DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

the

CITY OF RIVERSIDE,

HOUSING AUTHORITY OF THE
CITY OF RIVERSIDE,

and

NAME OF DEVELOPER

Dated ____________

DESCRIPTION OF SIZE AND LOCATION OF THE PROJECT SITE
ASSESSOR’S PARCEL NUMBER:
DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement"), which is dated for reference as indicated on the cover page, is hereby entered into by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public body, corporate and politic ("Authority") and NAME OF DEVELOPER, TYPE OF ENTITY ("Developer") on the following terms and conditions:

RECITALS

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

A. INTENTIONALLY DELETED

B. The City has adopted a Housing Element to its General Plan pursuant to Government Code Section 65580, et seq., which sets forth the City’s policies, goals, and objectives to provide housing to all economic segments of the community.

C. The Authority is a public agency established by action of the City Council of the City of Riverside pursuant to Resolution R-21275 for the purpose of providing affordable housing opportunities through a variety of programs within the City of Riverside.

D. The Developer is a TYPE OF ORGANIZATION, LOCATION OF INCORPORATION

E. Authority owns certain real property located at LOCATION OF PROPERTY AND ASSESSORS PARCEL NUMBER, in the City of Riverside (the “Site”). The Site is depicted on the Site Plan (Attachment No. 1) and described in the Site Legal Description (Attachment No. 2).

F. Developer desires to obtain a fee interest in the Site and improve the Site with new construction of NUMBER single-family homes each consisting of # OF BEDROOM/BATHROOM HOUSES AND MINIMUM HABITABLE SQUARE FOOTAGE, OF EACH MODEL along with related amenities pursuant to this Agreement.

G. The single-family homes to be constructed on the Site shall be sold to Low Income Households, who are First Time Homebuyers, at an Affordable Purchase Price. Pursuant to INSERT REDEVELOPMENT LAW CITATION/HOUSING AUTHORITY LAW CITATION REGARDING THE AFFORDABILITY COVENANTS REQUIRED FOR PROJECT WHERE THE activity is new construction and homeownership housing, carries a period of affordability. These Affordable Units will be restricted to sale to Low Income Household at an Affordable Purchase Price for a forty-five (45) year restriction period for Housing Authority funding (PROVISION OF THE LAND).
H. INTENTIONALLY DELETED

I. The conveyance of the Site pursuant to the terms and conditions of this Agreement is in the vital and best interests of the City and the Authority and the health, safety and welfare of the City’s residents, and in accord with the public purposes and provisions of applicable state and local laws.

DEFINITIONS

Action. Shall mean any suit (whether legal, equitable, or declaratory in nature), proceeding or hearing (whether administrative or judicial), arbitration or mediation (whether voluntary, court ordered, binding, or non-binding), or other alternative dispute resolution process, and the filing, recording, or service of any process, notice, claim, demand, lien, or other instrument which is a prerequisite or prelude to commencement of the Action.

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

Affordability Period. Shall mean the period commencing upon the close of escrow on each Property with Qualified Homebuyers and terminating no earlier than the 45th anniversary for Housing Authority.

Affordable Purchase Price. Shall mean that purchase price which, after deduction of (i) the down payment made by the Homebuyer, and (ii) the principal amount of any deferred payment Second Mortgage Assistance obtained by the Qualified Buyer, would result in an Affordable Housing Cost for a Low Income Household. Notwithstanding the foregoing, Affordable Purchase Price shall be determined in accordance with all applicable Governmental Regulations.

Affordable Units. Shall mean the single-family residential units for the Project, which shall be available to, occupied by and held for sale exclusively to Homebuyers at an Affordable Purchase Price.

Authority. Shall mean the Housing Authority of the City of Riverside, a public agency. The term “Authority” shall also include any assignee of, or successor to, its rights, powers, and responsibilities.

CC&Rs (Housing Authority). Shall mean the Affordability Covenants and Restrictions (Housing Authority) in such form as may be determined by the Authority that shall provide
owner-occupancy, affordability and resale restrictions for a period of not less than forty-five (45) years subject to the affordability housing cost requirements set forth in the California Health and Safety Code Section 34312.3, Powers relating to housing projects, California Housing Authorities Law. The CC&Rs (Housing Authority) shall be recorded against the Site upon the initial sale of each Affordable Unit to a Qualified Buyer. The California Housing Authorities Law are applicable due to the Housing Authority funding for the property acquisition for this Project. The CC&Rs (Housing Authority) are attached hereto as Attachment No. 9.

City. Shall mean the City of Riverside, a municipal corporation formed and existing under the laws of the State of California. The term “City” shall also include any assignee of, or successor to, its rights, powers, and responsibilities.

Close of Escrow. Shall mean the actual date upon which escrow closes and title to the Property is conveyed to the Developer by the Authority pursuant to the terms of this Agreement. As provided herein, the Close of Escrow shall occur not later than 90 days from the date the DDA is fully executed.

Closing Date. Shall mean the date anticipated for Close of Escrow as provided in Section 2.3 [Close of Escrow].

Completion. Shall mean the completion of the Project as provided for in Section 4.2.5 [Completion] of this Agreement.

Conditions of Closing. Shall mean the conditions precedent to the Close of Escrow and the conveyance of title to the Property by the Authority to Developer as set forth in Section 1.3 [Conditions of Closing] of this Agreement.

Costs and Expenses. Shall mean court costs, filing, recording, and service fees, copying costs, exhibit production costs, special media rental costs, attorneys’ fees, consultants’ fees, witnesses’ fees (both lay and expert), travel expenses, deposition and transcript costs, costs of preparing notices, claims, and demands, investigation costs, and any other cost or expense reasonably and necessarily incurred by the party.

Deed. Shall mean a grant deed issued by the Authority conveying title to the Property that is substantially similar in all material respects to the form of Grant Deed set forth in Attachment No. 5 to this Agreement.

Default. Shall mean the failure of a party to perform any material action or covenant required by this Agreement and to cure such act or omission within the time periods as set forth in Section 9.1 [Default] of this Agreement.

Developer. Shall mean NAME OF DEVELOPER, a TYPE OF ORGANIZATION, whose principal place of business is BUSINESS ADDRESS. The term “Developer” shall, to the extent such is permitted under this Agreement, include any assignee of, or successor to, the rights and responsibilities of Developer under this Agreement.

Development Costs. Shall mean all the costs and expenses which must necessarily be incurred in the development and completion of the Project, including but not limited to:
predevelopment costs; Developer’s overhead and related costs; costs of acquiring the Property; design costs; development costs; construction costs; fees payable to accountants, appraisers, architects, attorneys, biologists, construction managers, engineers, geologists, hydrologists, inspectors, planners, testing facilities, and other consultants; impact, development, park, school and other fees and charges imposed by governmental entities; costs for obtaining permits and approvals; taxes; assessments; costs related to testing for and remediation of Hazardous Substances; utility connection fees and other utility related charges; costs relating to financing including principal, interest, points, fees, and other lender charges; escrow fees and closing costs; recording fees; court costs; costs relating to insurance; costs relating to title insurance; costs relating to bonds; and all other costs and expenses of Developer related to the performance of this Agreement.

**Development Fees.** Shall mean those fees, charges, and exactions imposed by the City upon the development of the Project on the Property, including, but not limited to, application fees, processing fees, development fees, impact fees, mitigation fees, park fees, storm drain fees, sewer fees, and other related charges.

**Effective Date.** Shall mean the date upon which this Agreement is executed by the Authority Executive Director.

**Environmental Review.** Shall mean the investigation and analysis of the Project’s impacts on the environment as may be required under the California Environmental Quality Act (“CEQA”), Public Resources Code § 21000, *et seq.*, or of the Project’s impacts on any species of plant or animal listed as a species of concern, a threatened species, or an endangered species as may be required by the California Endangered Species Act (“CESA”), Fish and Game Code § 2050, *et seq.*, and/or the U.S. Endangered Species Act (“USESA”), 16 U.S.C. § 1531, *et seq.*, or other applicable California or federal law or regulation.

**Escrow Agent.** Shall mean the agent designated by the parties to hold and administer the escrow required under this Agreement. The parties have nominated First American Title, 3400 Central Avenue, #100, Riverside, CA 92506, to act as Escrow Agent hereunder.

**Executive Director.** Shall mean the Executive Director of the Authority and/or any person designated and authorized by the Executive Director to act in the Executive Director’s capacity with regard to this Agreement.

**Hazardous Substances.** Shall mean any and all of the following:

(ii) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or for which liability for misuse arises pursuant to any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree due to its hazardous, toxic or dangerous nature;

(iii) any petroleum, crude oil or any substance, product, waste, or other material of any nature whatsoever which contains gasoline, diesel fuel or other petroleum hydrocarbons other than petroleum and petroleum products contained within regularly operated motor vehicles; and

(iv) polychlorinated biphenyls (PCB), radon gas, urea formaldehyde, asbestos, and lead.

**Holder.** Shall mean the holder, including its successors, grantees, or assigns of record of any mortgage, deed of trust, or other security interest affecting the Property that has been approved pursuant to Article VIII [Assignments, Transfers and Rights of Holders] of this Agreement.

**Homes / Project Addresses.** Shall mean the single-family residences constructed at the **LOCATION OF PROJECT AND PARCEL NUMBER** in the City of Riverside.

**Homebuyer.** Shall be a low-income first-time homebuyer that the Homes are to be sold to pursuant to this DDA and will maintain the Homes as their principal residence.

**Housing Project Manager.** Shall mean the City Housing Project Manager designated by the Executive Director.

**Local Regulations.** Shall mean all the provisions of the City’s General Plan, the City’s Municipal Code (including but not limited to, all zoning, development, and building standards, regulations, and procedures, and all uniform codes incorporated therein), any applicable specific plan, the conditions of any applicable map approved under the Subdivision Map Act (Government Code § 66410, et seq.), and any mitigation measures imposed as a result of Environmental Review for the Project, all as they exist on the date of this Agreement or as they may thereafter be amended, repealed and reenacted, or otherwise modified.

**Low-Income Households.** Shall mean a household whose annual income does not exceed the maximum qualifying income for a “low-income family” as defined in Section 92.2 of the HOME Regulations and as published by HUD for Riverside County, adjusted for family size
or California Health and Safety Code Section 50079.5 and 50105. “Annual Income” shall be
determined in accordance with Section 92.203 of the HOME Regulations.

**Parcel.** Shall mean Assessor Parcel Number NUMBER located within the Property.

**Permit Fees.** Shall mean those fees, charges, and exactions imposed by the City or on
behalf of the City as a condition of applying to or obtaining any Project Approvals for the
Project, including, but not limited to, application fees, processing fees, building permit fees,
storm drain fees, sewer fees, and other related charges.

**Pre-Construction Costs.** Shall mean those costs associated with the Project which shall
include but shall not be limited to design, planning, architectural, grading, and environmental
review of the Project.

**Project.** Shall mean “Project” as defined in Section 4.1.1 [Project Requirements] of this
Agreement.

**Project Approvals.** Shall mean any land use, development, and building approvals,
permits or other entitlements required by the City for the development and construction of the
Project, including, but not limited to, General Plan amendments, Specific Plan amendments,
zone changes, zone variances, conditional use permits, site plan review, grading permits,
building permits, actions under the Subdivision Map Act, encroachment permits, business
licenses and other development approvals as may be required under the Riverside Municipal
Code.

**Project Budget.** Is attached hereto as Attachment No. 3.

**Project Plans.** Shall mean all plans for grading, drainage, traffic, parking, construction
and/or building, landscaping and other plans related to the Project and all designs, diagrams,
drawings, specifications and other representations of or documents associated with the Project.

**Property.** Shall mean the parcel of real property which the Authority is selling to the
Developer and upon which the Developer intends to develop the Project under this Agreement.
The Property is commonly known as Assessor’s Parcel Number NUMBER, consisting of
approximately 3.75 acres, located in the City of Riverside, County of Riverside, State of
California, and is more particularly described in the legal descriptions as Attachment No. 2,
attached hereto and incorporated herein by reference.

**Property Conditions.** Shall mean all of the physical and economic conditions affecting
the Property and its use, including, but not limited to, the physical configuration of the Property,
any trees, stumps, brush, or other vegetation on the Property, the condition of its soils, the
presence or impact of any geologic or hydrologic features and faults, the nature of its lateral and
subjacent support, the presence of Hazardous Substances, waste, garbage, rubbish, or refuse on,
in, under, or adjacent to the Property, the location of the Property within any flood plain or high
risk fire area, the location of public utilities and public improvements on, in, under, or over the
Property, the presence, soundness, and habitability of any structures, fixtures, or improvements
on or in the Property, the existence of any faults or defects (whether known or unknown, patent
or latent), the economic and legal suitability of the Property for the intended use, all market
conditions that may affect development and use of the Property, and all Actions, orders, and judgments affecting the Property.

**Public Improvements.** Shall mean those public improvements, including but not limited to, streets, street lights, traffic signals, curbs, gutters, sidewalks, parkway landscaping, irrigation systems, storm drains, sewers, and other public improvements, works and facilities related to the Project and required to be constructed and installed as a condition of obtaining the Project Approvals.

**Request for Notice of Default.** Shall mean a request for notice of default to be recorded in accordance with Section 3.2.5 against the Property and is substantially similar in all material respects to the form shown in Attachment No. 8.

**Schedule of Performance.** Shall mean that certain Schedule of Performance attached hereto as Attachment No. 4, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Parties. The Authority authorizes the **EXECUTIVE DIRECTOR** to make such revisions to the Schedule of Performance as he or she deems reasonably necessary to effectuate the purposes of this Agreement.

**Section 3 Clause.** shall mean and refer to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, as amended. For purposes of this Section 3 Clause and compliance thereto, whenever the word “contractor” is used it shall mean and include, as applicable, Developer, contractor(s), and subcontractor(s). The particular text to be utilized in (a) any and all contracts of any contractor doing work covered by Section 3 entered into on or after the Effective Date and (b) notices to contractors doing work covered by Section 3 pursuant to contracts entered into prior to the Effective Date shall be in substantially the form of the following, as reasonably determined by City, or as directed by HUD or its representative:

a. 
“The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons [inclusive of Very Low Income Persons, Very Low Income Households, and Very Low Income Tenants served by the project], particularly persons who are recipients of HUD assistance for housing.

b. The parties to this contract agree to comply with HUD’s regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

c. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of notices in
conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

d. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

e. The contractor will certify that any vacant employment positions, including training positions, that are filled (a) after the contractor is selected but before the contract is executed, and (b) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.

f. Noncompliance with HUD’s regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

g. With respect to work performed in connection with Section 3 covered Indian Housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible, (a) preference and opportunities for training and employment shall be given to Indians, and (b) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).”

OPERATIVE PROVISIONS

ARTICLE I - DISPOSITION OF THE PROPERTY

1.1. Purchase of Property by Developer. Subject to, and in accordance with, all of the terms and conditions of this Agreement, and subject to the satisfaction of the Conditions of Closing as provided in Section 1.3 [Conditions of Closing], the Developer promises and agrees to purchase the Property from the Authority and to pay to the Authority the amount of INSERT SALES PRICE SPELLED OUT ($#), in cash (“Purchase Price”) as consideration for the Authority’s sale of the Property to Developer.

1.2. Sale of Property by Authority. Subject to, and in accordance with, all of the
terms and conditions of this Agreement, and subject to the satisfaction of the Conditions of Closing as provided in Section 1.3 [Conditions of Closing], the Authority agrees to sell the Property to the Developer for the Purchase Price.

1.3. **Conditions of Closing.** The following provisions are conditions precedent to the Close of Escrow (“Conditions of Closing”):

1.3.1. **Evidence of Financial Capacity.** The Developer shall demonstrate, to the satisfaction of the Authority, that the Developer has the financial capacity to take each action necessary to carry out and complete the Project. Evidence of the Developer’s financial ability shall consist of either: (i) a commitment letter, letter of intent, letter of credit, or other evidence reasonably acceptable to the Authority, from a reputable lender, committing to finance construction of the Project in an amount sufficient to complete the Project, together with similar evidence of a reputable lender’s commitment to provide take-out financing; (ii) evidence reasonably acceptable to the Authority that the Developer has liquid assets in an amount sufficient to complete the Project and which the Developer has pledged to carrying out the Project; (iii) evidence reasonably acceptable to the Authority that Developer has or will receive donations of time, materials, and funds in an amount sufficient to complete the Project; or (iv) at the Authority’s option, some combination of (i), (ii) and (iii).

1.3.2. **Evidence of Developer’s Experience.** The Developer shall demonstrate, to the satisfaction of the Authority, that the Developer has the experience and is qualified to carry-out the tasks necessary to complete the Project and/or is reasonably able to secure the services of contractors and other professionals who, in the sole discretion of the Authority, have the experience, qualifications, and capacity to carry-out the tasks necessary to complete the Project.

1.3.3. **Deposit by Developer.** The Developer shall deposit into Escrow the Purchase Price, along with any other sums necessary to satisfy the Conditions of Closing and escrow instructions, for which the Developer is responsible under this Agreement.

1.3.4. **INTENTIONALLY DELETED.**

1.3.5. **Proof of Insurance.** The Developer shall obtain the insurance required, and submit to the Authority the proof required, under Section 6.1 [Developer’s Insurance] of this Agreement.

1.3.6. **Deposit by Authority.** The Authority shall deposit into Escrow the Deed along with any sums necessary to satisfy the Conditions of Closing and Escrow Instructions for which the Authority is responsible under this Agreement.

1.3.7. **Satisfaction of Conditions of Title.** The Conditions of Title shall be satisfied as provided in Section 1.6 [Conditions of Title] of this Agreement.

1.3.8. **Title Insurance.** The Authority shall deposit into Escrow a commitment for a CLTA Owner’s Title Insurance policy as provided in Section 1.7 [Title Insurance] of this Agreement.
1.3.9. **Other Actions.** The Developer and the Authority shall perform and complete all other actions reasonably necessary to achieve the Close of Escrow in accordance with this Agreement and the escrow instructions issued or entered into pursuant to this Agreement.

1.3.10. **Waiver of Conditions.** The Authority, in its sole discretion, may waive the satisfaction of any condition which the Developer must satisfy as a prerequisite to Close of Escrow. The Developer, in its sole discretion, may waive the satisfaction of any condition which the Authority must satisfy as a prerequisite to Close of Escrow.

1.4. **Possession of the Property.** The Authority shall deliver possession of the Property to Developer on the Close of Escrow. However, prior to the Close of Escrow, the Authority, in its sole discretion, may grant Developer prior rights of entry and access to the Property on such terms as the Authority, in its sole discretion, deems appropriate. In such event, Developer shall provide reasonable advance notice of its entry to the Authority and Developer agrees to defend, release, indemnify and hold the Authority and City harmless against any and all claims, liability, loss, lien, encumbrance, damage, injury and/or costs and expenses suffered by the Authority or City, as the case may be, as a result of any acts or omissions of the Developer, or its agents, employees, or contractors while exercising such rights of entry and access.

1.5. **Preliminary Title Report.** Within five (5) business days after the Effective Date of this Agreement, the Authority shall, at its sole cost, provide the Developer with a Preliminary Title Report reflecting the current status of title to the Property. Within five (5) business days after the Authority makes the Preliminary Title Report available to the Developer, the Developer shall notify the Authority in writing of any exception to title identified in the Preliminary Title Report to which the Developer reasonably objects, other than those exceptions specified in Section 1.6 [Conditions of Title] of this Agreement. Developer shall be deemed to have approved all exceptions to title identified in the Preliminary Title Report to which the Developer fails to object within the time provided herein. If the Authority receives a timely notice of objection to an exception to title, the Authority shall, within ten (10) business days after receipt of the Developer’s Notice of Objections, notify the Developer whether the Authority is reasonably able to have some or all of the exceptions to title to which objection was timely made eliminated prior to Close of Escrow. In the event such an exception to title may reasonably be eliminated (without significant cost or expense), the Authority shall use its best efforts to eliminate said exception. In the event such exception to title cannot reasonably be eliminated prior to the Close of Escrow, then the Authority shall notify the Developer and the Developer may, within five (5) business days after receiving the Authority’s notice, give Authority written notice of the Developer’s election to waive its objection(s) to the exception(s) to title or terminate the Agreement.

1.6 **Conditions of Title.** The Authority shall convey marketable title to the Developer free and clear of all liens and encumbrances except:

1.6.1. the effect of the Local Regulations to which the Property may be subject;

1.6.2. the effect of this Agreement;
1.6.3. the effect of the Deed restrictions provided for in this Agreement;

1.6.4. any lien for current taxes and assessment not yet due and payable for taxes and assessments accruing subsequent to recordation of the Deed; and

1.6.5. those title exceptions reflected in a Preliminary Title Report to which the Developer has not objected, or waives its objection, pursuant to Section 1.5 [Preliminary Title Report] of this Agreement.

1.7. **Title Insurance.** Prior to close of escrow, the Authority shall deposit into escrow a commitment for a CLTA Owner’s Title Insurance policy showing title to the Property vested in the Developer and showing the Developer as the insured party in the nominal amount of Five Hundred Dollars and No Cents ($500.00). In the event that Developer desires to increase the level of coverage or obtain any endorsements to the Policy, then Developer shall incur and pay, at its sole cost, the additional expense of obtaining the increased level of coverage. The cost of obtaining the commitment or increasing the coverage shall be paid through Escrow.

1.8. **Condition of the Property.** The Developer expressly understands, acknowledges, and agrees that it takes possession of, and title to, the Property subject to the following:

1.8.1. **No Representations and Warranties by Authority.** The Developer is purchasing the Property based solely in reliance upon its own independent inspections, examinations, and investigations of the Property Conditions and all records and information related thereto. The Developer expressly acknowledges and agrees that the Authority, the City, and their officials, officers, employees, agents, or contractors or brokers have not made any representations or warranties concerning the Property or Project of any kind whatsoever, express or implied, including, but not limited to, any representations or warranties regarding the Property Conditions, the rental or resale value of the Property or any structures, fixtures, or improvements thereon, of any economic or market condition affecting the Project, or that the Property is suitable for the Project contemplated under this Agreement.

1.8.2. **Property Taken “AS IS”**. Developer expressly acknowledges and agrees that it is purchasing the Property in an “AS IS” condition as of the Close of Escrow. The Developer acknowledges and represents that as of the Closing Date it will have made itself aware of, and accepted, all Property Conditions, Local Regulations pertaining to the development and use of the Property, including but not limited to, all Project Approval requirements, zoning requirements, other governmental requirements, physical conditions of the Property, and other matters affecting the condition and use of the Property.

1.8.3. **Responsibility to Place Property in Suitable Condition**. The Developer shall bear sole responsibility for placing the Property in a physical condition suitable for carrying out and completing the Project. Thereafter, the Developer shall bear sole responsibility for maintaining the Property in a physical condition suitable for operating the Project.
ARTICLE II - ESCROW

2.1. **Opening Escrow.** Within ten (10) business days from and after the Effective Date of this Agreement, Authority and Developer shall open an escrow with Escrow Agent for the conveyance of the Property by Authority to Developer in accordance with the terms and conditions of this Agreement. If Escrow Agent should be unable or unwilling to serve, Authority shall choose another company or individual, in its sole discretion.

2.2. **Escrow Agent.** The Escrow Agent is hereby empowered to act under this Agreement, and upon indicating its acceptance of this Article II [Escrow] in writing, delivered to the Authority and Developer at the time of the opening of Escrow, shall carry out its duties as Escrow Agent hereunder. Authority and Developer shall promptly prepare, execute and deliver to the Escrow Agent such additional escrow instructions consistent with the terms and conditions of this Agreement as shall be reasonably necessary to consummate the transaction. In the event of a conflict between the escrow instructions and the Agreement, the terms of the Agreement shall control.

2.3. **Close of Escrow.** The Close of Escrow shall occur within forty-five (45) calendar days from the Opening of Escrow (“Closing Date”), unless extended by both parties, but in no event beyond 90 days.

2.4. **Deposits into Escrow.** Subject to any mutually agreed-upon extension of time, Authority and Developer each shall, by 12:00 noon on the last business day prior to the Close of Escrow make all payments and deposits, perform all acts, and deliver to the Escrow Agent all documents (appropriately executed and acknowledged) necessary to consummate the transaction completed in this Agreement.

2.4.1. **Payment of Escrow Fees and Closing Costs.** Developer shall pay one hundred percent (100%) of the escrow fees and closing costs, including recording fees and documentary transfer tax, if any. After notification by Escrow Agent of the amount thereof, and by no later than 12:00 noon on the last business day preceding the Close of Escrow, Authority shall pay into Escrow by cash, Authority or City check or warrant, or wire transfer of readily available funds, the Authority’s share of escrow fees and closing costs. After notification by Escrow Agent of the amount thereof, and by no later than 12:00 noon on the last business day preceding the Close of Escrow, Developer shall pay into Escrow by cash, certified cashier’s check, or wire transfer of readily available funds, the Developer’s share of escrow fees and closing costs. The Developer shall pay those amounts required for purchase of the Property, as provided in Section 1.1 [Purchase of Property by Developer] herein, into Escrow by cash no later than 12:00 noon on the last business day preceding the Close of Escrow.

2.4.2. **Grant Deed.** Authority agrees that on or before 12:00 noon on the business day preceding the Close of Escrow, Authority will deposit with Escrow Agent an executed and recordable Deed conveying the Property to Developer, together with such other items and instruments as may be necessary in order for the Escrow Agent to comply with this Agreement.
2.4.3. **Recordation of the Deed.** Escrow Agent will cause the Deed to be recorded when (but in no event after the date specified in Section 2.3 [Close of Escrow]) the Title Company can issue the Title Policy in the form described in Section 1.7 [Title Insurance] and when the Escrow Agent holds for the account of Developer the items described above to be delivered to Developer through Escrow, less costs, expenses and disbursements chargeable to Developer pursuant to the terms hereof.

2.4.4. **Proof of Insurance.** Developer shall deposit into escrow proof of insurance or other assurance pursuant to Section 6.1.

2.5. **Escrow Account.** All funds received in Escrow for the Property shall be deposited by Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the State of California. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made on the basis of a thirty (30) day month.

**ARTICLE III – INTENTIONALLY DELETED**

**ARTICLE IV - DEVELOPMENT OF THE PROJECT**

4.1. **Scope of Development.** The Developer shall develop, including but not limited to, design and construct, the Project on the Property in accordance with the terms and conditions of this Agreement and the following provisions:

4.1.1. **Project Requirements.** Developer, at its sole cost, shall take all actions reasonably necessary to design, build, construct, and otherwise improve the Property with [DESCRIBE DEVELOPMENT], as described in detail in Attachment No. 1 hereto, with each having [# OF BEDROOM/BATHROOMS AND TOTAL LIVING SPACE TO BE PROVIDED]. Developer, at its sole cost, shall also take all actions reasonably necessary to design, build, construct, and otherwise improve the Property with: (i) all connections to necessary utilities including but not limited to water, sewer, gas, electric, and telephone; (ii) all on-site landscaping and irrigation systems, as may be required by the City; (iii) if called for in the Project Plans, an alley shall be constructed on the Property as indicated in the Project Plans and (iv) all other actions necessary to place the Property in finished condition including, but not limited to, removal and appropriate disposal of all construction debris, trash, and waste from the Property and surrounding area.

4.1.2. [Intentionally Deleted.]

4.1.3. **Project Approvals.** Developer shall be solely responsible for preparing, filing, and processing applications for, and obtaining all approvals, entitlements, and permits, whether ministerial or discretionary, which the City and/or any other governmental entity having jurisdiction, requires concerning the Project. Developer agrees to comply with the City’s development procedures and regulations and to submit such applications, site plans, studies, and other documents as may be required by the City to review and approve the Project. Developer understands, acknowledges, and agrees that development of the Project is subject to the discretionary review (including architectural and design review) and approval by the Authority, the City Planning Department, the City Planning Commission, and the City Council, and that
nothing in this Agreement is, or shall be interpreted to be, an agreement by the Authority or the City to approve or issue any approvals, entitlements, or permits for the Project.

4.1.4. **Project Plans.** The Developer shall promptly prepare and submit the Project Plans to the appropriate department of the City for review and approval pursuant to the Schedule of Performance. In the event the Project Plans or any portion thereof are disapproved, the Developer shall expeditiously revise and resubmit the Project Plans or applicable portions thereof to the City.

4.1.5. **Standards.** Developer shall carry out and complete the Project in a good workmanlike manner free of material defects and in full compliance with all applicable federal, state, and local laws, regulations, ordinances, and codes, including but not limited to those portions of the Uniform Administrative Code, Uniform Building Code, Uniform Plumbing Code, Uniform Mechanical Code, Uniform Fire Code, and National Electric Code, as may be from time to time adopted, amended, and/or modified by the City.

4.1.6. **Approval of Contractors.** Prior to retaining any contractor to design or construct any of the Project, Developer shall obtain the approval of the Housing Project Manager, which approval shall not be unreasonably withheld.

4.1.7. **Inspection.** Developer shall provide City and/or Authority inspectors, officers, and other appropriate employees and agents with access to the Property during all normal business and construction hours.

4.1.8. **Environmental Review.** Developer shall undertake, commence, and complete the Environmental Review required for the Project and shall comply with any mitigation measure imposed as a result thereof.

4.1.9. **Development Costs.** Developer shall be solely responsible for payment of all Development Costs. Developer represents and warrants that Development Costs shall not exceed those costs contained in the “Project Budget” and attached hereto as Attachment No. 4. Developer shall be solely responsible for any Development Costs in excess of estimates contained in the Project Budget.

4.1.10. **Development Fees.** Notwithstanding any assistance to be provided by the Authority and City under this Agreement, Developer shall be solely responsible for payment of all Development Fees.

4.1.11. **INTENTIONALLY DELETED**

4.2. **Schedule of Performance.** The Developer shall undertake, commence, and thereafter diligently pursue the Project to completion as provided herein:

4.2.1. **Plans.** Developer shall have all architectural renderings and site plans and shall have started the permit process within sixty (60) days from the Close of Escrow.

4.2.2. **Permits, Grading, and General Contractor.** Developer shall have submitted and paid for Permit Fees, shall have selected a general contractor approved by the
Housing Project Manager, and grading shall have begun within one hundred twenty (120) days from the Close of Escrow.

4.2.3. **Commence Construction.** Developer shall commence construction of the Project and the foundation shall be in place within one hundred eighty (180) days from the Close of Escrow.

4.2.4. **Building Inspections.** Developer shall have obtained all Project Approvals within two hundred seventy (270) days from the Close of Escrow.

4.2.5. **Completion.** Developer shall complete construction of the Project within three hundred sixty-five (365) days from the Close of Escrow. Developer shall be deemed to have completed the Project at such time as the City issues a Certificate of Occupancy for the Project. However, in the event that the City has not issued a Certificate of Occupancy for the Project, Completion may be deemed to have occurred for the Project if the Authority determines, in its sole discretion, that the Project has been substantially completed in all material respects, in which event the Authority may issue a Certificate of Completion. However, it is understood, acknowledged, and agreed by Developer that the Authority’s issuance of a Certificate of Completion shall not in any way satisfy or supersede any requirement that the Developer obtain a Certificate of Occupancy, or any other permit or approval required by the City or other governmental entity having jurisdiction for occupancy and operation of the Project.

4.2.6. **Progress Reports.** Developer shall submit periodic written progress reports to the Authority as may be requested from time to time by the Authority. Each progress report shall detail the status of the Project and Developer’s compliance with the schedule, the actions taken by Developer to date, the actions remaining to be completed, an estimate as to when each remaining element will be completed, and such other information as the Authority may require.

4.2.7. **Amendments to Schedule.** The schedule of performance is subject to revision from time-to-time as mutually agreed upon in writing by the Developer and the Executive Director. In the event that a party desires a change to the schedule of performance, it shall submit a written request to the other party specifying the nature of the change, the reason for the change, that the change is not due to the negligence or Default of the requesting party, and evidence that the change is reasonably necessary to implement this Agreement. The other party shall either approve or disapprove the request in writing within fifteen (15) days of its receipt by the other party. Approval of a request for a change shall not be unreasonably withheld.

4.2.8. **Post Completion Obligations.** Developer shall verify annually that each Property is owner-occupied and maintained for the life of the affordability covenants.

4.2.9 **Sale to each Homebuyer.** Developer shall sell each Home to a Qualified Homebuyer. Developer shall demonstrate to the satisfaction of Authority that Developer has selected and approved the income eligible first-time homebuyers, in accordance with Developer’s “program of housing development”. The sale to each Homebuyer is contingent on execution of that certain document entitled “Affordability Covenants and Restrictions” and
4.3. **Compliance with Laws.** Developer shall comply with all Governmental Regulations in the construction, use and operation of the Project, including all applicable federal, state and local statutes, ordinances, regulations and laws, including without limitation, all applicable federal, state and local labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Riverside Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, and Government Code Section 11135, *et seq.*

4.4. **HUD Compliance.** Developer hereby certifies that it will adhere to and comply with the following federal laws as they may be applicable, as may be amended.

4.4.1. **Handicapped Accessibility.** If and to the extent applicable, Developer shall comply with (a) Section 504 of the Rehabilitation Act of 1973, and implementing regulation at 24 CFR Part 8C governing accessibility of projects assisted under the HOME Program; and (b) the Americans with Disabilities Act of 1990, and implementing regulations at 28 CFR Parts 35-36 in order to provide handicapped accessibility to the extent readily achievable.

4.4.2 **Affirmative Marketing.** Developer shall implement and perform such affirmative marketing procedures and requirements (24 CFR 92.351) for the Development as Authority hereafter adopts and delivers to Developer in its Affirmative Fair Housing Marketing Plan.


4.4.4 **Property Standards.** Developer to comply with 24 CFR 92.251.

4.4.5 **Use of Debarred, Suspended, or Ineligible Participants.** Developer shall comply with the provisions of 24 CFR 24 relating to the employment, engagement of services, awarding of contracts, or furnishing of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status.

4.4.6 **Maintenance of Drug-Free Workplace.** Developer shall certify that Developer will provide a drug-free workplace in accordance with 24 CFR Part 24 F.

4.4.7 **Conflict of Interest.** Developer shall comply with the conflict of interest provisions set forth at 24 CFR 570.611, 24 CFR Part 92.356, 24 CFR Part 85.36 and 24 CFR Part 84.42. No owner, developer or sponsor of a project, whether private, for-profit, or nonprofit (including CHDOs) may occupy an assisted affordable housing unit in a project without the express written permission of the Housing Authority of the City of Riverside. In addition, no officer, employee, agent or consultant of the owner, developer, or sponsor may occupy an assisted unit.
4.4.8 Lobbying.

(a) No federally appropriated funds have been paid or will be paid, by or on behalf of Developer, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

(b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this Agreement, Developer shall complete and submit HUD Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions;

(c) Developer will require that the language of Paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and

(d) Lobbying Certification – Paragraph (d) – This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a pre-requisite for making or entering into this transaction imposed by 31 U.S.C. Section 1352, “Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions.” Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars ($10,000.00), and not more than one hundred thousand dollars ($100,000.00) for each such failure.


4.4.10 INTENTIONALLY DELETED

4.5. Dedication of Rights-of-Way for Public Improvements. Developer shall give and dedicate such rights-of-way, easements, agreements, licenses, and other grants of rights (“Dedications”) to the City as are reasonably required to accomplish the survey, design, construction, inspection, testing, operation, maintenance, and repair of the Public Improvements. It is understood, acknowledged, and agreed by Developer that such Dedications may include, but are not limited to, permanent or temporary rights-of-way or easements for public purposes (including street and utility use, slope, drainage, maintenance, construction, entry and/or access,
and encroachment permits). Developer agrees that the making of such Dedications are part of the consideration provided by Developer for this Agreement, that Developer shall not seek, nor have a right to seek, any compensation from the Authority or City for such Dedications, and that Developer shall not pursue any legal action for compensation, including inverse condemnation or eminent domain, with regard to such Dedications.

4.6. **Management of Project.** The unique qualifications and expertise of Developer are of particular significance to the success of the Project. It is because of this expertise and experience that the Authority has entered into this Agreement with Developer. Subject to the rights of any Holder pursuant to this Agreement, Developer agrees that it will continue to manage the Project through and including the date that is specified in the Developer’s “housing development program” following completion.

4.7. **Rights of Access and Inspection.** Representatives of the Authority and the City, including the Executive Director and his or her designees, shall have the reasonable right of access to the Property without charges or fees, at normal construction and/or business hours during the performance of the Project, for the purpose of, including, but not limited to, reviewing Developer’s progress in commencing and diligently pursuing the Project to completion as required under this Agreement.

4.8. **No Exemption from Taxes.** This Agreement shall not exempt, and shall not be interpreted as exempting, Developer, Holder, or any person claiming through either of them, from the payment of, or from being subject to the levy of: (i) *ad valorem* property taxes imposed on the Property under Article XIII A of the California Constitution; (ii) special taxes imposed on the Property; (iii) special assessments imposed on the Property; (iv) all taxes payable under the California Bradley-Burns Uniform Local Sales & Use Tax Law, Revenue and Taxation Code § 7200, *et seq.*; and (v) all other taxes, assessments, fees, exactions, or charges any portion of which are allocated to, or received by, the City or the Authority and which are imposed due to the ownership, use, or possession of the Property or interest therein or due to the construction or operation of the Project. This Agreement shall not exempt, and shall not be interpreted as exempting, Developer, Holder, or any person claiming through either of them, from inclusion in any maintenance district, assessment district, Community Facilities District, other special district, or other method of public financing as may be allowed under the laws of the State of California or of the United States.

4.9. **Certification and Verification of Homebuyer Income.** Developer shall be responsible for determining applicant's household income to determine whether an applicant is eligible to be the initial Homebuyer. The income level of an applicant must be verified using source documentation in accordance with 24 CFR 92.203(b)(2). In the event a property transfers to a subsequent Homebuyer said Homebuyer must be verified and certified as by the Housing Authority as low-income eligible.

**ARTICLE V - USE AND MAINTENANCE OF THE PROPERTY**

5.1. **Use Covenant.** Developer covenants and agrees for itself, its successors and assigns, and any successor-in-interest to the Property or part thereof, that during the term of the Use Covenant, the Property shall remain available at an Affordable Cost to a Lower Income
Household for a period of forty-five (45) years commencing upon recordation of the Deed. During such period, each Property shall be used solely as a single-family residential dwelling and owner-occupied by a Homebuyer. Each Property and Home situated thereon shall be the principal residence of the Homebuyer.

5.1.1 Event of Resale or Refinance. During such 45 year period, if a Property is sold or refinanced, Developer, its successor and assigns shall ensure that each Property continues to be available at an Affordable Cost to a Lower Income Household who will use the Property as their principal residence.

5.2. Use of City of Riverside Utilities. Developer shall purchase from the City (including its constituent utility agencies) electrical service, and all other utility services, for the Property and any buildings, structures, fixtures, or equipment thereon, as are available for purchase from the City (including its constituent agencies).

5.3. Prohibition on Leasing. The Developer, its successor, or its assigns, shall not rent, lease, or sublease the Property (including any improvement or fixture thereto) or any part thereof, or otherwise transfer or attempt to transfer a tenancy or leasehold interest in the Property (including any improvement or fixture thereto) or any part thereof.

5.4. Maintenance of the Property. The Developer covenants and agrees for itself, its successors and assigns, and any successor-in-interest to the Property, or part thereof, that it will, at its sole cost and expense: (i) maintain the appearance and safety of the Property (including all improvements, fixtures, and landscaping) in good order, condition, and repair, and free from the accumulation of trash, waste materials, and other debris; (ii) remove all graffiti placed upon the Property (including all improvements, fixtures, and landscaping) within seventy-two (72) hours of its appearance; (iii) maintain in good order, condition and repair, properly functioning landscape irrigation systems on the Property; and (iv) remove and promptly replace all dead or diseased landscaping material on the Property. In the event of a default of this Covenant and of a failure to cure the default within fifteen (15) calendar days after service of a written notice by Authority and/or the City, Authority and/or the City or their agents, employees and contractors shall have the right to enter upon the Property without further notice and to take such actions as are necessary to cure the default. Developer shall reimburse Authority and/or the City for all costs associated with cure of the default (including but not limited to, staff services, administrative costs, legal services, and third party costs), within fifteen (15) calendar days after service of a written notice by Authority and/or City. If Developer fails to pay within the time provided, such costs shall be a lien upon the Property, as provided by California Civil Code § 2881. The Authority may enforce and foreclose such lien in any manner legally allowed or pursue any other remedy in law or equity.

5.5. Nondiscrimination in Employment. The Developer covenants and agrees for itself, its successors and assigns and any successor-in-interest to the Property or part thereof, that all persons employed by or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age,

5.6. **Nondiscrimination and Nonsegregation.** Developer covenants and agrees for itself, its successors and assigns and any successor-in-interest to the Property or part thereof, that it shall abide by the following provisions:

5.6.1. **Obligation to Refrain from Discrimination.** They shall refrain from restricting the sale, transfer, use development, occupancy, tenure, or enjoyment of the Property (or any part thereof) on the basis of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto), of any person or group of persons, and shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.) and the California Fair Employment and Housing Act (Cal. Government Code § 12900, et seq.) as they exist on the date of this Agreement or as they may thereafter be amended, repealed and reenacted, or otherwise modified. They shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed.

5.6.2. **Nondiscrimination and Nonsegregation Clauses.** Any deeds or contracts which are proposed to be, or which are, entered into with respect to the sale, transfer, use, development, occupancy, tenure, or enjoyment of the Property (including improvements and fixtures) (or party thereof), shall be subject to, and shall expressly contain, nondiscrimination or nonsegregation clauses in substantially the following form:

5.6.2.1. **In Deeds.** “The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that it shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.) and the California Fair Employment and Housing Act (Cal. Government Code § 12900, et seq.), as they currently exist or as they may thereafter be amended, repealed, and reenacted, or otherwise modified, and that there shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land herein conveyed, nor shall the grantee itself
or any person claiming under or through it, establish or permit any such practice or practices or
discrimination or segregation with reference to the selection, location, number, use or occupancy
or tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The
foregoing covenants shall run with the land.”

5.6.2.2. **In Contracts.** “There shall be no discrimination against or
segregation of, any person or group or persons on account of race, color, creed, religion, sex,
marital status, ancestry, national origin, familial status, physical disability, mental disability, or
medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome
(AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto) in the rental,
sale, lease, sublease, transfer, use, occupancy, tenure of the land or premises affected by this
instrument, nor shall the contracting or subcontracting party or parties, or other transferees under
this instrument or any person claiming under or through it, violated the applicable anti-
discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.), and
the California Fair Employment and Housing Act (Cal. Gov. Code § 12900, et seq.) as they
currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise
modified, nor establish or permit any such practice or practices or discrimination or segregation
with reference to the selection, location, number, use or occupancy of tenants, lessees,
subtenants, sublessees, or vendees of the land. This provision shall obligate the contracting and
subcontracting party or parties, and other transferees under this instrument or any person
claiming under or through it.”

5.7. **Taxes and Encumbrances.** Developer shall pay, when due: (i) all ad valorem
property taxes imposed on the Property under Article XIII A of the California Constitution; (ii)
all special taxes imposed on the Property; (iii) all special assessments imposed on the Property;
and (iv) all other taxes, assessments, fees, exactions, or charges any portion of which are
allocated to, or received by, the City or the Authority and which are imposed due to the
ownership, use, or possession of the Property or interest therein or due to the construction or
operation of the Project. Upon failure to so pay, Developer shall remove any lien, levy, or
encumbrance made on the Property within ninety (90) days of the attachment of such. Developer
hereby waives any right it may have to contest the imposition of such taxes, assessments, fees,
exactions, or charges against the Property or upon the construction or operation of the Project
which are levied by the City, the Authority, the County of Riverside, or the State of California,
or any special district of any of the foregoing.

5.8. **Compliance with Laws.** The Developer covenants and agrees for itself, its
successors and assigns and any successor-in-interest to the Property or part thereof, that it shall
operate and maintain the Project in conformity with all Local Regulations, the Grant Deed and
Declaration of Covenants, Conditions and Restrictions, and all applicable state and federal laws
including all applicable labor standards, disabled and handicapped access requirements,
including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq. and
the Unruh Civil Rights Act, California Civil Code § 51, et seq.

5.9. **Effect of Violation.** The Authority and City are deemed the beneficiaries of the
terms and provisions of this Agreement and for the purposes of protecting the interests of the
community and other parties, public or private, in whose favor and for whose benefit this
Agreement has been provided. The Authority and City shall have the right, if the Agreement or
covenants are breached, to exercise all rights and remedies provided for under the Agreement, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches.

ARTICLE VI - INSURANCE

6.1. **Developer’s Insurance.** The Developer shall obtain and furnish to Authority duplicate originals or appropriate endorsements to its bodily injury and property damage insurance policies in the amounts set forth herein, naming Authority and the City as additional insureds or co-insureds. The limits of liability required in the insurance policies required herein are the following: (i) Two Million Dollars ($2,000,000) for any person; (ii) Two Million Dollars ($2,000,000) for any occurrence; and (iii) One Million Dollars ($1,000,000) for any property damage. All insurance policies shall be issued by insurance companies authorized to transact insurance business in the State of California with a policy holder’s rating of A or higher and a Financial Class VII or larger. In addition, all policies shall provide that they may not be canceled or reduced in coverage or amounts without providing Authority at least forty-five (45) days prior written notice. Developer shall maintain such insurance policies in good standing until it obtains the Certificate of Completion pursuant to this Agreement. In the event, Developer intends to hire a contractor for work on the Property, then Developer shall also furnish to Authority evidence that any such contractor carries workers’ compensation insurance as required by law. The existence of the aforementioned bodily injury, property damage, and workers compensation insurance policies, nor the amounts of coverage set forth therein, do not and shall not be interpreted as limiting or defining the extent of any obligation the Developer may have to indemnify Authority or City under this Agreement.

ARTICLE VII - INDEMNITY

7.1. **General Indemnity.** Developer expressly agrees to and shall indemnify, defend with counsel of Authority’s selection, release, and hold Authority, City, and their respective officers, officials, directors, agents, servants, employees, attorneys and contractors harmless from and against, any Action, liability, loss, damage, entry, judgment, order, lien, and Costs and Expenses which arises from or as a result of the conveyance of the Property, Authority’s approval of the Agreement, or as may otherwise arise in anyway from this transaction. Developer’s indemnity, defense and hold harmless obligations shall survive the expiration or termination of this Agreement.

7.2. **Hazardous Substances Indemnity.** Developer expressly agrees to and shall indemnify, defend with counsel of Authority’s selection, release and hold Authority, City, their respective officers, officials, directors, agents, servants, employees, attorneys and contractors harmless from and against any Action, liability, loss, damage, entry, judgment, order, lien, and Costs and Expenses that, foreseeably or unforeseeably, directly or indirectly, arises from, or in any way related to, the release, treatment, use, generation, transportation, storage, or disposal in, on, under, to, or from the Property of any Hazardous Substances by Developer or its officers, directors, employees, agents, and contractors. For the purposes of this Section, “Costs and Expenses” include, but are not limited to, the cost of any necessary, ordered, adjudicated, or otherwise required remediation or removal of Hazardous Substances, any cost of repair of improvements on the Property or surrounding property necessitated by or related to the
remediation or removal of Hazardous Substances, the cost of any tests, samples, studies, investigations, or other preparation reasonably undertaken in preparation or furtherance of remediation or removal of Hazardous Substances, and the cost of preparing plans for the remediation or removal of Hazardous Substances. Notwithstanding the foregoing, Developer expressly agrees to, at its sole expense, and with legal counsel of the Authority’s choice, defend the Authority, the City and their respective officials, officers, employees, agents, and contractors in any Action in which the Authority, the City or their respective officials, officers, employees, agents, and contractors become or may become involved as a result of the release, treatment, use, generation, transportation, storage, or disposal in, on, under, to, or from the Property of any Hazardous Substances by Developer or its officers, directors, partners, employees, agents, and contractors. Developer’s obligations under this Section shall survive the termination of this Agreement.

ARTICLE VIII - ASSIGNMENTS, TRANSFERS, AND RIGHTS OF HOLDERS

8.1. **Assignment.** Except in the event that an assignment or other transfer (“Assignment”) of the rights and/or obligations of Developer under this Agreement is required under Section 8.3 [Security Financing; Rights of Holders], there shall be no Assignment of the rights and/or obligations of Developer under this Agreement unless the Authority has given its prior written approval to the Assignment. Notwithstanding the foregoing, the Authority shall not unreasonably withhold its approval of an Assignment that meets the following requirements: (i) the Assignment is to a validly organized and existing business entity which is a corporate affiliate or subsidiary of Developer, of which Developer is a general partner, or of which Developer is the majority shareholder (meaning owning at least fifty-one percent (51%) of the outstanding stock entitled to voting rights in the business entity); (ii) the Assignment is to an entity that expressly assumes the obligations of Developer under this Agreement in a writing satisfactory to the Authority; (iii) the Developer remains fully responsible for the performance and liable for the obligations of Developer under this Agreement; and (iv) the assignee is financially capable of performing the duties and discharging the obligations it is assuming. Developer shall promptly notify the Authority in writing of any and all changes whatsoever in the identity of the persons in control of Developer and the degree thereof.

8.2. **Transfer to Government Authority.** During the term of the Use Covenant, Developer shall not sell or transfer the fee interest in the Property to any governmental or non-governmental tax exempt entity that would result in the Property becoming exempt from the payment of real property taxes. The foregoing restrictions shall not apply to any of the following:

8.2.1. the conveyance or dedication of any part of the Property to the City or Authority or other appropriate governmental Authority for street, utility, or other public purposes consistent with City and Authority Regulations;

8.2.2. a conveyance resulting from eminent domain action or an acquisition under threat of an acquisition under threat of eminent domain;

8.2.3. a conveyance resulting from operation of Section 8.3 [Security Financing; Rights of Holders] of this Agreement.
8.3. **Security Financing; Rights of Holders.**

8.3.1. **Permitted Security Financing.** Mortgages, deeds of trust and any other form of security interest required for any reasonable method of financing are solely for the purpose of securing a loan of funds to be used for financing the development of the Project on the Property pursuant to this Agreement. The Developer shall not enter into such financing without the prior approval of the Authority and City, which approval will not be unreasonably withheld, after the Developer submits evidence demonstrating, to the satisfaction of the Authority and City, that reputable lender has, on commercially reasonable terms, committed to finance development of the Project in an amount sufficient to complete the Project or such portion thereof as the Authority and City deem appropriate. In any event, the Developer shall promptly notify the Authority and City of any mortgage, deed of trust or other security interest, encumbrance or lien that has been created or attached to the Property prior to expiration of the term of the Use Covenant, whether by voluntary act of the Developer or otherwise. The Authority and City shall cooperate with the Developer and the lender or lenders providing financing for development of the Project to reasonably facilitate such financing, provided the obligations of the Developer and the rights of the Authority and City hereunder are not materially affected.

8.3.2. **INTENTIONALLY DELETED**

8.3.3. **Right of Authority to Cure Mortgage.** In the event of a default or breach by the Developer of a mortgage, deed of trust or other security interest with respect to the Property (or any portion thereof) prior to Completion, the Authority or City may cure the default prior to completion of any foreclosure. In such event, the Authority or City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the Authority or City in curing the default. The Authority or City shall also be entitled to a lien upon the Property (or any portion thereof) to the extent of such costs and disbursements, and may perfect such lien by filing notice thereof with the appropriate entities. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to construct the Project as authorized herein or securing letters of credit which secure any such loans.

**ARTICLE IX - DEFAULTS AND REMEDIES**

9.1. **Default.** Either party’s failure or unreasonable delay to perform any term or provision of this Agreement constitutes a Default of this Agreement. In the event of a Default, the injured party shall give written “Notice of Default” to the defaulting party, specifying the Default. Delay in giving such notice shall not constitute a waiver of the Default. If the defaulting party fails to cure the Default within thirty (30) days after receipt of a notice specifying the Default, or, if the Default is of a nature that cannot be cured within thirty (30) days, the defaulting party fails to commence to cure the Default within said thirty (30) days and thereafter diligently prosecute such cure to completion, then the defaulting party shall be liable to the injured party for any and all damages caused by such Default, unless otherwise provided for by this Agreement.

9.2. **No Waiver.** Failure to insist on any one occasion upon strict compliance with
any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

9.3. **Legal Actions.** In addition to any other rights and remedies any party may institute a legal action to require the cure of any default and to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. The following provisions shall apply to any such legal action:

9.3.1. **Specific Performance by Authority.** It is agreed that the disposition of the Property under this Agreement is of a special and unique kind and character and that the rights granted to the Authority hereunder are of a similar special and unique kind and character so that if there is a default by the Developer, or breach by the Developer of any material provision of the Agreement, the Authority would not have an adequate remedy at law. It is expressly agreed, therefore, that the Authority’s rights under this Agreement may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California.

9.3.2 **INTENTIONALLY DELETED.**

9.3.3. **Jurisdiction and Venue.** Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California, Central Branch, Civil Division or, if appropriate, in the United States District Court for the Central District of California. Developer specifically waives any rights provided to it pursuant to California Code of Civil Procedure § 394 or federal or state statutes or judicial decisions of like effect.

9.3.4. **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

9.3.5. **Attorney’s Fees.** In the event either party commences an Action against the other party which arises out of a Default of, breach of, failure to perform, or that is otherwise related to, this Agreement, then the Prevailing Party (as defined herein) in the Action shall be entitled to recover its Litigation Expenses (as defined herein) from the other party in addition to whatever relief to which the prevailing party may be entitled. For purposes of this section, “Litigation Expenses” includes all Costs and Expenses, to the extent such are reasonable in amount, that are actually and necessarily incurred in good faith by the Prevailing Party directly related to the Action. For the purposes of this section, “Prevailing Party” shall have the meaning ascribed in § 1032(a)(4) of the California Code of Civil Procedure.

9.4. **Right of Reverter.** If after conveyance of the Property, Developer fails to meet the Schedule of Performance within the time required under Section 4.2 of this Agreement, provided that Developer has not obtained an extension or postponement to which the Developer may be entitled pursuant to this Agreement, upon recordation of a notice of exercise of reverter, title shall automatically revest in the Authority and the Authority may reenter and take possession of the Property or any portion thereof with all improvements thereon and terminate any estate the Developer may have in the Property.
9.4.1. **Limitations of Right of Reverter.** The right to reenter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

a. any mortgage, deed of trust, or other permitted security interests approved by the Authority under this Agreement; or

b. any rights or interests provided in this Agreement for the protection of the holders of such permitted Security Financing.

9.4.2. **Revesting of Property to Authority.** Upon the revesting in the Authority of possession of the Property, or any part thereof, as provided in Section 9.4 [Right of Reverter], the Authority shall use its best efforts to release, or resell the Property, as the case may be, or any part thereof, as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by the Authority), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to the Authority and in accordance with the uses specified for the Property, or any part thereof. The Authority shall have no obligation to sell the Property for fair market value. The Authority may sell the Property at fair reuse value. In the event of a resale, the proceeds thereof, if any, shall be applied as follows:

a. first, to reimburse the Authority on its own behalf or on behalf of the City for all costs and expenses incurred by the Authority, including but not limited to, salaries to personnel, legal costs and attorneys’ fees, and all other contractual expenses in connection with the recapture, management, and resale of the Property (but less any income derived by the Authority from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership, then such taxes, assessments, or charges, as determined by the City, as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property or part thereof; and amounts otherwise owing the Authority by the Developer, its successors, or transferees;

b. second, to reimburse the Developer, its successor or transferee, up to the amount equal to (i) the sum of the Purchase Price paid to the Authority by the Developer for the Property, (ii) the costs incurred for the development of the Property and for the agreed improvements existing on the Property at the time of the re-entry and repossession, less (iii) any gains or income withdrawn or made by the Developer from the Property or the improvements thereon; and

c. any balance remaining after such reimbursements shall be retained by the Authority as its property.

9.5. **Rights and Remedies are Cumulative.** The rights and remedies of the Parties are cumulative, and the exercise by a party of one or more of its rights or remedies shall not
preclude the exercise by it, at the same or different time, of any other rights or remedies for the same Default or any other Default by another Party.

9.6. **Termination by Authority.** The Authority may terminate this Agreement upon the occurrence of any of the following events:

9.6.1. Developer (or any successor in interest) assigns or attempts to assign the Agreement or any rights therein or in the Property in violation of this Agreement;

9.6.2. Developer (or any successor in interest) becoming insolvent or Developer (or any successor in interest) voluntarily or involuntarily making an assignment or transfer for the benefit of creditors other than the Authority and/or the City, and/or the voluntary or involuntary appointment of a receiver, custodian, liquidator or trustee of Developer’s property and/or the Property;

9.6.3. Developer is otherwise in Default of this Agreement and fails to cure such Default within the time set forth in Section 9.1 [Default] hereof.

9.6.4. If, after the occurrence of any of the above-entitled events, the Authority and/or City elects, in their sole discretion, to terminate this Agreement, then all rights of Developer and any person or entity claiming by or through Developer arising under this Agreement or with regard to the Property as may arise under this Agreement shall immediately cease and be terminated, except that any obligations of the Developer to indemnify or reimburse the Authority or City shall continue in full force and effect and the Authority and/or City shall have all of the remedies to enforce a breach or a Default of this Agreement as may be provided hereunder and under the law.

9.7. **Termination by Developer.** In the event that Developer is not in default under this Agreement and the Authority and City is otherwise in default and which is not cured within the time set forth in Section 9.1 [Default] hereof, and any such failure is not cured within the applicable time period after written demand by Developer, then this Agreement may, at the option of Developer, be terminated by written notice thereof to the Authority. From the date of the written notice of termination of this Agreement by Developer to the Authority and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties, except that Developer may pursue any remedies it has hereunder.

**ARTICLE X - GENERAL PROVISIONS**

10.1 **Enforced Delays; Extension of Times.** In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: litigations challenging the validity of this transaction or any element thereof or the right of either party to engage in the acts and transactions contemplated by this Agreement; inability to secure necessary labor materials or tools; delays of any contractor, subcontractor or supplier; or withdrawal of financing not caused by any act or omission of Developer; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts
of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental agency or entity (other than the acts of failures to act of the agency which shall not excuse performance by the agency); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period or the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within forty-five (45) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Authority, City and Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to complete Project shall not constitute grounds of enforced delay pursuant to this Section.

10.2. **Tax Consequences.** Developer understands and acknowledges that it may experience adverse state and federal tax consequences arising from the financial assistance provided or the rights conferred under this Agreement. Developer acknowledges that neither the Authority, the City, nor any officer or employee thereof has provided Developer with any tax, legal, accounting, or other advice concerning the legal effect or tax consequences of this Agreement. Developer acknowledges that it has been represented by Developer’s own independent advisors, including, but not limited to attorneys, accountants, and/or financial consultants, with regard to this transaction. Developer acknowledges that neither the Authority, the City, nor any officer or employee thereof has made any representations or warranties concerning the legal effect or tax consequences of this Agreement and Developer is not entering into this Agreement based upon any representation by the Authority, the City or any officer or employee thereof concerning the legal effect or tax consequences of this Agreement. Developer acknowledges and agrees that the Authority and City are in no manner responsible or liable for any state or federal tax consequences experienced by Developer arising out of or in any way related to this Agreement, the financial assistance provided or the rights conferred hereunder.

10.3. **Non-liability of Authority and City Officials and Employees.** No board member, official, consultant, attorney, or employee of the Authority or City shall be personally liable to Developer, or any successor, or assign, or any person claiming under or through them, in the event of any default or breach by the Authority or City or for any amount which may become due to Developer or to its successor, or on any obligations arising under this Agreement.

10.4. **Conflicts of Interest.** No board member, official, consultant, attorney, or employee of the Authority or City shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

10.5. **Warranty Against Payment of Consideration for Agreement.** Developer represents and warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement, other than payments to consultants retained by Developer to assist it in the negotiation of this Agreement, excepting however, any contributions which this Agreement requires Developer to make to the Project.

10.6. **No Third Party Beneficiaries.** This Agreement, its provisions, and its
covenants, are for the sole and exclusive benefit of the City of Riverside, the Authority, the Developer and the Sweat-Equity Partners. No other parties or entities are intended to be, or shall be considered, a beneficiary of the performance of any of the parties obligations under this Agreement.

10.7. **Integration.** This Agreement consists of pages 1 through 34, inclusive, and Attachments Nos. 1 through 10 attached hereto and incorporated herein by this reference, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

10.8. **Recitals and Definitions.** The Recitals and Definitions set forth at the beginning of this Agreement are a substantive and integral part of this Agreement and are incorporated by reference in the Operative Provisions portion of this Agreement.

10.9. **Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of its terms. Reference to section numbers are to sections in this Agreement unless expressly stated otherwise.

10.10. **Interpretation.** The Authority and Developer acknowledge that this Agreement is the product of mutual arms-length negotiation and drafting and each represents and warrants to the other that it has been represented by legal counsel in the negotiation and drafting of this Agreement. Accordingly, the rule of construction which provides the ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Agreement. In any action or proceeding to interpret or enforce this Agreement, the finder of fact may refer to such extrinsic evidence not in direct conflict with any specific provision of this Agreement to determine and give effect to the intention of the parties hereto.

10.11. **Severability.** Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant, and/or restriction, of this Agreement and the remainder of the Agreement shall continue in full force and effect.

10.12. **Amendments to Agreement.** Each Party agrees to consider reasonable requests for amendments to this Agreement which may be made by the other Party, lending institutions, bond counsel or financial consultants. Any amendments to this Agreement must be in writing and signed by the appropriate authorities of the Authority and Developer.

On behalf of the Authority, the Executive Director shall have the authority to make minor amendments to this Agreement, including, but not limited to, the granting of extensions of time to Developer, on behalf of the Authority so long as such actions do not materially change the Agreement or make a commitment of additional funds of the Authority. All other changes, modifications, and amendments shall require the prior approval of the Authority’s governing
10.13. **Administration.** This Agreement shall be administered and executed by the Authority’s Executive Director, or his or her designated representative, following approval of this Agreement by the Authority’s governing board. The Authority shall maintain authority of this Agreement through the Executive Director (or his or her authorized representative). The Executive Director shall have the authority to issue interpretations and to make minor amendments to this Agreement as provided in Section 10.12 [Amendments to Agreement].

10.14. **Notices, Demands and Communications Between the Parties.** Formal notices, demands and communications between the parties shall be given in writing and personally served or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the parties, as designated in this section, or telefaxed to the telefax number listed below followed by dispatch as above described. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section. Any such notice shall be deemed to have been received upon the date personal service is effected, if given by personal service, or upon the expiration of three (3) business days after mailing, if given by certified mail, return receipt requested, postage prepaid.

If notice is to be made to the Authority:

Housing Authority  
City of Riverside  
3900 Main Street  
Riverside, California 92522  
Attn: Executive Director  
Facsimile transmission may be made to: (951) 826-2591

If notice is to be made to Developer:

**DEVELOPER CONTACT INFORMATION**

10.15. **Ceremonies.** To ensure proper protocol and recognition of the Authority board members, Developer shall cooperate with the Authority and City staff in the organization or any project-related groundbreakings, grand openings or any such inaugural events/ceremonies sponsored by Developer celebrating the development, which is the subject of this Agreement.

10.16. **Computation of Time.** The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens) and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term “holiday” shall mean all holidays as specified in Government Code § 6700 and § 6701. If any act is to be done by a particular time during a day, that time shall be Pacific Standard Zone Time.

10.17. **Authority.** The individuals executing this Agreement on behalf of Developer and the instruments referenced on behalf of Developer represent and warrant that they have the legal
power, right and actual authority to bind Developer to the terms and conditions hereof and thereof.

10.18. **Counterpart Originals.** This Agreement may be executed in triplicate originals, each of which is deemed to be an original.

10.19. **Effective Date of Agreement; Term.** This Agreement shall not become effective until the date it has been formally approved by the Authority’s governing board and executed by the appropriate authorities of the Authority and Developer. The term of this Agreement shall run for the entire period of affordability of Housing Authority Funding (45 years), as such the term will expire forty-five (45) years after the Effective Date.

10.20. **No Assignment.** Neither party shall assign the right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Developer acknowledges that any assignment may, at the Authority and City’s sole discretion, respectively, require Agency Board and City Council approval.

10.21. **Developer Not an Employee of Authority/City.** At no time shall Developer be considered or deemed an employee or agent of either the Authority or the City. Developer shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Agreement and as required by law. Developer shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, and worker’s compensation insurance.

[Signatures on following page.]
AUTHORITY:

HOUSING AUTHORITY OF THE
CITY OF RIVERSIDE,
a public body, corporate and politic

By: ____________________________
    Executive Director

Date: ______________

ATTEST: ________________________
    Authority Secretary

APPROVED AS TO FORM:

By: ____________________________
    Authority General Counsel

APPROVED AS TO FORM:

By: ____________________________
    Deputy City Attorney

DEVELOPER:

DEVELOPER SIGNATORIES

By: ____________________________
    President

Date: ______________

By: ____________________________
    Treasurer

Date: ______________

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