

Exhibit "D-2"

Reformed Grant Deed – Phase II

Recording Requested By
and When Recorded Mail To:

Housing Successor of the City of Fresno
Attention: Executive Director
2344 Tulare Street, Suite 200
Fresno, CA 93721

No Fee-Govt. Code Sections 6103-27383

*(SPACE ABOVE THIS LINE FOR
RECORDER'S USE)*

APNs:[_____]

GRANT DEED – PHASE II

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, and subject to the covenants and restrictions set forth below, the CITY OF FRESNO, a municipal corporation in its capacity as HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, GRANTOR, hereby GRANTS to FRESNO EDISON APARTMENTS II, LP, a California Limited Partnership, GRANTEE, all that real property (the "Property") situated in the County of Fresno, State of California, described as follows:

[See Attachment hereto]

Consistent with the Disposition and Development Agreement by and between Grantor and Edison Plaza Partners, L.P. ("Original Developer") dated March 9, 2011 and the Reformation of Disposition and Development Agreement dated January 24, 2012, between Grantor and Original Developer, as further reformed by Second Reformation of Disposition and Development Agreement dated _____, 2015 by and among Grantor, Grantee, Fresno Edison Apartments, L.P., and Original Developer (as reformed, the "DDA") including California Community Redevelopment Law (Cal. H&S Code Sections 33000 et seq.) (the "Law") and other covenants/requirements therein, all incorporated herein by this reference, the Grantee herein covenants by and for itself and its successors, transferees, vendees, administrators, and assigns, and all persons claiming under or through it, that:

1. There shall be no discrimination against or segregation of, any person or group of persons on account of any bases listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy or tenants, lessees, subtenants, sublessees, or vendees in the Property.

2. The Grantor may reenter pursuant to a reserved power of termination and take possession of the Property, or part of it, and all improvements on it, terminate the estate conveyed to Grantee by this Grant Deed, and revest the estate in the Grantor if, before recording a Certificate of Completion, as defined in the DDA, any of the following occurs:

- a. Grantee does not begin and complete construction on the Property, or part of it, within the times specified and as provided in the DDA; or,
- b. Grantee abandons or substantially suspends construction on the Property, or part of it, for 30 days after the Grantor gives written notice of the abandonment or suspension; or,
- c. Grantee assigns or transfers, or suffers an involuntary transfer or any rights or obligations under the DDA, or in the Property, or part of it, in violation of the DDA including assignment provisions therein.

Such right to reenter, repossession, terminate, and revest shall be subject to, limited by, and shall not defeat, render invalid or limit: (i) any Security Financing Interest permitted by the DDA; or (ii) any provision of the DDA protecting the holder's Security Financing Interest.

When title to the Property reverts in Grantor, Grantor shall use its best efforts to resell the Property, consistent with the objectives of the Law and the Redevelopment Plan, to a qualified and responsible party (as determined by the Grantor). The transferee will assume the obligation of completing the redevelopment of the Property, satisfactory to Grantor and according to the uses specified in the Redevelopment Plan. Upon any resale of the Property, or part of it, the proceeds shall be applied as follows:

- a. First, to reimburse the Grantor for (a) all commercially reasonable costs and expenses incurred (including, without limitation, salaries of personnel) in connection with the recapture/reverter, management and resale of the Property, or part of it, less any income Grantor derived from the Property in connection with the management; (b) all taxes, assessments, and water and sewer charges respecting the Property (or, if any Grantor's ownership, then such taxes, assessments or charges as would have been payable if the Property were not so exempt); (c) any payments necessary to discharge or prevent any subsequent encumbrances or liens due to obligations, defaults, or acts of Grantee, its successors or transferees from attaching or being made; (d) any expenditures made or obligations incurred to complete development of the Property; and any amounts otherwise owing to Grantor from Grantee or by its successor or transferee; and
- b. Second, to reimburse Grantee, its successors or transferee, up to the amount equal to the sum of (a) the purchase price paid to Grantor for the Property; and (b) the out-of-pocket costs incurred to develop and improve the Property, less (c) any gains or income to Grantee from the property or the improvements on it. Notwithstanding the foregoing, the amount calculated pursuant to this paragraph shall not exceed the price that the Grantee paid the Grantor for the Property plus the fair market value of the improvements on it when the default or failure of cure, which led to the Grantors exercise of the right of reverter.

- c. Any balance remaining after such reimbursement shall be retained by Grantor.

The rights established in this paragraph 2 shall be interpreted considering Grantor's intent to convey the Property to Grantee for development of the Property, and not for speculation in undeveloped land or any other purpose.

- 3.
 - a. Grantee and those taking under Grantee will maintain the Property and all improvements on the Property in reasonably good condition and repair (and, as to landscaping, if any, in a healthy condition). Grantee and those taking under Grantee shall: (i) maintain all on-site improvements according to all other applicable laws, rules, ordinances, and regulations of all federal, state, county, municipal and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus and officials; (ii) keep the improvements free from graffiti, (iii) keep the Property free from any accumulation of debris or waste material; (iv) promptly make repairs and replacements to the on-site improvements; and (v) promptly replace any dead, or decreased plants and/or landscaping (if any) with comparable materials.
 - b. Grantor will give Grantee written notice of any breach of this paragraph 3. Within 10 days from receipt of such notice, Grantor and Grantee will meet and confer, and agree to corrective actions and a schedule of performance for such corrective actions. Grantee must cure the default within the agreed schedule or within (a) 10 days after Grantor's notice for any default involving landscaping, graffiti, debris, waste materials, or general maintenance on the Property, (b) 30 days after Grantor's notice for any default involving the improvements. If Grantee does not cure the default within the agreed schedule, Grantor, without obligation to, may enter the Property, cure the default, and protect, maintain and presence the improvements and landscaping.
 - c. Grantor may lien or assess the Property for the Grantor's expenses in protecting, maintaining, and preserving the on-site improvements and aesthetics of the Property, including any lawful administrative charge in the manner used by the Grantor in the abatement of public nuisances. The notice and opportunity to cure provided for herein will substitute for the noticing, hearing and nuisance abatement order used by Grantor. Grantee will promptly pay all such amounts to Grantor upon demand.
- 4.
 - a. Grantee will take all commercially reasonable precautions to prevent the release into the environment of any Hazardous Materials (as defined in the DDA) in, on or under the Property Grantee will comply with all governmental requirements with respect to Hazardous Materials.
 - b. Until a Certificate of Completion is recorded as to the Property/portion thereof, Grantee will notify Grantor and give Grantor a copy or copies of all environmental permits, disclosures, applications, entitlements or inquiries relating to the Property including, without limitation, notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements, and reports filed or applications made pursuant to any governmental requirement relating to Hazardous Materials and underground tanks. Immediately after each incident,

Grantee will report any unusual or potentially important incidents respecting the environmental condition of the Property to Grantor.

- c. If a release of any Hazardous Materials into the environment occurs, Grantee will, as soon as possible after the release, furnish Grantor with a copy of any reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request, Grantee will furnish Grantor with a copy of any other environmental entitlements or inquiries relating to or affecting the Property including, without limitation all permit applications, permits, and reports, including reports and other matters, which may be characterized as confidential.
- d. Grantee will indemnify, defend, and hold Grantor harmless from any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' fees), arising out of (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about the Property, or the transportation of any Hazardous Materials to or from the Property, or (ii) the violation, or alleged violation of any statute, ordinance, order, rule, regulation, permit judgment or license relating to any use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about to or from the Property. This indemnity will include, without limitation, any damage, liability, fine, penalty, parallel or cross indemnity occurring after conveyance, cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death) tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination lease, spill, release or other adverse effect on the environment. The indemnity covers, without limitation, (a) all foreseeable and unforeseeable consequential damages, (b) the cost of any required or necessary repair, clean-up, or detoxification and the preparation of any closure or other required plans, and (c) costs of legal proceedings and attorneys' fees.
- e. Grantee releases Grantor from all claims Grantee may have against resulting from or from or connected with the environmental condition of the Property. Such claims include, without limitation, all claims Grantee may have against Grantor under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or any other federal state or local law, whether statutory or common law, ordinance, or regulation concerning the release of Hazardous Materials or substances into the environment from or at the Property, and the presence of such materials in, on, under or about the Property. Grantee expressly waives the benefits of Civil Code §1542, which reads as follows:

A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release which if known by him must have materially affected settlement with the debtor.

- 5. Grantor is the beneficiary of the covenants running with the land for itself and for protecting the interest of the community and other parties, public or private, in whose

favor and for whose benefit the covenants are provided, without regard to whether Grantor has been, remains, or is in owner of any land on the Property/portion thereof. Grantor may exercise all rights and remedies, and maintain any actions or suits at law or in equity or other proceedings to enforce the covenants for itself or any other beneficiaries. The provisions of the DDA which by their terms or nature are intended to survive completion of the Project/each Phase thereof are fully enforceable under and shall not merge with this Deed.

6. If a conflict exists or arises between the provisions of this Deed and the DDA, the DDA shall control.

The obligations of the Grantee hereunder are covenants or conditions running with the land enforceable by Grantor through a reserved right to re-entry and reverter.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Deed on the dates set forth below.

FRESNO EDISON APARTMENTS II, LP,
a California limited partnership

By: Silvercrest, Inc.,
a California non-profit corporation,
its Managing General Partner

Name: Preston Prince
Title: Secretary/Treasurer

By: Fresno Edison Apartments AGP, LLC,
a California limited liability company, its
Administrative General Partner

By: Housing Authority of the City
of Fresno, California, its managing
member

Name: Preston Prince
Title: CEO/Executive Director

By: Edison Plaza Partners, L.P.,
a California limited partnership,
its member

By: The Penstar Group
Its: General Partner

By: Thomas G. Richards
Its: President

By: Jackson J&J, LLC (dba H.A. W. Fifty Six)
Its: General Partner

By: James Hendricks
Its: Managing Member

CITY OF FRESNO, a Municipal corporation in
its capacity as Housing Successor to the
Redevelopment Agency of the City of Fresno

By: _____

Authorized Agent

ATTEST:
YVONNE SPENCE CMC
City Clerk

By: _____
Date: _____

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
TRACY PARVANIAN
Deputy City Attorney
Date: _____

The above persons to execute this agreement before a Notary Public and attach the notary acknowledgments.

ACKNOWLEDGMENTS

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

Notary Public

[SEAL]

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

Notary Public

[SEAL]

ACKNOWLEDGMENTS

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

Notary Public

[SEAL]

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

Notary Public

[SEAL]

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

Notary Public

[SEAL]

[ATTACH PROPERTY DESCRIPTION]