approving the proposed assignee or transferee or requesting additional information reasonably required by Seller in order to determine whether or not to grant the requested approval. Failure of the Seller to respond shall be deemed approval of such request. Upon receipt of such a request for further information, Buyer shall promptly furnish to Seller such requested information.

6.1.7.5 An assignment or transfer approved by Seller pursuant to this Section 6.1.7 shall not be effective unless and until the proposed assignee or transferee executes and delivers to Seller an agreement in form reasonably satisfactory to Seller's legal counsel assuming the obligations of Buyer under this Agreement and the Regulatory Agreement. Thereafter, the assignor shall remain responsible to Seller for performance of the obligations assumed by the assignee unless Seller releases the assignor in writing.

6.2 Seller's Obligations After Close of Escrow.

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

ARTICLE VII DEFAULTS

7.1 **Default.** A Party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other Party hereunder or termination of this Agreement prior to the 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 thirty (30) calendar days in the case of a non-monetary default, or five (5) calendar days in the case of a monetary default.

7.3 **Remedies.** If Buyer is deemed to be in default hereunder, prior to the Close of Escrow, the Seller, at its discretion, shall be entitled to termination of this Agreement and shall be entitled to liquidated damages as set forth in Section 7.4 below.

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

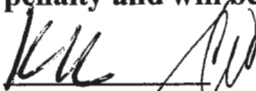
7.5 **Liquidated Damages.** BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. EXCEPT AS PROVIDED IN SECTION 1.4, BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATIONS AFTER CLOSE OF ESCROW, SELLER SHALL BE ENTITLED TO THE SUM OF TEN THOUSAND DOLLARS (\$10,000.00) AS LIQUIDATED DAMAGES FROM BUYER IF BUYER CONTESTS THE TERMINATION AND SELLER PREVAILS IN SUCH DISPUTE. THE FOREGOING PROVISIONS OF THIS SECTION 7.5 CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER AS A RESULT OF A DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT. THE PROVISIONS OF THIS

SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTION 1.3.


Buyer's Initials

Seller's Initials

7.5.1 Local Hiring 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 (\$25,000.00) for each violation of 6.1.5. 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 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.
- 8.2 **Assignability.** Buyer may not at any time assign any of its rights, title, and interest in and to this Agreement, other than as set forth in Section 6.1.7.
- 8.3 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs and permitted assigns.
- 8.4 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.
- 8.5 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.
- 8.6 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United

States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller: City of Riverside
Community & Economic Development Department
3900 Main Street, 3rd Floor
Riverside, CA 92522
Attn: Successor Agency Division
Phone: (951) 826-5374
Facsimile: (951) 826-5744

If to Buyer: Praxis Development Group, LLC
4858 West Pico Boulevard, Suite 736
Los Angeles, CA 90019
Attn: Kacy Keys
Phone: (213) 500-8912

With a copy to: Dennis Roy
Abram, Roy Law LP
24025 Park Sorrento, Suite 460
Calabasas, CA 91302
droy@abramroylaw.com
310.209.8848 direct
213.864.4325 cell

And a copy to: Abram Roy Law
11400 W. Olympic Blvd. #1450
Los Angeles, CA
Attn: Dennis Roy
Email: droy@abramroylaw.com
Phone: (213) 864-4325

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

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

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

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

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

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

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

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

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

8.15 **Nondiscrimination.** The Parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or

any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation, in connection with the performance of this Agreement. The Parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement. NOTE: If federal funds are expended in association with this Agreement, Parties will ensure compliance with the Civil Rights Act of 1964, all related statutes, and local agency requirements.

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

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

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

8.19 **Days.** Days, as used in this Agreement, shall mean calendar days, unless otherwise specified.

[signatures on next page]

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


Seller:


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

By: _____
Mike Futrell
City Manager, on behalf of
The City of Riverside
As the Successor Agency to the
Redevelopment Agency of the
City of Riverside

Buyer:

PRAXIS DEVELOPMENT GROUP,
LLC, a California limited liability company


By:  _____
Name: Nancy Keys
Title: President

By:  _____
Name: CHARLES WISE
Title: VICE PRESIDENT

ATTESTED TO:

By: _____
Donesia Gause
City Clerk, on behalf of
The City of Riverside
As the Successor Agency to the
Redevelopment Agency of the
City of Riverside

APPROVED AS TO FORM:

By:  _____
Successor Agency General Counsel

22-1431.5 sw 9/15/23
\\Rc-citylaw\cyc.com\WPDOCS\D013\P041\00746086.DOCX

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 3870 Ottawa Avenue
A.P.N.: 221-061-002

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

That portion of Lot 2 of Castleman's Addition to Riverside, as shown map on file in Book 3, Pages 19 and 20 of Maps, Records of San Bernardino County, California, described as follows:

BEGINNING at a point on the Westerly line of said Lot 2, 145 feet Southerly of the Northwest corner thereof;

Thence East at right angles, a distance of 120 feet;

Thence South and parallel with the Westerly line of said Lot 2, a distance of 145 feet to the North line of Ninth Street as shown on map of Franklin Square, as shown map on file in Book 6, Page 31 of Maps, Records of San Bernardino County, California;

Thence West along said North line, a distance of 120 feet to the West line of said Lot 2;

Thence North along said West line, a distance of 145 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM the South 8 feet of the above described parcel as granted to the City of Riverside by deed recorded April 2, 1965 as Instrument No. 38442 of Official Records of Riverside County, California.

SUBJECT TO a Sewer Easement over the North 5' of the above described parcel as granted to the City of Riverside by deed recorded October 18, 1945 in Book 703, Page 174 et seq. of Deeds, Official Records of Riverside County, California.

Area – 16,440 S.F. more or less

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

Curtis C. Stephens 7/23/19 Prep. (Signature)
Curtis C. Stephens, L.S. 7519 Date

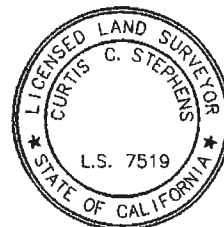
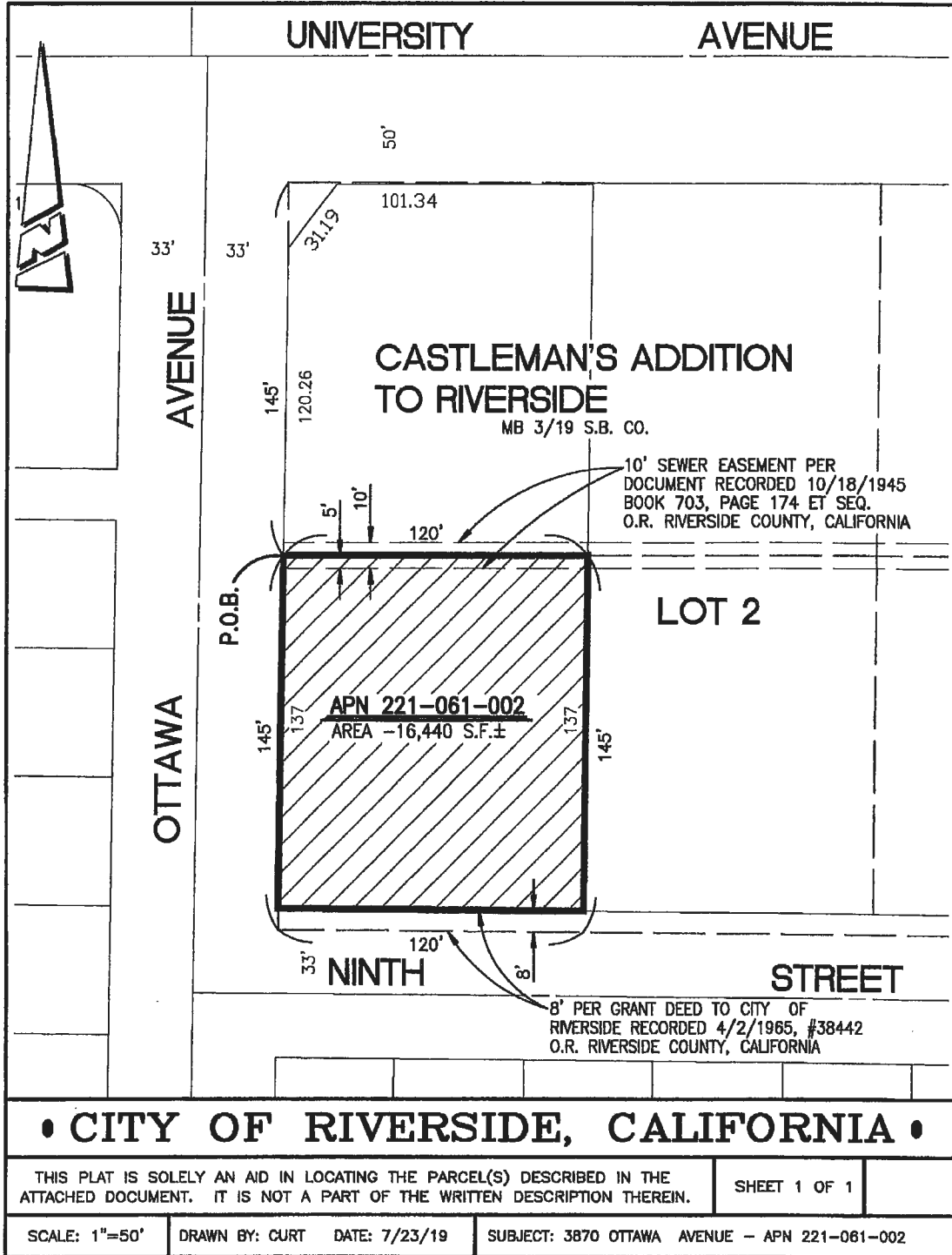


EXHIBIT "B"
PLAT MAP



• **CITY OF RIVERSIDE, CALIFORNIA** •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.		SHEET 1 OF 1
SCALE: 1"=50'	DRAWN BY: CURT DATE: 7/23/19	SUBJECT: 3870 OTTAWA AVENUE - APN 221-061-002

EXHIBIT "C"
SCHEDULE OF PERFORMANCE

Event	Duration
Effective Date	1 Day
Due Diligence Period	120 days following Effective Date
Submit for Entitlement	120 days following Due Diligence Period
Entitlement Approval	18 months following submittal of application
Close of Escrow	24 months from Effective Date
Start of Construction	180 days following Close of Escrow
Completion of Construction	36 months from Start of Construction
Certificate of Occupancy	90 days following Completion of Construction

**EXHIBIT “D”
REGULATORY AGREEMENT**

(Inserted behind this page)

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

(Inserted behind this page)

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

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

Attn: City Manager)
Project: 3870 Ottawa Avenue)
APN: 221-061-002)

(Space above for Recorder's Use Only)

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

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

Notice is hereby given that the property, located at 3870 Ottawa Avenue, identified as Assessor's Parcel Number 221-061-002, in the City of Riverside, County of Riverside, State of California, as more particularly described and depicted on Exhibits "A" and "B", attached hereto and incorporated herein by this reference, is subject to certain affordability covenants and restrictions identified by that certain Purchase, Sale and Development Agreement ("**Agreement**") by and between **THE CITY OF RIVERSIDE, AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity ("**City**"), and **PRAXIS DEVELOPMENT GROUP, LLC**, a California limited liability company ("**Developer**"), dated and recorded concurrently herewith the Agreement and incorporated herein by this reference.

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

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

(Signatures on following page.)

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

“DEVELOPER”

PRAXIS DEVELOPMENT GROUP, LLC, a California limited liability company

By: _____

Name: Kacy Keys
Its: President

By: _____

Name: CHARLES WISE
Its: VICE PRESIDENT

“CITY”

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

By: _____

Mike Futrell
Its: City Manager, on behalf of the Successor Agency to the Redevelopment Agency of the City of Riverside

Dated: _____

Approved as to Form:

Successor Agency General Counsel

ATTESTED TO:

By: _____

City Clerk on behalf of the City of Riverside as the Successor Agency to the Redevelopment Agency of the City of Riverside

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 3870 Ottawa Avenue
A.P.N.: 221-061-002

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

That portion of Lot 2 of Castleman's Addition to Riverside, as shown map on file in Book 3, Pages 19 and 20 of Maps, Records of San Bernardino County, California, described as follows:

BEGINNING at a point on the Westerly line of said Lot 2, 145 feet Southerly of the Northwest corner thereof;

Thence East at right angles, a distance of 120 feet;

Thence South and parallel with the Westerly line of said Lot 2, a distance of 145 feet to the North line of Ninth Street as shown on map of Franklin Square, as shown map on file in Book 6, Page 31 of Maps, Records of San Bernardino County, California;

Thence West along said North line, a distance of 120 feet to the West line of said Lot 2;

Thence North along said West line, a distance of 145 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM the South 8 feet of the above described parcel as granted to the City of Riverside by deed recorded April 2, 1965 as Instrument No. 38442 of Official Records of Riverside County, California.

SUBJECT TO a Sewer Easement over the North 5' of the above described parcel as granted to the City of Riverside by deed recorded October 18, 1945 in Book 703, Page 174 et seq. of Deeds, Official Records of Riverside County, California.

Area – 16,440 S.F. more or less

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


Curtis C. Stephens 7/23/19 Prep. 
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT "B"
PLAT MAP

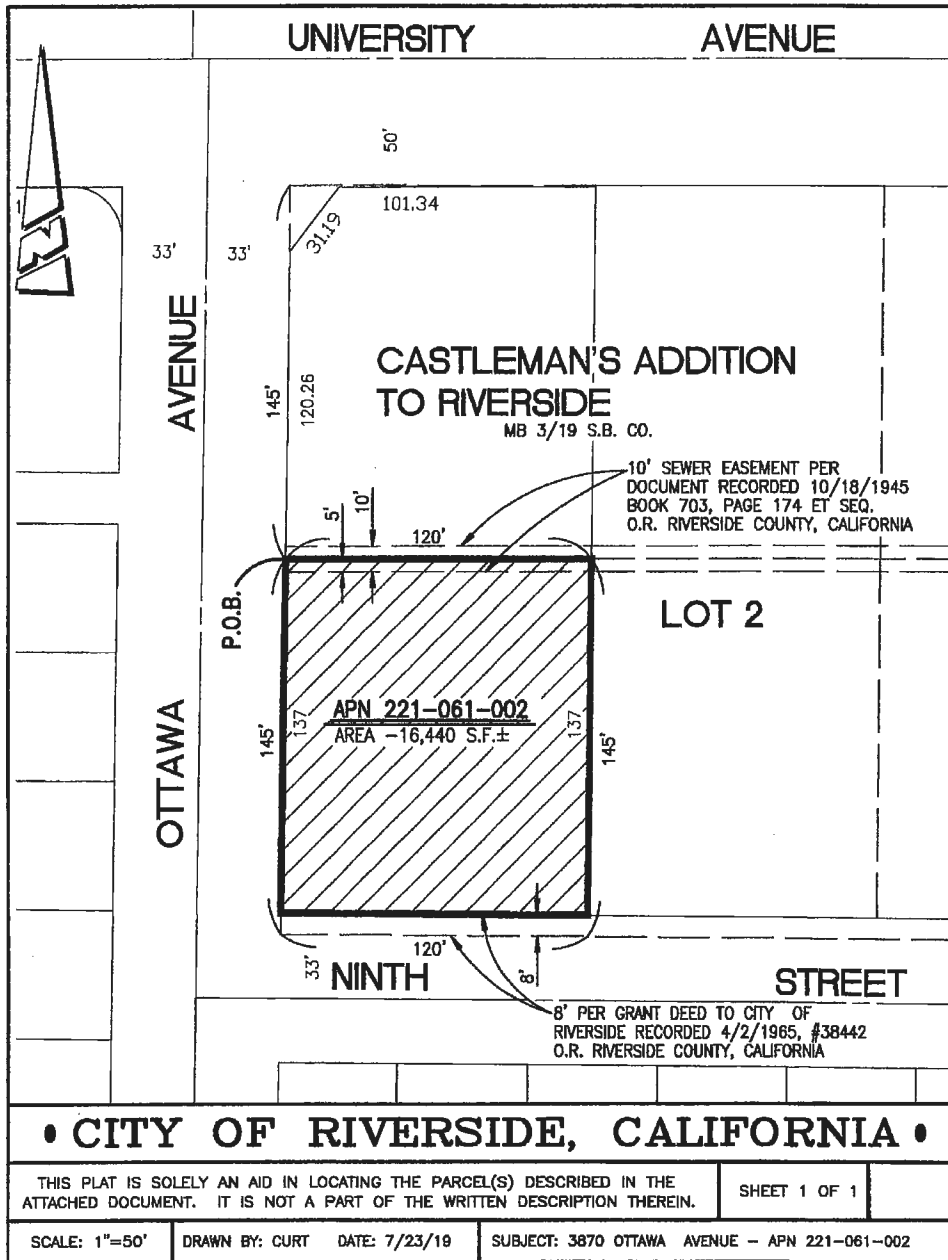


EXHIBIT "F"
RELEASE OF CONSTRUCTION COVENANTS

(Inserted behind this page)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:)**

)
)
)
City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Housing Project Manager)
)
3870 Ottawa Avenue)
Assessor’s Parcel Number 221-061-002)

(Space above for Recorder’s Use Only)

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

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS (“Release”) is hereby made as of this ___ day of _____, 2023, by **THE CITY OF RIVERSIDE AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity (“**Seller**”) and **PRAXIS DEVELOPMENT GROUP, LLC**, a California limited liability company (“**Developer**”).

RECITALS

A. The City and the Developer entered into that certain Purchase, Sale, and Development Agreement (“**Agreement**”) and **Regulatory Agreement** on _____, 2023, (“**Effective Date**”), by and between **THE CITY OF RIVERSIDE, AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity (“**Seller**”) and **PRAXIS DEVELOPMENT GROUP LLC**, a California limited liability company (“**Buyer**”). The Agreement provides for the completion of certain improvements (“**Project**”) to property, located at 3870 Ottawa Avenue, identified as Assessor’s Parcel Number 221-061-002, in the City of Riverside, County of Riverside, State of California (“**Property**”), and more particularly described and depicted on Exhibits “A” and “B” attached hereto and made a part hereof by this reference. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Agreement.

C. As required in the Agreement and the Regulatory Agreement, the City shall furnish the Developer with a Release of Construction Covenants (“**Release**”) upon completion of the Project which Certificate shall be in such form as to permit it to be recorded in the Riverside County Recorder’s Office.

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

NOW, THEREFORE, the City hereto certifies as follows:

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

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

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

IN WITNESS WHEREOF, the City has executed this Release as of the date set forth above.

“CITY”

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

By: _____
Mike Futrell

Its: City Manager, on behalf of the Successor Agency
to the Redevelopment Agency of the City of Riverside

Dated: _____

Approved as to Form:

Successor Agency General Counsel

ATTESTED TO:

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

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 3870 Ottawa Avenue
A.P.N.: 221-061-002

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

That portion of Lot 2 of Castleman's Addition to Riverside, as shown map on file in Book 3, Pages 19 and 20 of Maps, Records of San Bernardino County, California, described as follows:

BEGINNING at a point on the Westerly line of said Lot 2, 145 feet Southerly of the Northwest corner thereof;

Thence East at right angles, a distance of 120 feet;

Thence South and parallel with the Westerly line of said Lot 2, a distance of 145 feet to the North line of Ninth Street as shown on map of Franklin Square, as shown map on file in Book 6, Page 31 of Maps, Records of San Bernardino County, California;

Thence West along said North line, a distance of 120 feet to the West line of said Lot 2;

Thence North along said West line, a distance of 145 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM the South 8 feet of the above described parcel as granted to the City of Riverside by deed recorded April 2, 1965 as Instrument No. 38442 of Official Records of Riverside County, California.

SUBJECT TO a Sewer Easement over the North 5' of the above described parcel as granted to the City of Riverside by deed recorded October 18, 1945 in Book 703, Page 174 et seq. of Deeds, Official Records of Riverside County, California.

Area – 16,440 S.F. more or less

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



 7/23/19 Prep. 
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT "B"
PLAT MAP

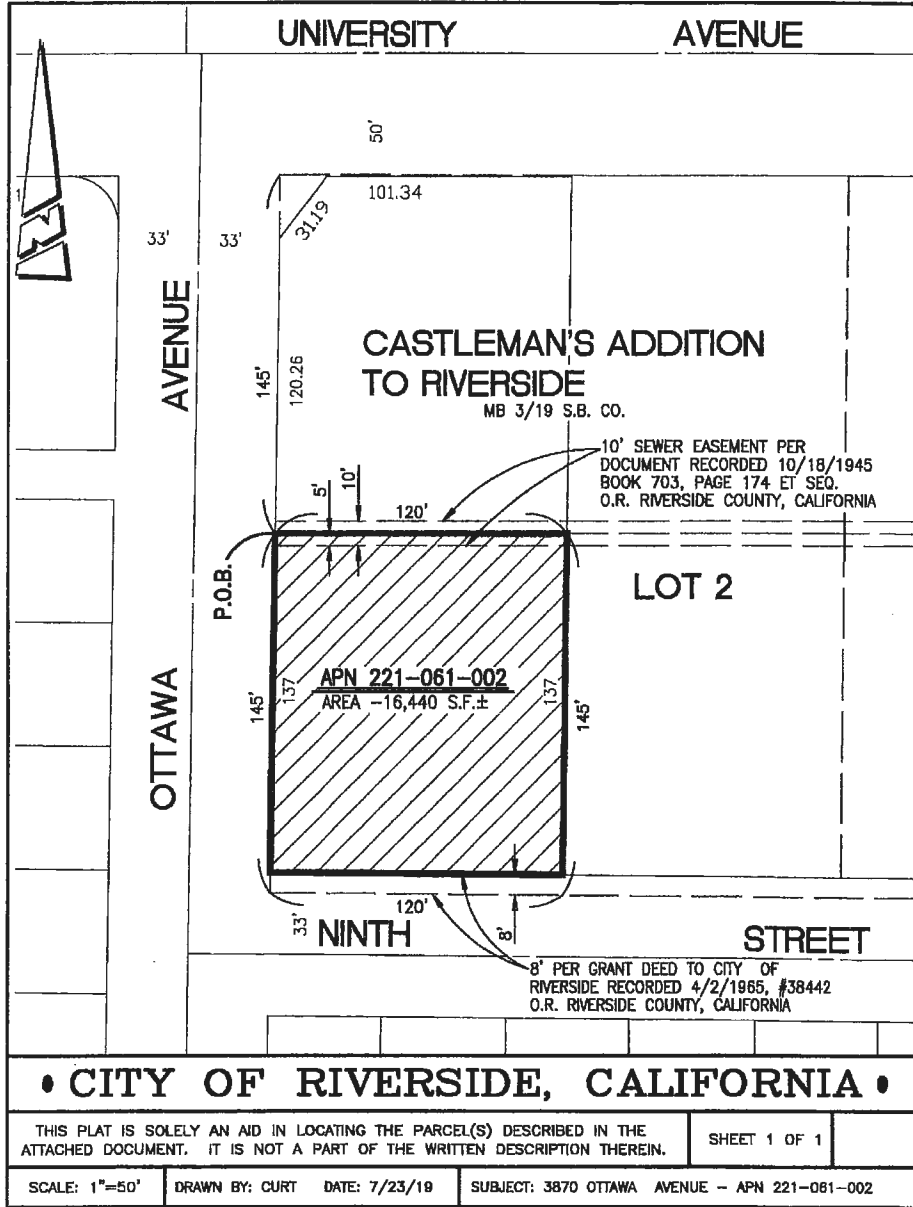


EXHIBIT "G"
HCD APPROVAL LETTER

(Inserted behind this page)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



May 2, 2023

Kaitlyn Nguyen, Senior Project Manager
City of Riverside
Community & Economic Development Department
3900 Main Street, 5th Floor
Riverside, CA 92522

Dear Kaitlyn Nguyen:

**RE: Written Comments Regarding the City of Riverside's Surplus Land
Disposition Documentation for the Property at 1910 University Avenue and
3890 Ottawa Avenue (APNs 221-052-002 and 221-061-002)**

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). We received your partial documentation on February 27, 2023. This letter constitutes HCD's written comments pursuant to Government Code section 54230.5 of the Surplus Land Act (SLA), for the properties located at APNs 221-052-002 and 221-061-002, including provisional permission to proceed with the sale or lease.

According to your letter and included documents, a Resolution declaring the property to be surplus was issued on April 29, 2021, and Notices of Availability (NOA) were sent on May 26, 2021. The City was able to provide HCD documentation that the required local public entities were noticed and limited documentation that the required CalHFA certified housing sponsor list was noticed. During the required 60-day period, one affordable housing entity, Praxis Development Group (Praxis), expressed interest in the properties. The City provided HCD a detailed summary of negotiations documenting how the City and Praxis agreed to price and terms. Praxis plans to develop a 100% affordable housing project with approximately 46 units of affordable housing. The City also provided HCD with a copy of the appropriate draft affordability covenant to be recorded against the properties.

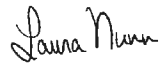
If the submitted documentation and verbal assurances by the City are complete and accurate, HCD determines that you have met all the requirements under the SLA for the purposes of disposing of the surplus land located at APNs 221-052-002 and 221-061-002. The City is permitted to proceed with the sale or lease of the properties.

Kaitlyn Nguyen, Senior Project Manager
Page 2

If, subsequent to this letter, HCD becomes aware that any of the information provided to HCD by the City is inaccurate or false, HCD retains the right to revoke the disposition approval and the City would be subject to the penalties found in Government Code 54230.5, subsection (a).

The City or its representatives may send any questions to publiclands@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn". The signature is written in a cursive, flowing style.

Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Division

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
)
 City of Riverside)
 3900 Main Street)
 Riverside, CA 92522)
 Attn: City Manager)
)
 Project: 3870 Ottawa Avenue)
 Assessor's Parcel Number 221-061-002)
)

(Space above for Recorder's Use Only)

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

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("**Regulatory Agreement**") dated for identification purposes only as of _____, 2023, by and between **THE CITY OF RIVERSIDE AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity ("**Successor Agency**") and **PRAXIS DEVELOPMENT GROUP 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 Developer is a California limited liability company authorized to do business in California.

B. In compliance with Section 2 of AB 1486, and pursuant to Government Code 54220, et seq., on May 26, 2021, the Successor Agency 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 Buyers. In that notice, the Successor Agency indicated neither the Successor Agency nor the City of Riverside's Housing Authority had any funding available to subsidize the production of affordable housing units and that the surplus property, located at 3870 Ottawa Avenue ("Property") was intended to be sold subject to a current fair market value appraisal.

C. On or about July 25, 2021, prior to the expiration of the 60-day notice of availability period under Section 54222(e) of AB 1486, Buyer submitted a proposal for the acquisition and development of the Property. The property is vacant land located at 3870 Ottawa Avenue, Riverside, bearing an Assessor's Parcel Number 221-061-002, more particularly described in Exhibit "A," Legal Description and depicted in Exhibit "B," Plat Map, attached hereto and incorporated herein by reference. The Property has been declared surplus by the Successor Agency.

D. The Successor Agency and the Developer entered into that certain Purchase, Sale

and Development Agreement dated for identification purposes only as of _____, 2023 (“**Purchase, Sale and Development Agreement**”), which is incorporated herein by this reference and a copy of which is on file as a public record of the Successor Agency at its offices located at 3900 Main Street, Riverside, CA 92522.

E. Under the Purchase, Sale and Development Agreement, the Developer has or shall own the Property (also referred to herein as “Site”) and has agreed to purchase in fee the Property for the development of a multi-family development on the Property with approximately twelve (12) townhome dwelling units, each townhome to have two dedicated parking spaces, with the final density and the development project subject to approvals as outlined in the Purchase, Sale and Development Agreement (“Project”), with not less than twenty-five percent (25%) of the total number of residential units developed on the Property required to be rented at affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. The restricted residential units of the Project shall remain affordable to, and occupied by, lower income households for a period of at least 55 years for rental housing. These requirements shall be contained in a covenant or restriction recorded against the surplus land prior to land use entitlement of the project, and the covenant or restriction shall run 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 total number of units developed on the parcels at affordable rent to lower income households. One of the conditions of that agreement is that the Developer enter into this Regulatory Agreement with the Successor Agency.

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

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

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

1. DEFINITIONS

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

“Affordable Rent” means the amount of monthly rent, including reasonable utility allowance, that does not exceed the amounts for a Low Income Household as defined in Section 50053 of the California Health and Safety Code. For the further purpose of calculating Affordable

Rent, a “reasonable utility allowance” shall be the allowance established by the Housing Authority of the County of Riverside or such lesser allowance reasonably permitted by the Successor Agency.

“Affordable Residential Units” means twenty-five percent (25%) of the residential units within the Project that will be required to be rented to Qualified Households at Affordable Rent, as set forth in Government Code section 50053.

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

“Agreement” means the Purchase, Sale and Development Agreement, including all of the attachments thereto, as referenced in Recital D hereto.

“City Manager” shall mean the City Manager acting as the Executive Director of the Successor Agency or on behalf of the City of Riverside, as applicable and according to context.

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

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

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

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

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

“Market Rate Residential Units” means seventy percent (75%) of the residential units within the Project that are rented at market rent and not subject to any affordable housing restrictions in this Regulatory Agreement.

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

“Party” or “Parties” means the Successor Agency and/or the Developer.

“Project” means the development plan set forth in Recital E.

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

“Qualified Household” means a Low Income Household.

“Qualified Tenant” means a Qualified Household.

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

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

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

“Unit” or “Units” means one hundred percent (100%) individual residential dwelling units within the Project to be constructed and operated by the Developer on the Site. Units are made up of Affordable Residential Units and Market Rate Residential Units.

2. USE RESTRICTIONS

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

During the Affordability Period, all uses undertaken by the Developer on the Affordable Residential Units shall conform to this Regulatory Agreement and to all applicable provisions of the Riverside Municipal Code and Governmental Regulations. None of the Affordable Residential 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 Successor Agency, which approval the Successor Agency 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 twenty-five percent (25%) of the Affordable Residential Units in the Project shall be operated and maintained for affordable housing purposes available for occupancy exclusively to Qualified Tenants at an Affordable Rent in accordance with the provisions of this Regulatory Agreement.

In the event the Developer desires to change the affordable housing, maintenance, or operation requirements for the Project from the specific requirements set forth in this Regulatory Agreement in order to comply with a subsequently enacted change to any applicable State or

Federal law, the Developer shall notify the Successor Agency 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 Successor Agency disapproves of such change and the Developer's interpretation of the amendment related thereto, the Successor Agency shall notify the Developer of its disapproval in writing and the parties shall seek clarification from HCD. Only if HCD concurs with the Developer's interpretation of the applicable State or Federal law shall the Developer be permitted to implement the proposed change.

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

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

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

(1) Rent Schedule and Utility Allowance. The Developer will use the Riverside County Housing Authority Utility Allowance Calculator, as adjusted from time to time to establish maximum monthly allowances for utilities and services to be used by the Developer in calculating Affordable Rent. The Housing Project Manager shall supply the Developer with the Affordable Rent schedule for all of the Affordable Residential Units. The maximum monthly rent must be recalculated by the Housing Project Manager and supplied to the Developer annually.

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

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

- (3) Adjustment of Affordable Rent. Affordable Rent may change as changes

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

E. Tenant Protections.

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

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

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

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

3. OPERATION AND MANAGEMENT OF THE PROJECT

A. General Maintenance. The Developer shall maintain the Property and all Affordable Residential Unit improvements in compliance with the Riverside Municipal Code. The Developer will maintain the Affordable Residential Units to the same quality of care as the Market Rate Residential Units. The Affordable Residential Unit improvements shall be maintained in conformance and in compliance with the approved Development Plans, as finalized, and reasonable maintenance standards for comparable quality mixed-use residential/retail/office projects, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curb line. Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements.

B. Management of the Project. The Developer shall cause the Project to be professionally managed in a prudent and business-like manner, consistent with property management standards for other comparable quality mixed-use residential/retail/office projects in Riverside County, California. The Developer may elect to contract with a property management company or property manager to operate and maintain the Project.

C. Monitoring and Recordkeeping. The Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in any applicable State or Federal law for the Affordable Residential Units and shall annually complete and submit to the Successor Agency a certification of compliance in such form as provided by the Successor Agency. Representatives of the Successor Agency shall be entitled to enter the Property, upon at least forty-eight (48) hours' notice, to monitor compliance with this Regulatory Agreement, to inspect the Affordable Residential Unit records of the Project, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Successor Agency in making the Affordable Residential Units available for such inspection or audit. The Developer agrees to maintain records for the Affordable Residential Units in a businesslike manner, to make such records available to the Successor Agency upon seventy-two (72) hours' notice, and to maintain such records for the entire Affordability Period.

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

E. Right to Enter to Cure. If at any time the Developer fails to maintain the Affordable Residential Units in accordance with this Section 3 and such condition is not corrected within sixty (60) days after written notice from the Successor Agency with respect to Affordable Residential Units building improvements with such additional time as may be reasonably necessary to diligently prosecute the cure to completion, then the Successor Agency, in addition to whatever remedies it may have at law or at equity, shall have the right to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the Affordable Residential Unit improvements on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Successor Agency and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by the Developer upon demand.

F. Reserves and Insurance. The Developer shall, or shall cause the Property Manager to, set aside Capital Replacement Reserves for the Project as required by the Successor Agency. The Developer shall, or shall cause the Property Manager to, set aside Operating Reserves as required by the Successor Agency. The Developer shall keep the improvements on the Property insured by carriers at all times satisfactory to the Successor Agency against loss by fire, rent loss and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy.

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 Successor Agency funds, if applicable.

B. Affirmative Marketing. The marketing of the Affordable Residential Units shall publicize the availability of the Affordable Residential 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. The Affordable Residential Units will be marketed to the public using the same methods, mediums and frequency as the Market Rate Residential Units. Marketing of all the residential units will include but is not limited to a project web site with interactive leasing information, presence on regional apartment leasing web sites, social media, newspaper and magazine publications. Affordable and Market Residential units will be marketed as one individual community.

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 Residential 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 Successor Agency, except as expressly released by the Successor Agency.

B. Covenants to Run with the Land. The Successor Agency and the Developer hereby declare their express intent that the covenants and restrictions set forth in this Regulatory Agreement shall run with the land, and shall bind all successors to the Developer. Each and every contract, deed or other instrument hereafter executed covering or conveying an interest in the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the Successor Agency 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 Purchase, Sale and Development Agreement, in the Event of Default of any of the terms or conditions of this Regulatory Agreement by the Developer, its successors or assigns, the 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 of 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 Successor Agency 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. Subsequent to sixty (60) days' written notice to the Developer specifically outlining the noncompliance, the Successor Agency 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 Successor Agency 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 the Successor Agency 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 Successor Agency, 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 delivery. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To Developer: Praxis Development Group LLC
4858 West Pico Boulevard, Suite 736
Los Angeles, CA 90019
Attn: Kacy Keys
Phone: (213) 500-8912

With a copy to: Dennis Roy
Abram, Roy Law LP
24025 Park Sorrento, Suite 460
Calabasas, CA 91302
droy@abramroylaw.com
310.209.8848 direct
213.864.4325 cell

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 Successor Agency provided that all amendments are in writing and signed by all of the parties hereto.

15. SOLE AND ONLY AGREEMENT

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

The Successor Agency 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 Successor Agency and the Developer further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

[SIGNATURES ON FOLLOWING PAGE]

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

City:

Developer:

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

**PRAXIS DEVELOPMENT GROUP,
LLC**, a California limited liability company

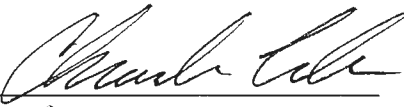
By _____
City Manager

By 
Name: Kacy Keys

Its: President

ATTESTED TO:

By _____
City Clerk, on behalf of
The City of Riverside
As the Successor Agency to the
Redevelopment Agency of the
City of Riverside

By 
Name: CHARLES WISE
Its: VICE PRESIDENT

APPROVED AS TO FORM:

Successor Agency General Counsel

22-1431.5 sw 9/15/23
\\Rc-citylaw\cycom\WPDOCS\D013\P041\00746095.DOCX

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 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.

SEE ATTACHED

Notary Signature

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 LOS ANGELES)

On OCTOBER 11, 2003 before me, J. L. GONZALEZ, NOTARY PUBLIC

Date

Here Insert Name and Title of the Officer

personally appeared

KACY KEYS

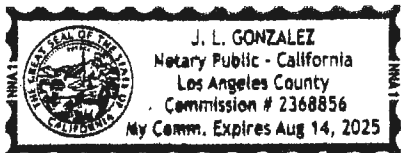
Name(s) of Signer(s)

CHARLES WISE

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

[Handwritten Signature]

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: REGULATORY AGREEMENT

Document Date: _____ Number of Pages: 14

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION

(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 3870 Ottawa Avenue
A.P.N.: 221-061-002

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

That portion of Lot 2 of Castleman's Addition to Riverside, as shown map on file in Book 3, Pages 19 and 20 of Maps, Records of San Bernardino County, California, described as follows:

BEGINNING at a point on the Westerly line of said Lot 2, 145 feet Southerly of the Northwest corner thereof;

Thence East at right angles, a distance of 120 feet;

Thence South and parallel with the Westerly line of said Lot 2, a distance of 145 feet to the North line of Ninth Street as shown on map of Franklin Square, as shown map on file in Book 6, Page 31 of Maps, Records of San Bernardino County, California;

Thence West along said North line, a distance of 120 feet to the West line of said Lot 2;

Thence North along said West line, a distance of 145 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM the South 8 feet of the above described parcel as granted to the City of Riverside by deed recorded April 2, 1965 as Instrument No. 38442 of Official Records of Riverside County, California.

SUBJECT TO a Sewer Easement over the North 5' of the above described parcel as granted to the City of Riverside by deed recorded October 18, 1945 in Book 703, Page 174 et seq. of Deeds, Official Records of Riverside County, California.

Area – 16,440 S.F. more or less

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


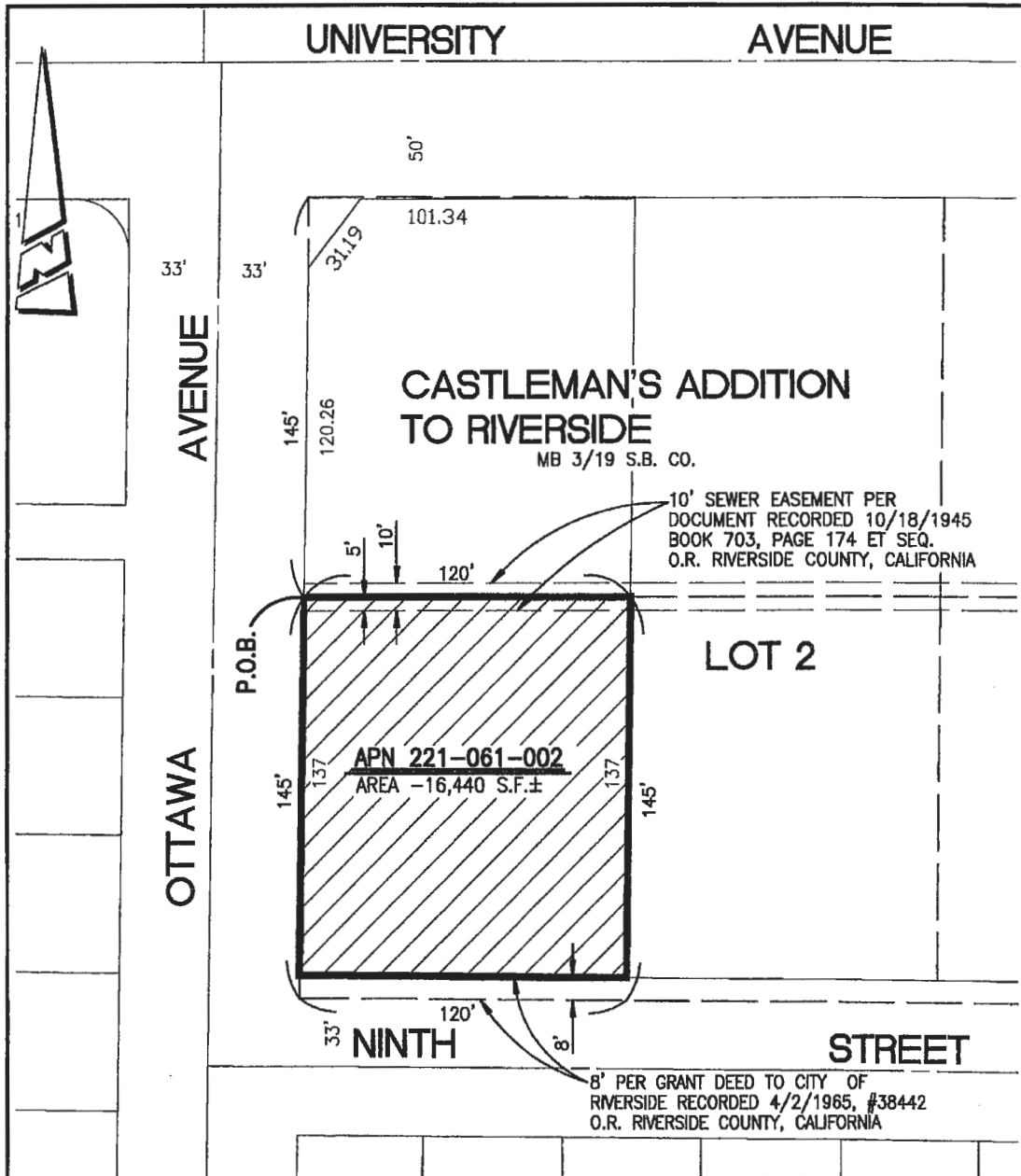
Curtis C. Stephens 7/23/19 Prep. 
Curtis C. Stephens, L.S. 7519 Date



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 1

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 7/23/19

SUBJECT: 3870 OTTAWA AVENUE - APN 221-061-002