

RECORDED AT THE REQUEST OF

CITY OF FRESNO IN ITS CAPACITY
AS HOUSING SUCCESSOR TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO
848 M Street, Third Floor
Fresno, CA 93721
Attn: Executive Director

WHEN RECORDED RETURN TO:

City of Fresno in its capacity as Housing
Successor to the Redevelopment Agency
of the City of Fresno
848 M Street, Third Floor
Fresno, CA 93721
Attn: Marlene Murphey

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

This Agreement is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

CITY OF FRESNO, a municipal
corporation, in its capacity as Housing
Successor to the Redevelopment Agency
By: _____

Marlene Murphey
Its. Executive Director

Dated: _____

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between
THE CITY OF FRESNO
a municipal corporation, in its capacity as Housing Successor
to the Redevelopment Agency of the City of Fresno
and
HOUSING AUTHORITY OF THE CITY OF FRESNO
a public body corporate and politic

DISPOSITION AND DEVELOPMENT AGREEMENT

by and among

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

and

HOUSING AUTHORITY OF THE CITY OF FRESNO
a public body corporate and politic

E. Florence Avenue and S. Plumas Street, Fresno, CA 93706
Single-Family Affordable Housing Project
Fresno, California

ATTACHMENTS

Exhibit A	Site Map
Exhibit A-1	Legal Description
Exhibit B	Scope of Development and Basic Design
Exhibit C	Performance Schedule
Exhibit D	Sources & Uses
Exhibit E	Certificate of Completion
Exhibit F	Grant Deed
Exhibit G	Regulatory Agreement and Declaration of Covenants and Restrictions
Exhibit H	Developer Promissory Note
Exhibit I	Developer Deed of Trust
Exhibit J	Homebuyer Promissory Note
Exhibit K	Homebuyer Deed of Trust
Exhibit L	Homebuyer Written Agreement

DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement (DDA or Agreement) is entered into as of the Effective Date (defined below), between CITY OF FRESNO, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (FHS) and Housing Authority of the City of Fresno, a public body corporate and politic (the Developer).

RECITALS

The parties enter this Agreement based on the following facts, understandings, and intentions:

- A. FHS currently owns certain vacant, unoccupied, unimproved real property identified as APN 477-060-04 (approximately 7.94 acres) more particularly described and depicted in Exhibit A (Site Map) and Exhibit A-1, (legal description) incorporated herein and attached hereto (the Property).
- B. Developer proposes to acquire the Property from FHS and develop a single-family housing project consisting of approximately 33 single-family units, as more particularly described in the Scope of Development and Basic Design, incorporated herein and attached as Exhibit B, (collectively, the Project).
- C. The Property and associated on-site improvements are collectively referred to in this Agreement as the Improvements, all of which will directly benefit the Property. Developer agrees to undertake Improvements in accordance with the combined Performance Schedule described in Exhibit C attached hereto and incorporated herein (the Performance Schedule). The Project Description and Schedule provides that the Project will be constructed in each, Phase of the Project, allowing for construction of a new Phase of the Project after occupancy certificates have been issued for the previously constructed Phase of the Project.
- D. FHS is willing to assist Developer's construction of the Project by providing certain financial assistance to Developer. FHS shall loan the Developer One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) (FHS Assistance) upon the terms and conditions specified in this Agreement. FHS Assistance and performance of the affordability and other covenants and restrictions set forth herein shall be evidenced by this Agreement which shall be recorded against and run with the Property.
- E. The City, as Lead Agency, prepared a Mitigated Negative Declaration for the Project, identified as Environmental Assessment No. T-6392/P23-02692, which was adopted by Planning Commission on November 15, 2023. The Mitigated Negative Declaration analyzed several components of the Heritage Estates Project, including but not limited to development of 33 single-family homes, a 0.25 acre neighborhood park, and the installation of corresponding utilities and facilities such as streets, curb, gutters, sidewalks, lighting, and landscaping.
- F. On September 29, 2022, FHS approved Resolution 2022-214 declaring the Property to be exempt surplus because it will be transferred for the development

of affordable housing pursuant to Government Code section 37364.

- G. On September 29, 2022, FHS approved Resolution 2022-215, pursuant to Fresno Municipal Code section 4-204 making findings of good cause and clear and convincing benefit to the public to bypass the RFP process and proceed with negotiations with Developer to dispose of the Property through negotiation of a disposition and development agreement for purposes of the development of affordable housing.

AGREEMENT

In consideration of the mutual promises and covenants and upon the terms and conditions set forth in this Agreement, the parties agree as follows:

1. **DEFINITIONS.** Besides definitions contained elsewhere in this Agreement, the following definitions will govern the construction, meaning, application, and interpretation of the defined terms, as used in this Agreement.

1.1 ADA. "ADA" means the Americans with Disabilities Act of 1990.

1.2 Agreement. "Agreement" means this Disposition and Development Agreement between FHS and Developer.

1.3 Certificate of Completion. "Certificate of Completion" means that Certificate issued in the form attached as Exhibit E to Developer by FHS evidencing completion of the Project, or any Phase thereof, for purposes of this Agreement.

1.4 City. "City" means the City of Fresno, a municipal corporation, having its offices at 2600 Fresno Street, Fresno, California 93721-3605, and operating through its Council and its various departments. The City is an entity distinct and separate from FHS and is not a party to this Agreement and will have no rights or obligations hereunder.

1.5 Closing, Close or Close of Escrow. "Closing," "Close" or "Close of Escrow" means the closing of the escrow in which FHS conveys a fee interest in the Property to Developer.

1.6 Day. "Day," whether or not capitalized, means a calendar day, unless otherwise stated.

1.7 Default. "Default" means a party's failure to timely perform any action or covenant required by this Agreement following notice and opportunity to cure.

1.8 Developer. "Developer" means Fresno Housing Authority a California nonprofit public benefit corporation.

1.9 Effective Date. "Effective Date" means the date that FHS signs this Agreement (including attestation by the Clerk), after Developer signs it, and the Board approves it following a public hearing.

1.10 Environmental Laws. "Environmental Laws" means any federal, state, or local law, statute, ordinance or regulation concerning environmental regulation, contamination or cleanup of any Hazardous Materials or Waste including, without

limitation, any state or federal lien or "superlien" law, any environmental cleanup statute or regulation, or any governmentally required permit, approval, authorization, license, variance or permission.

1.11 Escrow. "Escrow" means the escrow opened with Escrow Holder for FHS to convey a fee interest in the Property to Developer.

1.12 Escrow Holder. "Escrow Holder" a title company mutually satisfactory to both parties.

1.13 FHS. "FHS" means the City of Fresno acting in its capacity as Fresno Housing Successor, having its offices at 848 M Street, Third Floor, Fresno, California 93721.

1.14 Grant Deed. "Grant Deed" means the grant deed, including restrictions therein, substantially in the form of Exhibit F, by which FHS conveys fee title to the Property to the Developer.

1.15 Hazardous Materials. "Hazardous Materials" means any substance, material, or waste, which is or becomes regulated by any local governmental authority, the State of California, or the United States Government including, without limitation, any material or substance, which is: (a) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, (b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, (c) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, (d) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, which petroleum, (f) friable asbestos, (g) polychlorinated biphenyl, (h) listed under Article 9 or defined as "hazardous" or "extremely hazardous" under Article 11 of Title 22, California Administrative Code, (i) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (j) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*, or (k) defined as "hazardous substances" pursuant to Section of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601, *et seq.*); provided, however, hazardous materials shall not include: (1) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential rental housing, mixed-use, or commercial developments or associated buildings or grounds, or typically used in household activities in a manner typical of other residential, mixed-use or commercial developments which are comparable to the Improvements; and (2) certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code Section 25249, *et seq.*, which substances are commonly used by a significant portion of the population living within the region of the Property, including, but not limited to, alcoholic beverages, aspirin, tobacco products, NutraSweet, and saccharine.

1.16 Improvements. "Improvements" means the construction of the Project on the Property.

1.17 Lower Income Household. "Lower Income Household" shall mean a household whose annual household income does not exceed 80% of area median income for Fresno County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code section 50093, or any successor statute.

1.18 Material Change. "Material Change" means a change, modification, revision or alteration to this Agreement including Exhibits thereto and/or the Project, including basic design, the design development drawings, the Budget the Financing Plan, or to other documents or plans, that substantially deviates from those previously approved by the FHS. With respect to the Financing Plan, a material change shall not include any refinancing of the property in which the principal balance does not exceed the principal balance of any conventional financing approved in the Financing Plan.

1.19 Moderate Income Household. "Moderate Income Household" shall mean a household whose annual household income does not exceed 120% of area median income for Fresno County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code section 50093, or any successor statute.

1.20 Off-Site Improvements. "Off-Site Improvements" means the off-site public improvements required by the City as a condition of approval of the Project to be designed, constructed and installed by the Developer as provided herein.

1.21 Outside Date. "Outside Date" means December 31, 2025, the last date on which the parties are willing to Close the Escrow.

1.22 Performance Schedule. "Performance Schedule" means the schedule attached as Exhibit C, setting forth the dates and times by which the parties must accomplish certain obligations under this Agreement. The parties may revise the Schedule from time to time on mutual written agreement of Developer and FHS, but any delay or extension of the completion date is subject to the requirements in this Agreement.

1.23 Phase or Phase of the Project. "Phase" means a stage or portion of the Project designated by Developer for construction.

1.24 Project. "Project" means the Phase or Phases (as specified herein) of development that Developer is to complete, maintain and operate on the Property, as more particularly described in **Exhibit B** (Scope of Development). The Project includes, without limitation, construction of buildings, landscaping, and related improvements. The overall Project is more particularly described in **Exhibit B** (Scope of Development).

1.25 Project Completion Date. "Project Completion Date" means the date that FHS shall have determined the Project, or any Phase thereof, has reached completion in accordance with the plans and specifications in the Development Schedule, as evidenced by FHS's issuance of a Certificate of Completion.

1.26 Property. "Property" means the vacant, unoccupied, unimproved real property identified as APN 477-060-04 (approximately 7.94 acres) more particularly described and depicted in Exhibit A (Site Map) and Exhibit A-1, (legal description) incorporated herein and attached hereto (the Property).

1.27 Purchase Price. "Purchase Price" means the purchase price to be paid by the Developer for conveyance of the Property as set forth in Section 2.1 of this Agreement.

1.28 Qualified Home Buyer. "Qualified Homebuyer" shall mean those households seeking to purchase a Restricted Unit who satisfy the following requirements:

A. Upon execution of a purchase and sale agreement with Developer pursuant to this Agreement, each Buyer will occupy a Restricted Unit as its principal residence, and Buyer intends to thereafter continuously occupy such Restricted Unit as its principal residence.

B. Upon execution of a purchase and sale agreement with Developer pursuant to this Agreement, the household is a Lower Income or Moderate-Income Household.

C. Upon execution of a purchase and sale agreement with Developer pursuant to this Agreement, each Buyer shall concurrently enter into a Homebuyer Written Agreement with FHS to assume a portion of the FHS assistance, which shall be conveyed to Buyers. FHS will subordinate each homebuyer loan to a first mortgage and, if applicable, a second mortgage issued by the City of Fresno through a Public Local Housing Assistance Agreement.

D. The household has been selected in accordance with the Homebuyer selection criteria set forth in the Regulatory Agreement.

1.29 Regulatory Agreement and Declaration of Restrictions. "Regulatory Agreement and Declaration of Restrictions" shall mean the Agreement attached hereto as **Exhibit G**, running with the land and use of the Project to ensure the Restricted Units remain affordable pursuant to the terms of this Agreement.

1.30 Restricted Unit or Affordable Unit. "Restricted Unit" or Affordable Unit shall mean and refer to one of up to 30 units in the Project which are restricted to occupancy/sale by this Agreement and the Regulatory Agreement to a Very Low Income or Lower Income Household. "Restricted Units" shall mean and refer collectively to each, and every Restricted Unit located on the Site.

1.31 Security Financing Interest. "Security Financing Interest" means a security interest, which Developer grants in the Property, in accordance with the terms of Article 5 of this Agreement.

1.32 Site. "Site" shall mean the Property on which the Project is located, to be acquired and developed by Developer pursuant to this Agreement.

1.33 Very Low-Income Household. "Very Low-Income Household shall mean a household whose annual household income does not exceed 50% of area median income for Fresno County, adjusted for applicable household size, as computed in accordance with the Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulations promulgated pursuant to Health and Safety Code section 50105, or any successor statute.

2. CONVEYANCE OF THE PROPERTY. FHS will convey the Property to Developer on the conditions s

2.1 Purchase Price. Developer will purchase the Property from FHS for a Purchase Price of One Thousand and 0/100 Dollars (\$1,000.00), representative of a nominal value of the Property in order to support the feasibility of the Project. The Property's fair market value is estimated at \$518,799.00. The Developer shall pay the Purchase Price upon the Close of Escrow.

2.2 Escrow. Within 45 days after the Effective Date of this Agreement, FHS and the Developer will open an Escrow with the Escrow Holder and deposit a signed copy of this Agreement as their initial joint escrow instructions. FHS and the Developer will sign any supplemental escrow instructions, consistent with this Agreement that the Escrow Holder or either party hereto deems necessary or appropriate. This Agreement will control any inconsistency that may exist between this Agreement and the supplemental escrow instructions. The parties authorize the Escrow Holder to act under the escrow instructions and, after the Escrow Holder accepts the instructions in writing, it will carry out its duties as Escrow Holder under this Agreement.

2.3 Timing of Closing. FHS and Developer may close escrow on the Property upon satisfaction of the conditions in 2.4

2.4 Conditions Precedent to Closing Escrow. The following are conditions precedent to FHS's obligations to close the Escrow and convey the Property to the Developer and the Developer's obligation to purchase and accept conveyance of the Property from FHS. These conditions must be satisfied by the time stated or, if no time is stated, then by the Outside Date set for the Closing.

2.4.1 FHS Conditions. The Closing is subject to the fulfillment of each of the conditions precedent described below, which are solely for the benefit of FHS and which shall be fulfilled consistent with the Performance Schedule in Exhibit C, or waived prior to close of escrow:

A. Insurance. Developer has delivered to FHS, and FHS has approved the form and content of, certificates of insurance for all insurance that this Agreement requires Developer to obtain and maintain prior to commencement of each Phase of construction.

B. Contract with General Contractor. Developer shall submit to FHS a copy of an executed contract between Developer and a general

contractor(s) ("General Contractor") for construction of the Project, with written evidence that the General Contractor is a general contractor(s), licensed under California law to perform all its duties under the contract.

C. Notice of Accepting Property Condition. Developer has given written notice to FHS that it has inspected the Property and accepts the Property in AS IS condition. If the Developer, after its inspection of the Property and review of any environmental reports, disapproves the Property's environmental or other condition, and FHS is either unwilling or unable to cure the condition to which the Developer objects, then the Developer or FHS may terminate this Agreement by written notice to the other party and without liability for breach or otherwise.

D. No Default. Developer is not in default of this Agreement and all representations and warranties of Developer contained herein are true and correct in all material respects.

E. Financing Plan Approved and Fully Funded. The Financing Plan shall have been approved by FHS. Developer shall have submitted evidence that the combined monies from the funding sources are not less than the greater of the total development cost of the Project or the amount which FHS, through its Executive Director, determines is necessary to complete the Project, or phases thereof, including evidence of a loan commitment for such funding sources acceptable to FHS. If FHS determines that said funds are not sufficient, this condition may be satisfied as agreed to by Developer and FHS in writing. Developer has entered into and provided FHS copies of agreements with any and all funding sources for each Phase of the Project.

The loan documents will include, without limitation and as applicable, loan agreement(s), promissory note(s), trust deed(s), and any other security instruments. All such funding source agreements shall contain a provision whereby the party(ies) to each such agreement, other than Developer, agree to make reasonable efforts to (i) notify FHS immediately of any event of default by Developer under such agreement; (ii) notify FHS immediately of termination or cancellation of such agreement; and (iii) provide FHS, upon FHS's request, an estoppel certificate certifying that such agreement is in full force and effect and Developer is not in default under such agreement. If the Developer utilizes its own private capital for portions of the development work, the Developer shall submit evidence that funds are available in a form acceptable to the FHS.

F. Land Use Approvals. Developer will have received all land use and development approvals, variances, permits and the like, if any, required by this Agreement.

G. Design Approvals. The Developer will have obtained FHS's approval of the design of development drawings.

H. Developer Partnership Documentation. The Developer shall have submitted and FHS shall have accepted a copy of Developer's limited partnership agreement, if applicable, including the identity and contact information for all the general partners, principals and venturers therein/thereunder. Upon FHS acceptance, any material change shall require prior notice to and acceptance by the FHS Executive Director.

2.4.2 Developer Conditions. The Closing is subject to the fulfillment or waiver by the Developer of each of the conditions precedent described below, which are solely for the benefit of the Developer and which shall be fulfilled consistent with the Performance Schedule in Exhibit C, or waived prior to close of escrow.

A. Developer has approved the condition of title to the Property pursuant to this paragraph A. FHS shall obtain a preliminary title report and transmit a copy to Developer not later than thirty days following the Effective Date. Developer shall notify FHS in writing within sixty days after receipt of a copy of the preliminary title report whether it approves the condition of title. Developer's failure to give such notice within sixty days will be deemed approval of the condition of title. If Developer notifies FHS that it disapproves any title exception, FHS may, but is not obligated to, remove that title exception within fifteen days after receipt of Developer's written notice. If FHS cannot or does not elect to remove any disapproved title exception or give assurance of removal satisfactory to Developer within that period, Developer will have ten business days after the expiration of such fifteen-day period to either give FHS written notice that Developer elects to purchase the Property subject to the disapproved title exceptions or to terminate this Agreement. The exceptions to title approved by Developer as provided herein shall be referred to as the "Condition of Title." The Developer shall have the right to approve or disapprove any further exceptions reported by the title company after the Developer has approved the Condition of Title for the Property (which are not created by the Developer). The FHS shall not voluntarily create any new exceptions to title following the date of this Agreement and prior to the Closing.

B. Because FHS will convey fee title of the Property to Developer "AS IS," with all faults, except as specifically provided herein, for a period of 90 days after the Effective Date of this Agreement (the "Review Period"), Developer or its designated representatives may conduct tests, investigations and inspections of the Property in all matters relating to the Property, including, but not limited to, the physical condition or state of the Property and improvements thereon, environmental conditions, including Phase I and Phase II environmental assessments, and all other matters relating to the Property or any improvements thereon or affecting Developer or the feasibility of the Property for the Project (Due Diligence Investigation). If, for any reason, Developer is dissatisfied, in Developer's sole and absolute discretion, with the results of the Due Diligence Investigation, Developer shall provide written notice of disapproval of the Due Diligence Investigation to the FHS and Escrow Holder. Such written notice of

disapproval shall be provided prior to the expiration of the Review Period, and will constitute Developer's notice to terminate pursuant to Section 2.4.3, below.

Developer has the right to enter the Property to conduct the Due

Diligence Investigation on the following conditions: (a) the tests, investigations and inspections are conducted without cost or expense to FHS, (b) the tests, investigations and inspections do not unreasonably interfere with FHS's possession or use of the Property, and (c) Developer will assume responsibility for any loss or liability and for any damage to the Property to the extent resulting from conducting the tests, investigations or inspections.

Within thirty days from the Effective Date, FHS shall deliver to Developer any and all then-existing plans, engineering reports, surveys, maps, soil or seismic reports, grading plans, environmental reports and assessments, and other studies, reports, correspondence or materials concerning the Property or any improvements thereon (the "Materials"). The Materials may include, without limitation, the following: (i) copies of any environmental reports or environmental site assessments or any other report relating to toxic or hazardous materials or the environmental condition of the Property or improvements; (ii) engineering studies, maps and cost reports (sewer, water, hydrology, storm drain, flood control, FEMA, utilities, traffic and noise); (iii) soils, geology and seismic reports; (iv) covenants, conditions and restrictions, if any, regarding the Property; (v) archaeological studies and reports; (vi) to the extent not described above, grading, erosion control, water, sewer, storm drain, street improvement, landscape and utility improvement plans; (vii) any other documents or materials which FHS possesses or which are reasonably available to FHS and which Developer requests in writing or FHS determines, in its reasonable judgment, are significant to the evaluation or use of the Property.

FHS makes no representation or warranty concerning, and will have no liability or responsibility for, the Materials or the information contained therein.

Should the Developer need to update Due Diligence materials as a condition of any financing source, the Developer shall be authorized to enter the site and conduct due diligence prior to the Closing.

C. FHS shall not be in default of any provision of this Agreement and all representations and warranties of FHS contained herein are true and correct in all material aspects.

D. There shall be no litigation pending with respect to this Agreement, any land use, zoning, development or building permits or entitlements for the development contemplated by this Agreement or encumbering title to the Property, the outcome of which could materially interfere with the development of the Property as set forth herein.

2.4.3 Termination for Failure of Condition. In the event there is a failure of one or more conditions described in Section 2.4.1 or 2.4.2 that are not waived, the party for whose benefit the condition is established may terminate this

Agreement by written notice to the other party prior to the Closing, in which event this Agreement shall terminate and no party shall have any further rights or liability to the other under this Agreement.

2.5 Escrow and Title Costs. Developer and FHS shall each pay 50% of escrow fees, recording fees, and documentary stamp taxes, if any, to convey the Property to Developer. FHS shall pay the portion of the premium for a CLTA policy of title insurance with coverage not exceeding the Purchase Price, insuring the title to the Property as described herein. The Developer shall pay the portion of the premium for an ALTA owner's policy of title insurance or any special endorsements required by Developer. Any other costs associated with the Escrow shall be paid by FHS or the Developer according to the custom and practice in Fresno County, as declared by Escrow Holder.

2.6 Prorations. The Escrow Holder will prorate all ad valorem taxes and assessments, if any, as of the Closing, between FHS and the Developer. If the then-current taxes and assessments are not ascertainable, the Escrow Agent will apportion the taxes and assessments based on the most recent statement of taxes and assessments. Escrow Holder will adjust the proration, if necessary, within 30 days after the actual taxes and assessments are available. Developer will be solely responsible for ad valorem taxes or assessments on the Property, or any taxes on this Agreement or any rights hereunder, which may be levied, assessed or imposed for any period after the Closing.

2.7 Form of Deed. FHS will convey the Property to the Developer by a Grant Deed, substantially in the form attached hereto as Exhibit F. The conveyance and Developer's title will be subject to all conditions, covenants, restrictions and requirements set forth in this Agreement, and the Grant Deed.

2.8 Nonmerger. Prior to the issuance of a Certificate of Completion, the provisions of this Agreement will not merge with the Grant Deed. The Grant Deed will not affect, impair, or limit the provisions, covenants, conditions or agreements of this Agreement.

2.9 Possession. FHS will deliver exclusive possession of the Property to Developer at or immediately following the Closing.

2.10 Sale "AS IS" — No Warranties. FHS will convey the Property "AS IS" with all faults, including, without limitation, the conditions disclosed in any toxics reports delivered to Developer, any conditions disclosed in the files of the regulators such as, but not limited to, the Fresno County Health Department, and the Regional Water Quality Control Board, and any environmental or other physical conditions on or under the Property, buried debris or structures, and soil compaction, presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, and the suitability of the Property for the development purposes intended hereunder.

2.11 Close of Escrow. The Escrow will close within 30 days after the parties satisfy all the conditions precedent to Closing as set forth in this Agreement, but not later

than the "Outside Date," unless the parties mutually agree to extend the time for Closing.

2.12 Authority of Escrow Holder. The parties authorize the Escrow Holder to, and the Escrow Holder will do the following:

2.12.1 Title Policy Premium. Pay and charge FHS for the title insurance premiums described in Section 2.5 of this Agreement.

2.12.2 Pay Fees. Pay and charge the Developer and FHS equal 50% share of the escrow fees and closing costs, excluding any costs to correct title exceptions or cure property conditions. FHS and Developer must agree in a separate writing or instructions to the Escrow Holder to the allocation of costs to cure title exceptions or property conditions.

2.12.3 Record Grant Deed and Disburse Funds. Record and deliver the Grant Deed to the appropriate party when the conditions precedent to Closing are satisfied or waived.

2.12.4 Actions to Fulfill Obligations. Take any other action necessary to fulfill its obligations under this Agreement.

2.12.5 FIRPTA and More. Direct the parties to deliver any instrument or to perform any act, necessary to comply with FIRPTA or any similar state act and regulation promulgated thereunder. FHS will sign a Certificate of Non-foreign Status, or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as the Escrow Holder may require.

2.12.6 Closing and Other Statements. Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including, without limitation, an IRS 1099-S form, and be responsible for withholding taxes, if the law so requires.

2.12.7 Closing Statements. Escrow Holder will forward to both Developer and FHS a separate accounting of all funds received and disbursed for each party, and copies of all signed and recorded documents deposited into Escrow, with the recording and filing date and information endorsed thereon.

2.12.8 Termination Without Close. If the Escrow is not in condition to close by the Outside Date, then any party that is not in default of this Agreement, may demand the return of money or property and terminate this Agreement and the Escrow. If either party makes a written demand for return of documents or properties, this Agreement will not terminate until five days after Escrow Holder has delivered copies of the demand to the other party at the respective addresses shown in this Agreement. If the other party objects within the five-day period, the parties authorize the Escrow Holder to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement will be without prejudice to whatever legal rights either party may have against the other arising from this Agreement. If

no party demands that the Escrow terminate, the Escrow Holder will proceed to Closing as soon as possible.

2.13 FHS's Authority to Sign Instructions and Documents. The Executive Director or designee is authorized to execute any supplemental escrow instructions for FHS that are not a material change hereto. The Executive Director or designee may make minor modifications, not constituting a Material Change, to this Agreement, exhibits and the documents referenced herein, to effect the opening and Close of the Escrow.

2.14 Access Prior to Conveyance. Prior to the conveyance of title from FHS, representatives of Developer shall have the right of access to the Property at all reasonable times for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. The Developer shall hold FHS harmless for any injury or damages arising out of any activity pursuant to this Section. The Developer shall have access to all data and information on the Property available to FHS, but without warranty or representation by FHS as to the completeness, correctness or validity of such data and information. Any preliminary work, other than work in connection with Developer's Due Diligence Investigation, undertaken on the Property by the Developer prior to conveyance of title thereto shall be done only after written consent of FHS, satisfaction of FHS imposed conditions including without limitation evidence of reasonably required insurance coverage(s), all at the sole expense of the Developer. The Developer shall save and protect FHS against any claims or liens resulting from such preliminary work, access, or use of the Property. Copies of the data, surveys and tests obtained or made by the Developer on the Property shall be filed with FHS. Any preliminary work by the Developer shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

3. FHS ASSISTANCE.

3.1 . FHS agrees to provide certain financial assistance in the form of an assumable Project loan to the Developer to assist the Developer in construction costs of the Project. FHS shall loan the Developer a total of One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) to be used towards payment of the construction costs (FHS Assistance). The entire amount of FHS Assistance shall come from the FHS's Low-and Moderate-Income Housing Asset Fund. In no event shall FHS Assistance exceed the total specified in this section.

3.2 FHS Assistance shall be disbursed upon Closing and after the construction loan has been approved and deed of trust recorded and the City has issued a final permit to construct the Project. FHS Assistance and the completion of the Project shall be secured by FHS's right of reverter described in Section 9.5 of this Agreement and in the Developer Performance Guaranty. FHS's security shall be subordinated to Developer's construction and permanent financing for the Project, as approved by FHS through its Executive Director.

3.3 Upon Project completion, the Restricted Units will be sold through escrow to very low and lower income Qualified Homebuyers. Upon execution of a purchase and sale agreement with Developer pursuant to this Agreement, each Buyer assisted by

FHS funds shall concurrently enter into a Homebuyer Written Agreement with FHS to assume a portion of the FHS Assistance, which shall be conveyed to homebuyers. FSA will subordinate each homebuyer loan to a first mortgage and, if applicable, a second mortgage issued by the City of Fresno through a Public Local Housing Allocation Agreement .

4. PROJECT DEVELOPMENT

4.1 Private Development Project; Revision of Project. Developer will complete the Project as described in the Scope of Development using contractors licensed to do business in California. Except as set forth in this Agreement, before Developer begins constructing the Improvements or undertakes any other work of improvements on the Property, Developer, at its own cost and expense, will independently secure all land use and other entitlements, permits, and approvals that City of Fresno, FHS or any other governmental agency with jurisdiction over the Project requires for construction of the Project.

4.2 Time for Completion of the Project. FHS will convey the Property to Developer for construction of the Project, and not for speculation in real estate. Therefore, the Developer will begin to construct the first Phase of the Project by the date provided in the Performance Schedule and will diligently complete the Phases of the Project according to the Performance Schedule, or by any other date as the parties may agree in a written extension signed by the parties and subject to any extension of time provided for in Section 4.3.

In the event Developer does not perform and complete work pursuant to the Performance Schedule as set forth in Exhibit C or is otherwise unable to ultimately deliver a completed project, the sale of the Property may be rescinded and this Agreement may be cancelled pursuant to Section 9.5 and 9.6.

4.3 Extension of Time for Completion. In addition to the specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty days after the commencement of the cause, the period shall commence to run only thirty days prior to the giving of such notice. In any event, the Project shall be completed no later than 180 calendar days after the completion date specified in this Agreement, notwithstanding any delay caused for reasons included in this section. Any and all extensions hereunder shall be by mutual

written agreement of FHS' Executive Director and the Developer which cumulatively shall not exceed 180 days without City Council approval.

4.4 Certificate of Completion. After Developer has satisfactorily completed a Phase of the Project according to this Agreement and after the completion of the final Phase of the Project, Developer may ask FHS to record a Certificate of Completion indicating that a Phase or that all Phases are complete, substantially in the form attached as Exhibit E. For purposes of this section, Developer's receipt of a "Safe to Occupy" Certificate or Certificate of Occupancy for the Improvements within the subject Phase of the Project shall be conclusive evidence that Developer has satisfactorily completed those Improvements. Acceptance by the FHS of the Subdivision Improvements and or site plan improvements constructed shall also be conclusive evidence that Developer has satisfactorily completed those Improvements. Subject to the satisfaction of the conditions to its issuance (see next subsection) and within ten days of such request, FHS shall provide an instrument certifying Developer's completion of the Project, or any Phase thereof, by preparing and recording the Certificate of Completion. This release, when recorded, will evidence FHS's conclusive determination that Developer has satisfied the construction covenants in this Agreement as to the subject Phase of the Project. The release will not be evidence that Developer has complied with or satisfied any obligation to any person holding a deed of trust or Security Financing Interest. The release shall not terminate Developer's indemnification or other obligations, which by their nature are intended to survive Project completion. After the release is recorded in the Official Records of Fresno County, any party then owning or after that purchasing, leasing or otherwise acquiring any interest in the applicable portion of the Property shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement regarding the construction requirements or Project development of the completed Project.

4.5 Conditions to Issuing the Certificate of Completion. The following are all conditions precedent to FHS issuing the Certificate of Completion for the Project, or any Phase thereof, and each submission will be in a form and substance satisfactory to FHS:

4.5.1. Evidence that all mechanics' liens or material men's liens and claims recorded against the Property, or any Phase thereof, and the Project Improvements that are the subject of the Certificate of Completion have been unconditionally and finally released or, if not released, sufficiently bonded against as required by law.

4.6 Liens and Stop Notices. If a claim of lien or bonded stop notice is recorded against the Property or any Project improvements, the Developer, within 91 days after that, or within five days after FHS's demand, whichever last occurs, will do the following:

4.6.1. Pay or discharge the same; or

4.6.2. Effect the release of it by recording and delivering to FHS a surety's release bond in sufficient form and amount, or otherwise; or

4.6.3. Give FHS other assurance that FHS, in its sole discretion, deems satisfactory to protect FHS from the effect of the lien, claim or bonded stop notice.

4.7 Annual Proof of Insurance. Annually, beginning with commencement of construction of the Project, and continuing until the issuance of a Certificate of Completion for the Project, Developer shall submit proof of insurance as required by this Agreement.

4.8 Taxes and Assessments. The Developer will pay before delinquency all ad valorem real estate taxes and assessments on the Property, subject to the Developer's right to contest any taxes or assessments in good faith. The Developer will remove any levy or attachment on the Property or any part of it or assure the satisfaction of the levy or attachment within a reasonable time.

4.9 Compliance with Laws. In performing its obligations hereunder, Developer shall comply with all applicable laws, regulations, and rules of the governmental agencies having jurisdiction, including, without limitation, applicable federal and state labor standards and environmental laws and regulations. Developer, not FHS, is responsible for determining applicability of and compliance with all local, state and federal laws including, without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, Government Code, the City Charter, and Fresno Municipal Code. FHS makes no representations regarding the applicability of any such laws to this Agreement, the Project, or the parties' respective rights or obligations hereunder including, without limitation, payment of prevailing wages, competitive bidding, subcontractor listing, or other matters. FHS shall not be liable or responsible, in law or equity, to any person for Developer's failure to comply with any such laws, whether FHS knew or should have known of the need for Developer to comply, or whether FHS failed to notify Developer of the need to comply.

4.10 Audit. Developer will cooperate fully with FHS and the State in connection with any interim or final audit relating to the Project that may be performed. Developer will maintain accurate and current books and records for the Project using generally accepted accounting principles. Developer agrees to maintain books, records and documents for not less than four (4) years after completion of the Project. For purposes of this section, "books, records and documents" include, without limitation, plans, drawings, specifications, ledgers, journals, statements, contracts, agreements, funding information, purchase orders, invoices, loan documents, computer printouts, correspondence, memoranda and electronically stored versions of the foregoing.

4.11 Defects in Plans. FHS shall not be responsible to the Developer or to third parties for any of the following: (a) defects in the design of the Project improvements, or (b) any structural or other defects in any work that Developer, or its agents, employees or contractors do according to the approved plans and specifications, or (c) any delays caused by any other governmental review and approval processes. The Developer will hold harmless, indemnify, and defend FHS, and its officers, employees, agents and representatives from any claims, suits for damages to property or injuries to persons arising out of or relating to defects in the design including, without limitation, the violation of any laws, and for defects in any work Developer or its representatives, employees, or

agents does according to any FHS-reviewed and approved design or drawings or other construction items.

4.12 Nondiscrimination. In its performance of this Agreement, Developer covenants by and for itself and its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person, including contractors, subcontractors, bidders and vendors, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Developer or any person claiming under or through him or her, establish or permit any proactive 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 Property.

5. INDEMNITY; INSURANCE.

5.1 Without waiver of limitation, the parties agree as follows regarding the DEVELOPER'S Insurance and Indemnity Obligations:

5.2 Insurance Requirements.

(a) Throughout the life of this Agreement, DEVELOPER shall pay for and maintain in full force and effect all insurance as required herein with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by City of Fresno's Risk Manager or his/her designee at any time and in his/her sole discretion. The required policies of insurance as stated herein shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to FSA, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Agreement or any extension, DEVELOPER or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately until notice is received by FSA that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to FSA. Any failure to maintain the required insurance shall be sufficient cause for FSA to terminate this Agreement. No action taken by FSA pursuant to this section shall in any way relieve DEVELOPER of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by FSA that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by DEVELOPER shall not be deemed

to release or diminish the liability of DEVELOPER, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify FSA shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by DEVELOPER. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of DEVELOPER, vendors, suppliers, invitees, contractors, sub-contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Coverage shall be at least as broad as:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability of not less than the following:

\$2,000,000 per occurrence for bodily injury and property damage
\$2,000,000 per occurrence for personal and advertising injury
\$4,000,000 aggregate for products and completed operations
\$4,000,000 general aggregate applying separately to work
performed under the Agreement

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1-Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(iv) EMPLOYEE LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 diseased each employee.

(v) BUILDERS RISK (Course of Construction) insurance, obtained by the DEVELOPER or subcontractor in an amount equal to the completion value of the Project with no coinsurance penalty provisions. (Only required if the project includes new construction of a building; or renovation of, or addition to, an existing building.)

(vi) CONTRACTOR POLLUTION with coverage for bodily injury, property damage or pollution clean-up costs that could result from of pollution condition, both sudden and gradual. Including a discharge of pollutants brought to the work site, a release of pre-existing pollutants at the site, or other pollution conditions with limits of liability of not less than the following:

\$1,000,000 per occurrence

\$2,000,000 general aggregate per annual policy period

In the event the work involves any lead-based, mold or asbestos environmental hazard, either the Automobile Liability insurance policy or the Pollution Liability insurance policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by the DEVELOPER pursuant to the Agreement.

In the event the work involves any lead-based environmental hazard (e.g., lead-based paint), the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include coverage for lead based environmental hazards. In the event the DEVELOPER involves any asbestos environmental hazard (e.g., asbestos remediation), the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include coverage for asbestos environmental hazards. In the event the Agreement involves any mold environmental hazard (e.g., mold remediation), the Pollution Liability insurance policy shall be endorsed to include coverage for mold environmental hazards and "microbial matter including mold" within the definition of "Pollution" under the policy.

UMBRELLA OR EXCESS INSURANCE

In the event DEVELOPER purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the FSA, its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

CONTRACTOR shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and CONTRACTOR shall also be responsible for payment of any self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice has been given to the FSA. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, the DEVELOPER shall furnish the FSA with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for the FSA, the DEVELOPER shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy.

The General Liability, Pollution and Automobile Liability insurance policies shall be written on an occurrence form.

The General Liability, Automobile Liability and Pollution Liability insurance policies shall name the FSA, its officers, officials, agents, employees, and volunteers as an additional

insured for ongoing and completed operations. All such policies of insurance shall be endorsed so the DEVELOPER's insurance shall be primary and no contribution shall be required of the FSA.

The coverage shall contain no special limitations on the scope of protection afforded to the FSA, its officers, officials, employees, agents, and volunteers.

If the DEVELOPER maintains higher limits of liability than the minimums shown above, the FSA requires and shall be entitled to coverage for the higher limits of liability maintained by the DEVELOPER.

The Builders Risk (Course of Construction) insurance policy shall be endorsed to name the FSA as loss payee.

All insurance policies required including the Workers' Compensation insurance policy shall contain a waiver of subrogation as to the City, its officers, officials, agents, employees, and volunteers.

The DEVELOPER shall furnish the FSA with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City of Fresno's Risk Manager or his/her designee before work commences. Upon request of the FSA, the DEVELOPER shall immediately furnish the FSA with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

In the event of a partial or total destruction by the perils insured against of any or all of the work and/or materials herein provided for at any time prior to the final completion of the Agreement and the final acceptance by the FSA of the work or materials to be performed or supplied thereunder, the DEVELOPER shall promptly reconstruct, repair, replace, or restore all work or materials so destroyed or injured at his/her sole cost and expense. Nothing herein provided for shall in any way excuse the DEVELOPER or his/her insurance company from the obligation of furnishing all the required materials and completing the work in full compliance with the terms of this Agreement.

SUBCONTRACTORS

If DEVELOPER subcontracts any or all of the services to be performed under this Agreement, DEVELOPER shall require, at the discretion of the City of Fresno's Risk Manager or designee, subcontractor(s) to enter into a separate Side Agreement with the FSA to provide required indemnification and insurance protection. Any required Side Agreement(s) and associated insurance documents for the subcontractor must be reviewed and preapproved by City of Fresno's Risk Manager or designee. If no Side Agreement is required, CONTRACTOR will be solely responsible for ensuring that its subcontractors maintain insurance coverage at levels no less than those required by applicable law and is customary in the relevant industry.

5.3 Indemnification. To the furthest extent allowed by law, DEVELOPER shall indemnify, hold harmless and defend the FSA and each of its officers, officials,

employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the FSA, the DEVELOPER or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees, litigation expenses, and costs to enforce this agreement), arising or alleged to have arisen directly or indirectly out of performance of this Agreement. The DEVELOPER's obligations under the preceding sentence shall apply regardless of whether the FSA or any of its officers, officials, employees, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs, or damages caused by the active negligence or by the willful misconduct of the FSA or any of its officers, officials, employees, agents, or volunteers.

If DEVELOPER should subcontract all or any portion of the work to be performed under this Contract, DEVELOPER shall require each subcontractor to indemnify, hold harmless and defend FSA and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

5.4 Property Insurance. The DEVELOPER shall maintain in full force and effect, throughout the remaining life of this Agreement, a policy or policies of property insurance acceptable to the FSA, covering the Project premises, with limits reflective of the value of the Project premises upon issuance of the Certificate of Completion or substantial completion of the project referenced in this agreement, including fire and Extended Comprehensive Exposure (ECE) coverage in an amount, form, substance, and quality as acceptable to the City of Fresno's Risk Manager. The FSA shall be added by endorsement as a loss payee thereon.

5.5 Insurance for Project Design Work. Developer shall maintain for its Project design work, or if Developer subcontracts any of the Project design work Developer shall require each design subcontractor to maintain, professional liability insurance (errors and omissions) with a limit of not less than one million dollars (\$1,000,000) per occurrence.

If claims made forms are used for any Professional Liability Coverage, either (i) the policy shall be endorsed to provide not less than a five-year discovery period, or (ii) the coverage shall be maintained for a minimum of five years after the Release of Construction Covenants is recorded. The requirements of this section relating to such coverage shall survive termination or expiration of this Agreement.

5.6 Performance and Payment Bonds. Developer will obtain and deliver labor and material bonds, payment, and performance bonds, issued by an insurance company meeting the criteria for Developer's other insurance under this Agreement (collectively, the "Bonding"). The Bonding will at least equal to 100% of Developer's estimated construction costs of the particular Phase of the Project then under construction and shall remain in full force until the issuance of a "Safe to Occupy" Certificate or Certificate

of Occupancy, or the recording of a Certificate of Completion for that Phase, whichever is earlier for that Phase of the Project. The bonds will name FHS as co-obligee. Instead of requiring performance and payment bonds, FHS may consider and accept other evidence of Developer's ability to complete the Project.

6. SECURITY FINANCING INTERESTS AND RIGHTS OF HOLDERS.

6.1 Prohibition Against Transfer of Property, the Buildings or Structures Thereon and Assignment of Agreement. After conveyance of title and prior to the issuance by FHS of a Certificate of Completion for the Project, the Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign, or lease the whole or any part of the Property or the buildings or improvements thereon without the prior written approval of FHS. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property or to prohibit or restrict the leasing of any part or parts of a building or structure when said improvements are completed.

6.1.1 Permitted Transfers. Notwithstanding the foregoing, the following events (Permitted Transfers) shall not be deemed a transfer for the purposes of requiring FHS's consent:

- A. Creation of Security Financing Interests;
- B. A sale, conveyance, or transfer of the Property at foreclosure (or a deed in lieu of foreclosure) resulting from a Security Financing Interest;
- C. The conveyance or dedication of parts of the Property to the FHS or the grant of easements or permits solely to facilitate the development of the Property before the Certificate of Completion is recorded;
- D. Sale to homeowners in accordance with this Agreement;
- E. Sale or assignment to an entity controlled by or in common control with Developer;
- F. Assignments resulting from the death or mental or physical incapacity of an individual;
- G. Assignments in trust for the benefit of a partner's spouse, children, grandchildren or other family members;.

6.2 Approval or Consent of FHS. When a request for transfer or assignment is submitted to FHS for consideration, approval will be conditioned on the following:

6.2.1 Financial Strength and Business Experience. The proposed transferee will demonstrate to FHS's reasonable satisfaction that the proposed transferee has sufficient financial strength and the business experience in planning, financing, development, ownership, and operation of similar projects to complete the Project, or portion thereof, competently.

6.2.2 Assumption Agreement Any transferee, by recordable instrument acceptable to FHS, shall expressly assume all the unfulfilled or ongoing obligations of the Developer under this Agreement, and agree to be subject to all the conditions and restrictions to which the Developer is subject with respect to the Property or applicable portion thereof.

6.2.3 Transfer Documents. The Developer or its successors shall submit all documents, proposed to effect any transfer or assignment, to FHS for review and approval.

6.2.4 Other Information. Developer or its successors shall deliver all information to FHS that FHS may reasonably request to enable it to evaluate the proposed transfer or assignment. FHS shall approve, conditionally approve, or disapprove a request for assignment within 15 days after receiving the request and all supporting documentation. Requests shall be deemed approved if no response is received in 15 days.

6.2.5 Developer's Release. FHS's approval of any transfer, assignment, or sale will not relieve the Developer or any successor from any unfulfilled or ongoing obligations of Developer under this Agreement with respect to any portion of the Property not transferred. The provisions of this subsection are intended to discourage land speculation, and these provisions shall be liberally interpreted to accomplish that end.

6.3 Security Financing; Rights of Holders

6.3.1. No Encumbrances Except Mortgages, Deeds of Trust, Sales and Lease-Back or Other Financing for Development. Notwithstanding Section 6.1 of this Agreement, mortgages, deeds of trust, sales and leases-back or any other form of conveyance required for any reasonable method of financing are permitted before issuance of a Certificate of Completion but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the construction of improvements on the Property and any other expenditures necessary and appropriate to develop the Property under this Agreement. The Developer shall promptly notify FHS of any mortgage, deed of trust, sale and lease-back or other financing conveyance, encumbrance or lien that has been created or attached thereto prior to completion of the construction of the improvements on the Property whether by voluntary act of the Developer or otherwise. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction, and land development.

6.3.2 Holder Not Obligated To Construct Improvements. The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion, nor shall any covenant or any other provision in the grant deed for the Property be construed so to obligate such holder. Nothing in this Agreement shall be deemed

to construe, permit, or authorize any such holder to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Agreement.

6.3.3 Notice of Default to Mortgage, Deed of Trust, or Other Security Interest Holders; Right to Cure. Whenever FHS shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the improvements, FHS shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage, deed of trust, or other security interest authorized by this Agreement who has previously made a written request to FHS therefor default of the Developer under this Section 6.3.3. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the improvements (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to FHS by written agreement reasonably satisfactory to FHS. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates and submit evidence reasonably satisfactory to FHS that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such improvements shall be entitled, upon written request made to FHS, to a Certificate of Completion from FHS.

6.3.4 Failure of Holder to Complete Improvements. In any case where, six months after default by the Developer in completion of construction of improvements under this Agreement, the holder of any mortgage, deed of trust, or other security interest creating a lien or encumbrance upon the Property has not exercised the option to construct, or if it has exercised the option and has not proceeded diligently with construction, FHS may purchase the mortgage, deed of trust, or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Property has vested in the holder, FHS, if it so desires, shall be entitled to a conveyance of the Property from the holder to FHS upon payment to the holder of an amount equal to the sum of the following:

A. The unpaid mortgage, deed of trust, or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

B. All expenses with respect to foreclosure;

C. The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Property;

D. The costs of any authorized improvements made by such holder;
and

E. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by FHS.

6.3.5 Right of FHS to Cure Mortgage, Deed of Trust or Other Security Interest Default. In the event of a default or breach by the Developer on a mortgage, deed of trust or other security interest with respect to the Property prior to the completion of the Project, and the holder has not exercised its option to complete the Project, FHS may cure the default prior to completion of any foreclosure. In any such event, FHS shall be entitled to reimbursement from Developer of all reasonable costs and expenses incurred by FHS in curing the default. FHS shall also be entitled to a lien upon the Property to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security interests executed for the sole purpose of obtaining funds to purchase and develop the Property as authorized herein.

7. USE AND MAINTENANCE OF THE PROPERTY.

7.1 Developer covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Developer, that during development of the Property pursuant to this Agreement and thereafter, neither the Property nor the improvements, nor any portion thereof, shall be improved, used or occupied in violation of any applicable governmental restrictions or the restrictions of this Agreement. Furthermore, Developer and its successors and assigns shall not initiate, maintain, commit, or permit the maintenance or commission on the Property or in the improvements or any portion thereof, of any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Property or the improvements, or any portion thereof.

7.2 Notwithstanding anything to the contrary or that appears to be to the contrary in this Agreement, Developer hereby covenants, on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of Developer, that, Developer and such successors and assigns shall use the Property solely for the purpose of constructing residential development meeting the requirements and restrictions of this Agreement and the Regulatory Agreement.

7.3 Affordable Housing.

7.3.1 Construction of Affordable Housing Units. The Developer covenants and agrees to construct a total of 33 single-family units in conformity with the Scope of Development and up to 30 shall be subject to the Declaration of Restrictions attached hereto as Exhibit G. The Restricted Units shall be restricted for sale to Very Low and Lower Income Households.

7.3.2 Restricted Unit Requirements. All Restricted Units constructed pursuant to this Agreement shall be sold to and occupied at all times by the household of the Qualified Homebuyer who has purchased that Restricted Unit.

Developer covenants to cooperate with FHS in taking all steps necessary to implement this requirement with respect to all Qualified Homebuyers. In addition, all Qualified Homebuyers shall meet and shall be prioritized in accordance with the Homebuyer Selection Criteria.

7.3.3 Sale of Residences by Developer.

7.3.3.1 Marketing Program. Sixty 60 days prior to the start of residential unit construction, Developer shall prepare and submit to FHS a marketing and sales program for the selection of Homebuyers for the Restricted Units at the Project. The Restricted Units shall thereafter be marketed in accordance with the approved marketing program as the same may be amended by Developer from time to time with FHS's prior written approval, which shall not be unreasonably withheld. Monthly during the initial sales period, Developer shall provide FHS with a report with respect to Restricted Units under sold or under a purchase and sales contract and such other information as FHS may reasonably request. FHS agrees to exercise reasonable efforts to assist Developer in connection with implementation of the approved marketing program; provided, FHS shall not be under any obligation to incur any out-of-pocket expenses in connection therewith.

7.3.3.2 Restricted Residences. Each Restricted Unit shall be sold to a Qualified Homebuyer. Upon Project completion, the Restricted Unit will be sold through escrow to very-low and lower income Qualified Homebuyers. Upon execution of a purchase and sale agreement with Developer pursuant to this Agreement, each Buyer shall concurrently enter into a Homebuyer Written Agreement with FHS to assume a portion of the FHS Assistance, which shall be conveyed to . FSA will subordinate each homebuyer loan to a first mortgage and, if applicable, a second mortgage issued by the City of Fresno through a Permanent Local Housing Allocation Agreement.

7.3.4 Form of Nondiscrimination and Non-segregation Clauses. Subject to the Buyer/occupancy restrictions on the Restricted Units not prohibited by federal law as embodied in this Agreement, which may modify the following nondiscrimination clauses, the following shall apply. Developer shall refrain from restricting the rental, sale, or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses.

7.3.4.1 Deeds. In Deeds the following language shall appear: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease,

sublease, transfer, use, occupancy, tenure or employment of the land herein conveyed, nor shall the grantee, or any persons claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

7.3.4.2 Contracts. Any contracts which Developer or Developer's heirs, executors, administrators or assigns propose to enter into for the sale, transfer or leasing of the Site shall contain a nondiscrimination and non-segregation clause substantially as set forth in this Section. Such clause shall bind the contracting party and subcontracting party or transferee under the instrument.

The nondiscrimination and nonsegregation covenants herein shall remain in effect in perpetuity.

7.3.5 Effect of Covenants. FHS is deemed the beneficiary of the terms and provisions of this Agreement and of the restrictions and covenants running with the land appearing in the Regulatory Agreement, for and in its own right for the purposes of protecting the interests of the community in whose favor and for whose benefit the covenants running with the land have been provided. The covenants in favor of FHS shall run without regard to whether FHS has been remains or is an owner of any land or interest in the Site and shall be effective as both covenants and equitable servitudes against the Site. FHS shall have the right, if any of the covenants set forth in this Agreement which are provided for its benefit are breached, to exercise all rights and remedies available and to maintain any actions or suits at law or in equity or other and proper proceedings to enforce the curing of such breaches to which it may be entitled. No other person or entity shall have any right to enforce the terms of this Agreement under a theory of third-party beneficiary or otherwise. The covenants running with the land and their duration are set forth in the Regulatory Agreement.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Developer Representations and Warranties. Developer represents and warrants that:

A. Developer is a public body corporate in good standing, and authorized to do business in the State of California, County of Fresno, and City of Fresno.

B. Developer has all requisite power and authority to carry out its business as now and hereafter conducted and to enter and perform its obligations under this Agreement.

C. The person or persons signing this Agreement for Developer have been duly authorized to execute and deliver this Agreement and to legally bind Developer to its terms and conditions.

D. Developer's execution and performance of this Agreement does not violate any provision of any other agreement to which Developer is a party.

E. Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by Developer are necessary to Developer's execution of this Agreement.

F. Developer has or will have sufficient funds available to fund the Project and to pay all costs assumed by Developer hereunder.

G. This Agreement is valid, binding, and enforceable against Developer in accordance with its terms, except as such enforceability may be limited by principals of public policy and subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors, and rules of law governing specific performance, injunctive relief or other equitable remedies.

H. Developer has made no contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Property.

8.2 Survival of Representations and Warranties. The parties are relying upon the above representations and warranties in entering this DDA. The foregoing representations are and shall be continuing in nature and shall remain in full force and effect until all obligations under this DDA are met or this DDA is terminated in a manner provided herein.

9. DEFAULT, REMEDIES AND TERMINATION.

9.1 Default. Failure or delay by either party to perform any term of this Agreement shall be a default under this Agreement if not cured within the time set forth herein. Any failure or delay by a party in asserting any right or remedy will not constitute a waiver and will not deprive the party of its right to institute and maintain any action or proceeding necessary to protect or enforce any right or remedy.

9.2 Legal Actions. A party may institute a legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal action shall be brought in the Fresno County Courts, or the Fresno Division of the Federal District Court for the Eastern District of California.

9.3 Rights and Remedies are Cumulative. Except as may be expressly stated otherwise in this Agreement, the rights and remedies of the parties are cumulative. The exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or a different time, of any other rights or remedies for the same default or any other default. In addition to the specific rights and remedies herein, the parties may resort to any other rights or remedies available at law or in equity, including, without limitation, specific performance.

9.4 Notice and Cure Periods. If either party fails to perform under any provision of this Agreement including documents incorporated herein, the non-defaulting party shall serve written notice of the default on the defaulting party, describing the

default, and the actions necessary to cure the default. A defaulting party will have 30 days from the date of the notice to cure the breach or failure unless a different time period is provided in this Agreement in which case the latter shall apply. If the default is not susceptible to cure within the 30 days, the defaulting party shall begin to cure the default within the 30 days and after that diligently prosecute the cure to completion. Failure of the defaulting party to cure within these times shall entitle the non-defaulting party to enforce any right or remedy provided in this Agreement, at law, or in equity. This provision is not intended to modify or extend any other notice or cure period specifically provided for in this Agreement. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

9.5 Right of Re-entry (Power of Termination) and Reverter. FHS may reenter and take possession of the Property, or part of it, and all improvements on it, terminate the estate conveyed to Developer by the Grant Deed and revest the estate in FHS if, after the Closing, but before recording a Certificate of Completion, any of the following occurs:

9.5.1. Developer does not begin and complete construction of the initial Phase of the Project within the time specified in the Performance Schedule or this Agreement unless otherwise extended by the terms herein; or

9.5.2. Developer abandons or substantially suspends construction of the Project for 30 days after FHS gives written notice of the abandonment or suspension; or

9.5.3. Developer assigns or transfers, or suffers an involuntary transfer of, any rights or obligations under this Agreement, or in the Property, in violation of the assignment provision of this Agreement.

9.6 Effect on Security Holders. FHS's right to reenter, repossess, terminate, and revest shall be secured by the provisions of the Deed of Trust attached hereto as Exhibit J. Such right to reenter, repossess, terminate, and revest shall be subject to, limited by, and shall not defeat, render invalid, or limit: (i) any Security Financing Interest permitted by this Agreement; or (ii) any provision of this Agreement protecting the holder's Security Financing Interest.

The provisions of Sections 9.5 and 9.6 shall automatically terminate on the recordation of a Certificate of Completion for the Project (or applicable phase).

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

9.7.1 First, to reimburse FHS 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 FHS derived from the property in connection with the management; (b) all taxes, assessments, and water and sewer charges respecting the property (or, if any of the Property is exempt from taxation or assessment or such charges during the FHS'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 the Developer, its successors or transferees from attaching or being made; (d) any expenditures made or obligations incurred to complete the Project or other improvements on the Property; and any amounts otherwise owing to FHS from the Developer or by its successor or transferee; and

9.7.2 Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (a) the Purchase Price paid to FHS for the Property; and (b) the out-of-pocket costs incurred to develop and improve the Property, less (c) any gains or income to the Developer from the Property, the Project or other improvements on it. Notwithstanding the foregoing, the amount calculated pursuant to this paragraph shall not exceed the sum of the Purchase Price and the fair market value of the private improvements on the Property when the default or failure occurred, which led to FHS's exercise of the right of reverter.

9.7.3 Any balance remaining after such reimbursements shall be retained by FHS.

9.8 No Speculation in Land. The rights established in this Article 9 shall be interpreted considering the FHS's intent to convey the Property to the Developer for development of the Project, and not for speculation in undeveloped land or any other purpose.

10. GENERAL PROVISIONS

10.1 Notice, Demands and Communication. All notices, elections, requests, acceptances, demands, instructions or other communications ("notice" or "notices") to be given to any party under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if personally served on the party to whom notice is to be given; (ii) within forty-eight (48) hours after mailing, if mailed to the party to whom notice is to be given, by first class mail which is either registered or certified, postage prepaid, return receipt requested; (iii) within twenty-four (24) hours after being deposited with a recognized private courier service (e.g. Federal Express), if delivered by a private courier service to the party to whom notice is to be given, all charges prepaid; or (iv) when sent, if given by electronic format that provides verification of successful transmission. All notices shall be properly addressed to the party receiving notice as follows:

FHS:

Fresno Housing Successor
Attention: Executive Director

848 M Street, Third Floor
Fresno, CA 93721

WITH COPIES TO:
City Attorney
2600 Fresno Street
Fresno CA 93721-3602

DEVELOPER:
Housing Authority of the City of Fresno
1331 Fulton Street
Fresno, CA 93721
Attention: Executive Director

A party may change its address by notice given according to this subsection.

10.2 Conflict of Interests. No member, official, officer, or employee of the Developer or FHS shall have any direct or indirect interest in this Agreement or shall participate in any decision relating to this Agreement where such interest or participation is prohibited by law. No officer, employee, or agent of FHS who exercises any function or responsibility concerning the planning and carrying out of the Project, or any other person who exercises any function or responsibility concerning any aspect of this Agreement or the Project, shall have any personal financial interest, direct or indirect, in this Agreement or the Project.

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

10.2.2 No contractor, subcontractor, mechanic, material man, laborer, vendor or other person hired or retained by Developer shall be, nor shall any of them be deemed to be, third-party beneficiaries of this Agreement, rather each such person shall be deemed to have agreed (a) that they shall look to Developer as their sole source of recovery if not paid; and (b) except as otherwise agreed to by FHS and any such person in writing, they may not enter any claim or bring any such action against FHS under any circumstances. Except as provided by law, or as otherwise agreed to in writing between FHS and any such person, each such person shall be deemed to have waived in writing all right to seek redress from FHS under any circumstances whatsoever.

10.3 Nonliability of Officials, Employees, and Agents. No member, official, officer, employee, or agent of FHS shall be personally liable to the Developer, or any successor in interest, for any default or breach by FHS.

10.4 Executive Director to Provide Approvals and Actions. Whenever this Agreement references an action or approval required or permitted by FHS, the Executive Director or his or her designee is authorized to act for FHS unless this

Agreement, the Law, or FHS bylaws, resolutions or procedures provide otherwise, or the context otherwise requires.

10.5 Counterparts. This Agreement may be executed in counterparts, and together each executed counterpart shall constitute one Agreement.

10.6 Waiver. A party's waiver of the other's breach of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or a different provision of this Agreement. No provision of this Agreement may be waived except in a writing signed by all the parties. Waiver of any one provision shall not be deemed to be a waiver of any other provision herein.

10.7 Attorneys' Fees. If a party initiates or defends litigation or any legal proceeding regarding the enforcement of this Agreement, the prevailing party in such litigation or proceeding, in addition to any other relief that may be granted, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal. A party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating the action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to the action. All such fees shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not such action is prosecuted to judgment.

10.8 Governing Law. This Agreement shall be interpreted and enforced, and the rights and duties of the parties under this Agreement (both procedural and substantive) shall be determined according to California law.

10.9 Further Assurances. Each party will take any further acts and will sign and deliver any further instruments required to carry out the intent and purposes of this Agreement.

10.10 Entire Understanding of the Parties. The exhibits referenced as attached are by such references incorporated into this Agreement. This Agreement, including exhibits, is the entire understanding and agreement of the parties. All prior discussions, understandings, and written agreements are superseded by this Agreement. This Agreement shall not be modified except by written instrument duly approved as required by law and executed by authorized representatives of the parties. Should the terms of any exhibit conflict with the body of this Agreement, the body of this Agreement shall govern.

10.11 Consent, Reasonableness. Unless this Agreement specifically authorizes a party to withhold its approval, consent or satisfaction in its sole discretion, any consent, or approval, or satisfaction to be requested or required of a party, shall not be unreasonably withheld, conditioned or delayed.

10.12 Partial Invalidity. If any part of this Agreement is held to be invalid, void or unenforceable in any legal, equitable or arbitration proceeding, the remainder of the Agreement shall continue in effect, unless not giving effect to the invalid or unenforceable part would prevent effecting the purposes of the Project and this Agreement.

10.13 Ambiguity. This Agreement is the result of the combined efforts of the parties. Should any provision of this Agreement be found ambiguous, the ambiguity shall not be resolved by construing this Agreement in favor of or against any party, but by construing the terms according to their generally accepted meaning, considering the objective of the Agreement.

10.14 Number and Gender. Masculine, feminine or neuter gender terms and singular or plural numbers will include others when the context so indicates.

10.15 Headings. All headings are for convenience only, are not a part of this Agreement, and are not to be used in construing this Agreement.

10.16 Binding Upon Successors. This Agreement shall bind and inure to the benefit of the successors in interest, personal representatives, and assigns of each party, subject to the limitation on transfer and assignment contained in this Agreement. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor, representative, or assign of the party who has acquired an interest in compliance with the terms of this Agreement, or under law.

10.17 Relationship of the Parties. Nothing in this Agreement, the Grant Deed, or any other document executed in connection with this Agreement shall be construed as creating a partnership, joint venture, agency, employment relationship, or similar relationship between FHS and the Developer or any of the Developer's contractors, subcontractors, employees, agents, representatives, transferees, successors-in-interest or assigns. Nothing in this Agreement establishes a principal and agent relationship between the parties.

10.18 Nature of the Project. The Project is a private undertaking of the Developer. After FHS conveys title or possession of the property to Developer, the Developer shall have exclusive control over the Property, subject to the terms of this Agreement and all applicable Federal, State and local laws, ordinances, codes, regulations, standards, and policies.

10.19 Time of Essence. Time is of the essence of each term, condition, and covenant contained in this Agreement.

10.20 Survival of Provisions. Those provisions expressly surviving expiration or earlier termination, including each indemnification provision, shall survive the Closing and expiration or earlier termination of this Agreement, and shall not merge with the Grant Deed or other document evidencing any interest in real property.

10.21 Amendments or Modifications. This Agreement may be amended or modified only by the written mutual consent of the parties, and the approval of the FHS Board where required by Law.

10.22 Force Majeure. If this Agreement shall be deemed unenforceable or if FHS is prevented from performing its obligations under this Agreement by any court for reasons including but not limited to acts of god, government, changes in law, and/or any

other cause beyond the reasonable control of the FHS, then FHS shall not be liable for any damages for breach of this Agreement.

10.23 Interpretation. In the event of any conflict between the body of this Agreement and any exhibit or attachment to it, the terms and conditions of the body of this Agreement will control.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, on the day and year first above written.

CITY OF FRESNO,
A California municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno

HOUSING AUTHORITY OF THE CITY OF FRESNO,
A public body corporate and politic

By: _____
Marlene Murphey,
Executive Director

By: _____

Name: Tammy Townsend

Title: Deputy Executive Director
(If corporation or LLC., Board Chair, Pres. or Vice Pres.)

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____

Name: _____

By: _____
Tracy N. Parvanian Date
Supervising Deputy City Attorney

Title: _____
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Deputy Date

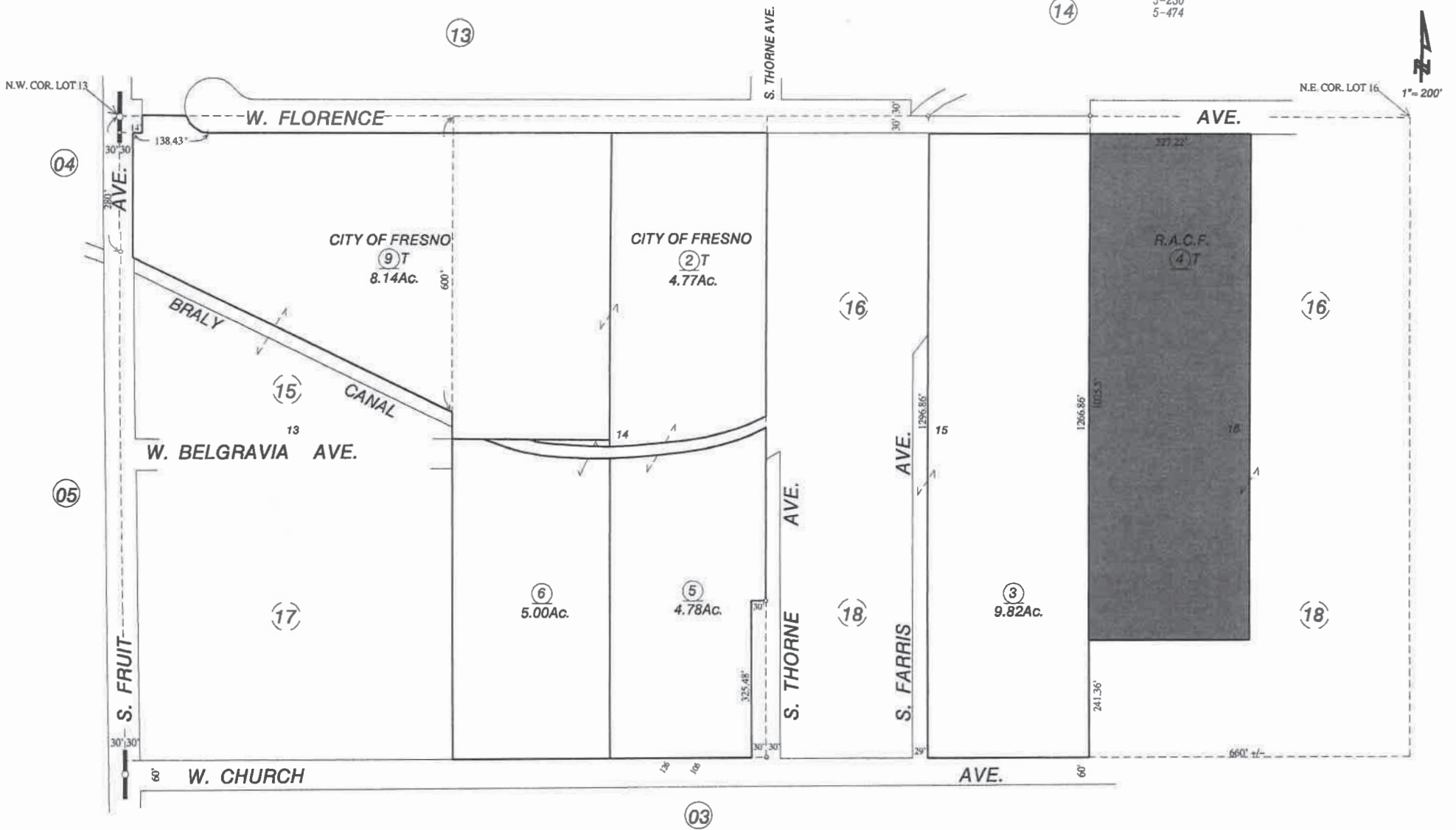
Attachments.	Exhibit A	Site Map
	Exhibit A-1	Legal Description
	Exhibit B	Scope of Development and Basic Design
	Exhibit C	Performance Schedule
	Exhibit D	Sources & Uses
	Exhibit E	Certificate of Completion
	Exhibit F	Grant Deed
	Exhibit G	Regulatory Agreement/ Declaration of Restrictions
	Exhibit H	Developer Promissory Note
	Exhibit I	Developer Deed of Trust
	Exhibit J	Homebuyer Promissory Note
	Exhibit K	Homebuyer Deed of Trust
	Exhibit L	Homebuyer Written Agreement

EXHIBIT A SITE MAP

SUBDIVIDED LAND IN POR. SEC. 17, T.14S., R.20E., M.D.B. & M.

Tax Rate Area
 5-224
 5-230
 5-474

477-06



Fresno Colony, Plat Bk. 2, Pg. 8

NOTE - Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.



EXHIBIT A-1
LEGAL DESCRIPTION

Real property in the City of Fresno, County of Fresno, State of California, described as follows:

THAT PART OF LOT 16 OF FRESNO COLONY, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 2 PAGE 8 OF PLATS, FRESNO COUNTY RECORDS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF LOT 16 OF FRESNO COLONY, 241.36 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 16 A DISTANCE OF 1055.4 FEET, A LITTLE MORE OR LESS, TO THE NORTHWEST CORNER OF SAID LOT 16; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 16, A DISTANCE OF 327.22 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 297.2 FEET WESTERLY FROM THE NORTHEAST CORNER OF SAID LOT 16; THENCE SOUTHERLY ALONG A LINE WHICH PASSES THROUGH A POINT ON THE SOUTH LINE OF SAID LOT 16, 299.35 FEET WESTERLY FROM THE SOUTHEAST CORNER OF SAID LOT 16, A DISTANCE OF 1055.5 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 241.36 FEET NORTHERLY, AT RIGHT ANGLES, FROM THE SOUTH LINE OF SAID LOT 16; THENCE WESTERLY, A DISTANCE OF 328.0 FEET, A LITTLE MORE OR LESS, TO THE POINT OF COMMENCEMENT.

APN: 477-060-04

EXHIBIT B

SCOPE OF DEVELOPMENT AND BASIC DESIGN

I. PRIVATE DEVELOPMENT

A. General

The Developer agrees that the Property shall be developed and improved in accordance with the provisions of this Agreement and the Basic Design approved by Fresno Housing Successor (FHS) pursuant hereto. The Developer and its supervising architect, engineer and contractor shall work with FHS staff to coordinate the overall design, architecture, and color of the improvements on the Property.

B. Developer's Improvements

The Developer shall construct, or cause to be constructed on the Property the following:

Single family home residential community consisting of 33 homes generally ranging from three to four bedrooms. The total buildable land area square footage of the project at completion is estimated to be 48,200 square feet. Off-site improvements for the overall project will also be completed as part of this first development phase. The on-site improvements consisting of streets with improvement, lighting, and landscaping will be constructed as required by City of Fresno and FHS.

C. Architecture and Design

The Developer's improvements shall be of high architectural quality, shall be well landscaped and shall be effectively and aesthetically designed. The shape, scale of volume, exterior design, and exterior finish of the building must be consonant with, visually related to, physically related to, and an enhancement of adjacent buildings within the Project Area.

D. Landscaping

Landscaping shall embellish all open spaces on the Property. Landscaping includes such materials as paving, trees, shrubs, and other plant materials, landscape containers, plaza furniture, topsoil preparation, automatic irrigation and landscape and pedestrian lighting. Landscaping shall carry out the objectives and principles of the FHS's desire to accomplish a high-quality aesthetic environment.

E. Signs

All signs on the exterior of the buildings are of special concern to the Agency and must be approved by FHS (which approval shall not be unreasonably withheld).

F. Screening

Trash areas shall be screened on at least three (3) sides and have movable doors or other devices to obscure such area from view. All fire

standpipes and such other fire related mechanical devices shall be screened with plant materials. Rooftop equipment shall be reasonably hidden so as to mitigate views from principal elevations surrounding the development.

G. Applicable Codes

The Developer's improvements shall be constructed in accordance with the Uniform Building Code (with City modifications) and the Municipal Code.

II. SITE CLEARANCE AND PREPARATION

The Developer shall perform, or cause to be performed, at its sole cost and expense, the following work:

A. On-site Clearance

On the Property, clear and grub The Property is vacant and unimproved. FHS, as of the Effective Date is unaware of any subsurface structures, foundations, obstructions, basements, tanks, and the like.

B. Compaction, Finish Grading and Site Work

The Developer shall compact, finish grade and do such site preparation as is necessary for the construction of the Developer's improvements on the Property.

III. OFF-SITE IMPROVEMENTS

The Developer shall design, construct and install required Off-Site Public Improvements, at its sole cost and on a schedule which coordinates with the development.

IV. FUNDING AFFORDABILITY:

The Project of 33 units provides 30 affordable units with income restrictions. The property was declared surplus exempt under the Surplus Land Act (SLA) which requires the 33-unit Project designate at least 7 units be sold to households whose income is not greater than 50% of AMI (very low) and at least 7 units be sold to households whose income is not greater than 60% (lower) of AMI. Sixteen units are targeted for households at 80% of AMI (lower) and 3 units are targeted at 100% of AMI (Moderate)

The Project expects to serve the range of household income levels from various layered funding sources.

The sources of public funding with affordability requirements include Fresno Housing Successor Low- and Moderate-Income Housing Fund (LMIHF); City of Fresno Permanent Local Housing Allocation; (PLHA) and CalHOME. The affordable housing funds along with conventional financing comprise the estimated project cost of \$11,550,000 (Exhibit D).

The FHS and PLHA funding will be utilized for construction and upon Project completion the construction funding will be converted to home buyer assistance. The income restricted units will be sold through escrow to very low- and lower-

income qualified homebuyers who will assume the assistance in the form of a loan.

The planned allocation of funds by source and AMI level across units is shown in the following:

HERITAGE HOMES SUBDIVISION							
House Number	Project Number	Program Type	AMI	House Number	Project Number	Program Type	AMI
1	1	FHSA/PLHA/SLA	50%	23	1	PLHA	80%
2	2	FHSA/PLHA/SLA	50%	24	2	PLHA	80%
3	3	FHSA/PLHA/SLA	50%	25	3	PLHA	80%
4	4	FHSA/SLA	50%	26	4	PLHA	80%
5	5	FHSA/SLA	50%	27	5	PLHA	80%
6	6	FHSA/SLA	50%	28	6	PLHA	80%
7	7	FHSA/SLA	50%	29	7	PLHA	80%
8	1	FHSA/SLA	60%	30	8	PLHA	80%
9	2	SLA/PLHA	60%	31	1	Conventional	100%
10	3	SLA/PLHA	60%	32	2	Conventional	100%
11	4	SLA/PLHA	60%	33	3	Conventional	100%
12	5	SLA/PLHA	60%				
13	6	SLA/PLHA	60%				
14	7	SLA/PLHA	60%				
15	1	PLHA/SLA	80%				
16	2	PLHA/SLA	80%				
17	3	PLHA/SLA	80%				
18	4	PLHA/SLA	80%				
19	5	PLHA/SLA	80%				
20	6	PLHA/SLA	80%				
21	7	PLHA/SLA	80%				
22	8	PLHA/SLA	80%				

EXHIBIT C
PERFORMANCE SCHEDULE

PRELIMINARY MASTER SCHEDULE - DECEMBER 2023
HERITAGE ESTATES
(33) SINGLE FAMILY HOMES

<u>Description</u>	<u>Date</u>
1) Submit Final Tract Map & Civil Plans	Nov 15, 2023
2) Financial Closing	Mar 30, 2024
3) Start of Construction	Apr 15, 2024
4) Construction Completion/Sale Phasing	
a. Infrastructure Complete	Dec 15, 2024
b. Homes #1-5	Mar 15, 2025
c. Homes #6-10	Jun 15, 2025
d. Homes #11-15	Sep 15, 2025
e. Homes #16-20	Dec 15, 2025
f. Homes #21-25	Mar 15, 2026
g. Homes #26-30	Jun 15, 2026
h. Homes #31-33	Sep 15, 2026

In the event Final Tract Map & Civil Plans have been timely submitted and the approval cannot be obtained by the date set forth herein, the milestones occurring on and after said dates shall be extended by the number of days equal to the duration of the delay.

The Time for Financial Closing and subsequent Performance Schedule Dates shall be extended by an equal number of days beyond the March 30, 2024, date for up to 90 days until PLHA funds from the City of Fresno are approved and made available.

EXHIBIT D
Sources & Uses

Heritage Estates

Pro Forma Sources and Uses

Sources of Funds	Amount
Housing Successor to RDA	\$ 1,200,000.00
City of Fresno PLHA	\$ 3,062,688.71
CalHOME	\$ 1,379,710.00
1st Mortgages/Homebuyer Down Payments	\$ 5,757,601.29
FHLB Affordable Housing Program*	\$ 150,000.00
Total Sources of Funds	\$ 11,550,000.00

Uses of Funds	Amount
Land	\$ 0.00
Off-site infrastructure	\$ 524,925.00
On-site infrastructure	\$ 1,586,694.00
Unit Hard Costs	\$ 8,155,743.00
Soft Costs	\$ 800,000.00
Sale Closing Costs	\$ 359,358.00
Loan Interest	\$ 123,280.00
Total Uses of Funds	\$ 11,550,000.00

*Alternate Source Fresno Housing

EXHIBIT E

CERTIFICATE OF COMPLETION

RECORDED AT THE REQUEST OF

City of Fresno in its capacity as Housing
Successor to the Redevelopment Agency of the
City of Fresno
848 M Street, Third Floor
Fresno, CA 93721

WHEN RECORDED RETURN TO.

City of Fresno in its capacity as Housing
Successor to the Redevelopment Agency of the
City of Fresno
848 M Street, Third Floor
Fresno, CA 93721
Attn: Marlene Murphey

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

This Certificate of Completion is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

City of Fresno,
a municipal corporation in its capacity as Housing
Successor to the Redevelopment City of the City
of Fresno

By: Marlene Murphey

Its: Executive Director

Dated: _____

Certificate of Completion
Heritage Estates Project (146 East Florence)

RECITALS

- A. By a Disposition and Development Agreement (the Agreement) dated _____, 20__ between Housing Authority of the City of Fresno, California, a public body corporate and politic (Developer) and the City of Fresno, a municipal corporation, in its capacity as Housing Successor to the Redevelopment City of the City of Fresno (FHS), Developer agreed to construct certain residential units on the premises legally described in Attachment "1" hereto (the Property) and preserve the Affordable Units, as defined in the Agreement as rental housing for Low- Income Households with the assistance of City housing set aside funds while meeting the Affordable Housing, income targeting and other requirements of the Community Redevelopment Law set forth at California Health and Safety Code Sections 33000 et seq. for a 55-year Affordability Period according to the terms and conditions of the Agreement.
- B. The Agreement was recorded on _____, 20__ in the Official Records of Fresno County, California as Instrument No. _____
- C. Under the terms of the Agreement, after Developer completes the construction on the Property, Developer may ask FHS to record a Certificate of Completion.
- D. Developer has asked FHS to furnish Owner with a recordable Certificate of Completion.
- E. FHS's issuance of this Certificate of Completion is conclusive evidence that Developer has completed the construction on the Property as set forth in the Agreement.

NOW THEREFORE:

1. City certifies that Developer commenced the construction work on the Project on _____, 20__, and completed the construction work on the Project on _____, 20__, and has done so in full compliance with the Agreement.
2. This Certificate of Completion is not evidence of Developer's compliance with, or satisfaction of, any obligation to any mortgage or security interest holder, or any mortgage or security interest insurer, securing money lent to finance work on the Property or Project, or any part of the Property or Project.
3. This Certificate of Completion is not a notice of completion as referred to in California Civil Code section 3093.
4. Nothing contained herein modifies any provision of the Agreement.

IN WITNESS WHEREOF, the City has executed this Certificate of Completion as of this _____ day of _____, 20 ____

City of Fresno, a municipal corporation, in its capacity as Housing Successor to the Redevelopment City of the City of Fresno

By: _____
Marlene Murphey
Executive Director

Developer hereby consents to recording this Certificate of Completion against the Property described herein.

Dated: _____, 20 ____

THE ABOVE PARTIES ARE TO SIGN THIS INSTRUMENT BEFORE A NOTARY PUBLIC.

ATTEST:
TODD STERMER, CMC
City Clerk

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Deputy

By: _____
Tracy N. Parvanian
Supervising Deputy City Attorney

Dated: _____

Dated: _____

EXHIBIT 1 to CERTIFICATE OF COMPLETION
LEGAL DESCRIPTION

Real property in the City of Fresno, County of Fresno, State of California, described as follows:

THAT PART OF LOT 16 OF FRESNO COLONY, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 2 PAGE 8 OF PLATS, FRESNO COUNTY RECORDS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF LOT 16 OF FRESNO COLONY, 241.36 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 16 A DISTANCE OF 1055.4 FEET, A LITTLE MORE OR LESS, TO THE NORTHWEST CORNER OF SAID LOT 16; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 16, A DISTANCE OF 327.22 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 297.2 FEET WESTERLY FROM THE NORTHEAST CORNER OF SAID LOT 16; THENCE SOUTHERLY ALONG A LINE WHICH PASSES THROUGH A POINT ON THE SOUTH LINE OF SAID LOT 16, 299.35 FEET WESTERLY FROM THE SOUTHEAST CORNER OF SAID LOT 16, A DISTANCE OF 1055.5 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 241.36 FEET NORTHERLY, AT RIGHT ANGLES, FROM THE SOUTH LINE OF SAID LOT 16; THENCE WESTERLY, A DISTANCE OF 328.0 FEET, A LITTLE MORE OR LESS, TO THE POINT OF COMMENCEMENT.

APN: 477-060-04

EXHIBIT F

FREE RECORDING REQUESTED BY:

CITY OF FRESNO IN ITS CAPACITY
AS HOUSING SUCCESSOR TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO
848 M Street, Third Floor
Fresno, CA 93721
Attn: Executive Director

AFTER RECORDATION RETURN TO:

Self Help Enterprises
P.O. Box 6520
Visalia, CA 93290
Attn: Director of Real Estate Development

(Space Above This Line For Recorder's Office Use Only)

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

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 HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA, a public body corporate and politic (Grantee), the real property (Property) legally described in Exhibit "A" attached hereto and incorporated herein by this reference.

Consistent with the Disposition and Development Agreement including covenants, conditions and restrictions, (DDA) dated _____, 20__ entered by Grantor and Grantee, 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 12995 of the Government Code, as those bases are defined in Section 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 Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

2. 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, 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 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 section 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 and that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

3. 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 ownership 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 are fully enforceable under and shall not merge with this Deed.

4. 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.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on its behalf by its respective officers thereunto duly authorized, this _____ day of _____, 20____.

"GRANTOR"

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

By: Marlene Murphey,
Executive Director

Date: _____

**EXHIBIT "A" to GRANT DEED
LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the City of Fresno, County of Fresno, State of California, described as follows.

THAT PART OF LOT 16 OF FRESNO COLONY, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 2 PAGE 8 OF PLATS, FRESNO COUNTY RECORDS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF LOT 16 OF FRESNO COLONY, 241.36 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 16 A DISTANCE OF 1055.4 FEET, A LITTLE MORE OR LESS, TO THE NORTHWEST CORNER OF SAID LOT 16; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 16, A DISTANCE OF 327.22 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 297.2 FEET WESTERLY FROM THE NORTHEAST CORNER OF SAID LOT 16; THENCE SOUTHERLY ALONG A LINE WHICH PASSES THROUGH A POINT ON THE SOUTH LINE OF SAID LOT 16, 299.35 FEET WESTERLY FROM THE SOUTHEAST CORNER OF SAID LOT 16, A DISTANCE OF 1055.5 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 241.36 FEET NORTHERLY, AT RIGHT ANGLES, FROM THE SOUTH LINE OF SAID LOT 16; THENCE WESTERLY, A DISTANCE OF 328.0 FEET, A LITTLE MORE OR LESS, TO THE POINT OF COMMENCEMENT.

APN: 477-060-04

EXHIBIT G

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF FRESNO IN ITS CAPACITY
AS HOUSING SUCCESSOR TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO
848 M Street, Third Floor
Fresno, CA 93721
Attn: Executive Director

(Space Above This Line for Recorder's Office)

**REGULATORY AGREEMENT AND
DECLARATION OF COVENANTS AND RESTRICTIONS**

THIS REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND

RESTRICTIONS (Agreement) is made and entered into this _____ day of

_____, _____, by and between the CITY OF FRESNO, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (FSA), and HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA, a public body corporate and politic (Developer).

RECITALS:

A. Pursuant to a Disposition and Development Agreement by and between FSA and Developer dated _____, 20__ (the DDA), FSA has provided to Developer financial assistance in the amount of approximately One Million Two Hundred Thousand Dollars (\$1,200,000) in loan funds (the FHS Assistance), for the purpose of assisting Developer in the acquisition of real property and the construction of a single-family housing project consisting of 33 single-family units thereon wherein at least 40% of the units shall be sold to low and lower income households as defined in the Regulatory Agreement, on that certain real property located in the City of Fresno, County of Fresno, State of California, more particularly described in Exhibit "1" attached hereto and incorporated herein by reference (the Property).

B. Pursuant to the DDA, Developer has agreed to construct and maintain a single-family housing project consisting of 33 total residential units (hereinafter referred to collectively as the Project) on the Property. The Project is also referred to in the DDA as the "Project," and is further described in the Scope of Development and Project Design attached to the DDA.

C. FSA and Developer now desire to place restrictions upon the use and operation of the Project, in order to ensure that the Project shall be operated continuously

as a single-family housing project with up to 30 units available for home ownership to very low and lower income households for the term of this Agreement and in compliance with the Surplus Land Act and approved exemption under Government Code Section 37364. All restrictions are detailed in the Regulatory Agreement.

AGREEMENT:

NOW, THEREFORE, the Developer and FSA declare, covenant and agree, by and for themselves, their heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Property shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied, subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a common plan for the improvement and sale of the Property, and are established expressly and exclusively for the use and benefit of the City, the residents of the City of Fresno, and every person owning a dwelling unit on the Property.

AFFORDABILITY RESTRICTIONS RUNNING WITH LAND

In addition to the covenants and conditions contained in the DDA, the following California Community Redevelopment Law (California Health & Safety Code Section 33000 et seq.) affordability requirements shall be imposed upon 30 of the 33 Project Units on the Property funded under the Agreement and shall bind the Developer and all purchasers of the Property and their successors until the date that is 45 years or not less than 30 years as permitted by the funding source, following recordation of the FSA's Certificate of Completion as defined in the DDA.

The Affordable Units on the Property are held and will be held, transferred, encumbered, used, sold, conveyed, and occupied subject to the covenants, restrictions, and limitations set forth in this Agreement, all of which are in furtherance of the Project, the Community Redevelopment Law including City's obligations set forth at California Health & Safety Code respect to Low- and Moderate-Income Housing Asset Funds. All of the restrictions, covenants and limitations will run with the land and will be binding on all parties having or acquiring any right, title or interest in the Affordable Units upon the Property or any part thereof, will inure to the benefit of the City, and will be enforceable by it. Any purchaser under a contract of sale or other transferee of an interest covering any right, title or interest in any part of the Affordable Units upon the Property, by accepting a deed or a contract of sale or agreement of purchase, accepts the document subject to, and agrees to be bound by, any and all restrictions, covenants, and limitations set forth in this Agreement until the date that is 45 years or not less than 30 years as permitted by the funding source, following recordation of the City's Certificate of Completion.

In addition, this property has been declared surplus exempt, pursuant to the Surplus Land Act (Government Code Section 54220, et seq.) and was specifically exempted under Government Code Section 37364 which requires: (1) Minimum of 80% of the area of any parcel shall be used for development of housing (remaining 20% could be ancillary commercial or park/open space use); (2) Not less than 40% of the total number of housing units developed on any parcel pursuant to this section shall be affordable to

households whose incomes are equal to, or less than, 75% of the maximum income of lower income households (80% of area median income), and at least half of which (20% of the units) shall be affordable to very low-income households (50% of area median income); and (3) Dwelling units shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years and shall be recorded against the property.

1. Restrictions. The following covenants and restrictions (Restrictions) on the use and enjoyment of the Affordable Units upon the Property shall be in addition to any other covenants and restrictions affecting the Property, and all such covenants and restrictions are for the benefit and protection of the City and shall run with the Affordable Units upon the Property and be binding on any future owners of the Property and inure to the benefit of and be enforceable by City. These covenants and restrictions are as follows:

a. From the date of recordation of this Agreement until the expiration of the Affordability Period, 30 Affordable Units funded under the DDA are to be used as Affordable Housing and affordable replacement dwellings as provided for in the DDA and this Agreement. Developer agrees to file a recordable document setting forth the Project Completion Date and the Affordability Period as and when determined by FSA. Unless otherwise provided in the Agreement, the term "Affordable Housing" shall include without limitation compliance with the following requirements:

Nondiscrimination. There shall be no discrimination against nor segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, or handicap in the sale, transfer, use, occupancy, tenure, or enjoyment of any of the Property, nor shall Owner or any person claiming under the Owner, establish or permit any practice of discrimination or segregation with reference to the selection, location, number, use or occupancy of owners or vendees of the Property.

Principal Residence. Each of the Affordable Units upon the Property shall be sold only to natural persons, who shall occupy such as a principal residence.

Income Requirements. Thirty Affordable Units of the Thirty-three Project Units constituting very low- and lower-income Affordable Housing upon the Property may be sold only to (a) natural person(s). Further those thirty units may be sold to persons whose annual household income at the time of occupancy is no greater than 50% for at least seven units; no greater than 60% for at least 7 units and no greater than 80% for 16 units. The affordability mix meets the Surplus Land Act requirement of the total 33 Project units, not less than 40% (14 units) of the total number of housing units developed on any parcel pursuant to this section shall be affordable to households whose incomes are equal to, or less than, 75% of the maximum income of lower income households (80% of area median income), and at least half of which (20% or 7 units) shall be affordable to

very low-income households (50% of area median income) of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, as defined by Section 50093 of the Health and Safety Code or as defined by the United States Department of Housing and Urban Development or its successors. . The income requirements referenced in this paragraph shall be referred to collectively as the "Low-Income Requirements."

2. Enforcement of Restrictions. Without waiver or limitation, the FSA shall be entitled to injunctive or other equitable relief against any violation or attempted violation of this Agreement, including the Restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof.

3. Acceptance and Ratification. All present and future owners of the Property and other persons claiming by, through, or under them shall be subject to and shall comply with the above Restrictions. The acceptance of a deed of conveyance to the Property shall constitute an agreement that the Restrictions, as such may be amended or supplemented from time to time, is accepted and ratified by such future owners, tenant or occupant, and such Restrictions shall be a covenant running with the land and shall bind any person having at any time any interest or estate in the Property, all as though such Restrictions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

4. Benefit. This Agreement and the Restrictions herein shall run with and bind the Property for a term commencing on the date this Agreement is recorded in the Office of the Recorder of the County of Fresno, State of California, and expiring upon the expiration of the Affordability Period. The failure or delay at any time of FSA and/or any other person entitled to enforce these Restrictions shall in no event be deemed a waiver of the same, or of the right to enforce the same at any time or from time to time thereafter, or an estoppel against the enforcement thereof.

5. Costs and Attorney's Fees. In any proceeding arising because of failure of Developer or any future owner of the Property to comply with the Restrictions required by this Agreement, as may be amended from time to time, FSA shall be entitled to recover its respective costs and reasonable attorney's fees incurred in connection with such default or failure.

6. Waiver. Neither Developer nor any future owner of the Property may exempt itself from liability for failure to comply with the Restrictions required in this Agreement.

7. Severability. The invalidity of the Restrictions or any other covenant, restriction, condition, limitation, or other provision of this Agreement shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Agreement and each shall be enforceable to the greatest extent permitted by law.

8. Pronouns. Any reference in this Agreement and the Restrictions herein to the masculine, feminine, or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include all genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

9. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs, and subparagraphs of this Agreement are inserted herein for ease and

convenience of reference only and shall not be used as an aid in interpreting or construing this Agreement or any provision hereof.

10. Capitalized Terms. All capitalized terms used in this Agreement, unless otherwise defined herein, shall have the meanings assigned to such terms in the DDA.

11. Amendments. This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Fresno.

12. Notice. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

City: City of Fresno as Housing Successor
848 M Street, 3rd Floor
Fresno, CA 93721
Attn: Executive Director

Copy to: City Attorney
Fresno City Hall
2600 Fresno Street
Fresno, CA 92612

Developer: _____

Investor:

Limited Partner:

The notice shall be deemed given three business days after the date of mailing, or, if personally delivered, when received.

13. GOVERNING LAW. This Agreement shall be governed by the laws of the State of California.

14. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument.

15. FURTHER ASSURANCES. The parties will execute such other and further documents, and will take any other steps, necessary, helpful, or appropriate to carry out the provisions of this Agreement.

16. DECLARANT LIABILITY. The DECLARANT shall not have any personal liability for the obligations under this Declaration. The sole recourse of FSA shall be exercising of its rights against the Property until transfer to a homebuyer, and then FSA shall exercise its rights against the homebuyer pursuant to the Deed of Trust. Lender shall not have the right to seek or recover any deficiency amount from DECLARANT.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the City and Developer have executed this Regulatory Agreement and Declaration of Covenants and Restrictions by duly authorized representatives on the date first written hereinabove.

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

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

By: _____
Marlene Murphey Date
Executive Director

By _____
Date _____
Name: _____
Title: _____

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Supervising Deputy City Attorney

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Deputy

[END OF SIGNATURES]

Attachment

s:
Exhibit A: Legal Description of Property

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]

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]

EXHIBIT "A" to REGULATORY AGREEMENT
LEGAL DESCRIPTION

Real property in the City of Fresno, County of Fresno, State of California, described as follows:

THAT PART OF LOT 16 OF FRESNO COLONY, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 2 PAGE 8 OF PLATS, FRESNO COUNTY RECORDS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF LOT 16 OF FRESNO COLONY, 241.36 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 16 A DISTANCE OF 1055.4 FEET, A LITTLE MORE OR LESS, TO THE NORTHWEST CORNER OF SAID LOT 16; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 16, A DISTANCE OF 327.22 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 297.2 FEET WESTERLY FROM THE NORTHEAST CORNER OF SAID LOT 16; THENCE SOUTHERLY ALONG A LINE WHICH PASSES THROUGH A POINT ON THE SOUTH LINE OF SAID LOT 16, 299.35 FEET WESTERLY FROM THE SOUTHEAST CORNER OF SAID LOT 16, A DISTANCE OF 1055.5 FEET, A LITTLE MORE OR LESS, TO A POINT WHICH IS 241.36 FEET NORTHERLY, AT RIGHT ANGLES, FROM THE SOUTH LINE OF SAID LOT 16; THENCE WESTERLY, A DISTANCE OF 328.0 FEET, A LITTLE MORE OR LESS, TO THE POINT OF COMMENCEMENT.

APN: 477-060-04

EXHIBIT H
DEVELOPER PROMISSORY NOTE

DO NOT DESTROY THIS NOTE: When paid, this note must be surrendered to Borrower for Cancellation.

\$1,200,000.00

Fresno, California
_____, 2023

For value received, the undersigned, Housing Authority of the City of Fresno, a public body corporate (Borrower), promises to pay to the order of the City of Fresno in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (Lender or Beneficiary), up to One Million, Two Hundred Thousand Dollars, to the extent that such funds are disbursed to Borrower, at 3% interest on the unpaid balance and forgivable as described herein. This Promissory Note (Note) is made and entered into in accordance with the terms of the Disposition and Development Agreement dated _____, entered into between Borrower and Lender (Agreement). The Borrower may at any time prior to the Borrower Loan Maturity Date convey up to 33 completed Restricted Units securing the Note to a Lower-Income homebuyer through a purchase escrow (Escrow) that conforms to the DDA and concurrent therewith assigns Note to homebuyers who shall assume such Note at 0% interest with a lump sum principal only payment due and payable from the homebuyer on, or before expiration of 45 years from close of escrow..

Any failure to make a payment required hereunder shall constitute a default under this Note.

All capitalized terms used in this Note, unless otherwise defined, will have the respective meanings specified in the Agreement. In addition, as used in this Note, the following terms will have the following meanings:

"Business Day" means any day other than Saturday, Sunday, or public holiday or the equivalent for banks generally under the laws of California. Whenever any payment to be made under this Note is stated to be due on a day other than a Business Day, that payment may be made on the next succeeding Business Day. However, if the extension would cause the payment to be made in a new calendar month, that payment will be made on the preceding Business Day.

This Note, and any extensions or renewals hereof, is secured by a Deed of Trust on real estate in Fresno County, California, that provides for acceleration upon stated events, dated as of the same date as this Note, and executed in favor of and delivered to the Lender (Deed of Trust), insured by First American Title Company as no worse than

an ALTA or CLTA third position lien.

Time is of the essence with respect to all terms of this Note. It will be a default under this Note if Borrower defaults under the Agreement, any other Loan Documents (as defined in the Agreement), or if Borrower fails to pay when due any sum payable under this Note or under any other obligation secured by a deed of trust or other lien senior to the deed of trust which secures this Note. Borrower shall promptly inform Lender of any new or additional financing or funding, and Borrower shall provide Lender copies of all agreements with any and all Funding Sources for this Project. In the event of a default by Borrower, the Borrower shall pay a late charge equal to 2% of any outstanding payment. All payments collected shall be applied first to payment of any costs, fees or other charges due under this Note or any other Loan Documents then to the interest and then to principal balance. On the occurrence of a default or on the occurrence of any other event that under the terms of the Agreement or Loan Documents gives rise to the right to accelerate the balance of the indebtedness, then, at the option of Lender, this Note or any notes or other instruments that may be taken in renewal or extension of all or any part of the indebtedness will immediately become due and payable without any further presentment, demand, protest, or notice of any kind.

The indebtedness evidenced by this Note may, at the option of the Borrower, be prepaid in whole or in part, at any time, without penalty. Lender will apply all the prepayments first to the payment of any costs, fees, late charges, or other charges due under this Note, the Agreement, or other Loan Documents, and then to the interest and then to the principal balance.

All payments are payable in lawful money of the United States of America at any place that Lender or the legal holders of this Note may, from time to time, in writing designate, and in the absence of that designation, then to Lender at its address of record provided in the Agreement.

Borrower agrees to pay all costs including, without limitation, attorney fees, incurred by the holder of this Note in enforcing payment, whether or not suit is filed, and including, without limitation, all costs, attorney fees, and expenses incurred by the holder of this Note in connection with any bankruptcy, reorganization, arrangement, or other similar proceedings involving the undersigned that in any way affects the exercise by the holder of this Note of its rights and remedies under this Note. All costs incurred by the holder of this Note in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all attorney fees and other costs referred to in this paragraph on demand.

Any notice, demand, or request relating to any matter set forth herein shall be in writing and shall be given as provided in the Agreement.

No delay or omission of Lender in exercising any right or power arising in connection with any default will be construed as a waiver or as an acquiescence, nor will any single or partial exercise preclude any further exercise. Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of Lender's rights

under this Note, but rather will be deemed to have been made in pursuance of this Note and not in modification. No waiver of any default will be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default.

The Deed of Trust provides as follows:

DUE ON SALE-CONSENT BY BENEFICIARY. Beneficiary may, at its option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of the Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of Property interest. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any cumulative change in ownership of more than 50% of the voting stock, partnership interests or limited liability company interests, as the case may be, of Trustor, other than a transfer to the managing member of Trustor or an affiliate of the managing member. However, this option shall not be exercised by Beneficiary if such exercise is prohibited by applicable law.

Lender may transfer this Note and deliver to the transferee all or any part of the Property then held by it as security under this Note, and the transferee will then become vested with all the powers and rights given to Lender; and Lender will then be forever relieved from any liability or responsibility in the matter, but Lender will retain all rights and powers given by this Note with respect to Property not transferred.

If any one or more of the provisions in this Note is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. This Note will be binding on and inure to the benefit of Borrower, Lender, and their respective successors and assigns.

Borrower agrees that this Note will be deemed to have been made under and will be governed by the laws of California in all respects, including matters of construction, validity, and performance, and that none of its terms or provisions may be waived, altered, modified, or amended except as Lender may consent to in a writing duly signed by Lender or its authorized agents.

The Loan shall be nonrecourse to the Borrower and all constituent members of the Borrower.

The parties will execute such other and further documents, and will take any other steps, necessary, helpful, or appropriate to carry out the provisions of this Note.

[Signatures on following page.]

IN WITNESS WHEREOF, Borrower has executed this Note on the date first written above.

Borrower

Housing Authority of the City of Fresno, a public body corporate and politic

By: _____

By: _____

EXHIBIT I

DEVELOPER DEED OF TRUST

**Recording requested by,
and when recorded mail to:**

City of Fresno in its capacity as Housing
Successor to the Redevelopment
Agency of the City of Fresno
848 M Street, Third Floor
Fresno, CA 93721
Attention: Executive Director

INSTRUCTIONS TO COUNTY RECORDER

Index this instrument as
(i) a Deed of Trust, and
(ii) a Fixture Filing

Space above for Recorder's Use

DEED OF TRUST

This DEED OF TRUST (Deed of Trust) is entered into between HOUSING AUTHORITY OF THE CITY OF FRESNO, a public body corporate and politic, whose principal executive office is at 848 M Street, Third Floor, Fresno, CA 93721 (the Trustor), in favor of OLD REPUBLIC TITLE COMPANY, whose address is 7451 N. Remington Avenue, Suite 102, Fresno, CA 93711 (the Trustee), for the benefit of the City of Fresno in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (the Beneficiary), with offices at 848 M Street, Third Floor, Fresno, California 93721.

THE TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO THE TRUSTEE, in trust, with the power of sale, the real property in the City of Fresno, Fresno County, California, more particularly described in **Exhibit A** attached hereto and made part hereof by reference (the Property), together with:

(i) All tenements, hereditaments and appurtenances of or to the Property, including without limitation all easements and rights used in connection therewith or as a means of access thereto, all right, title and interest of the Trustor, now owned or hereafter acquired, in any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys, strips and other areas of land adjacent to or used in connection with the Property;

(ii) All oil and gas or other mineral rights in or pertaining to the Property and all royalty, leasehold and other rights of the Trustor pertaining thereto;

(iii) All water rights pertaining to the Property and shares of stock evidencing

the same, and all deposits made with or other security given to utility companies by the Trustor with respect to the Property;

(iv) The rents, issues and profits thereof, subject, however, to the right, power and authority of Trustor to collect and apply such rents, issues and profits and set forth in this Deed of Trust;

(v) All buildings and improvements of every kind and description now or hereafter erected or placed on the Property, and all fixtures thereon, including, but not limited to, all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, laundry equipment, steam and hot water boilers, stoves, ranges, elevators and motors, bath tubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantels, cabinets, refrigeration plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, and all shades, awnings, screens, blinds and other furnishings, it being hereby agreed that all such fixtures and furnishings shall to the extent permitted by law be deemed permanently affixed to and a part of the realty;

(vi) All building materials and equipment now or hereafter delivered to the Property and intended to be installed thereon; and

(vii) All articles of personal property owned by the Trustor and now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, and all other goods, chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the ones herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the building or buildings in any manner; subject, however, to (and only to) any purchase money security interests in such personal property.

Said real property and personal property described above, together with appurtenances, are referred to collectively in this Deed of Trust as the "Collateral."

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS:

(a) Payment to the Beneficiary of an indebtedness in the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000), evidenced by a promissory note executed by the Trustor and payable to the order of the Beneficiary, bearing the same date as this Deed of Trust, and any and all modifications, extensions or renewals thereof or substitutions therefor (the Note), and performance and satisfaction of each and all other obligations of the Trustor under the Note;

(b) Performance of every obligation of Trustor in this Deed of Trust, the Note,

the Development Covenant contemplating the improvement of the "Project" (as that term is defined in the Development Covenant); and

(c) Payment of all sums, if any, and interest thereon that may hereafter be loaned or advanced by the Beneficiary to or for the benefit of the Trustor or to its successors, transferees and assigns, made to the Trustor while the Trustor is the owner of record of fee title to the Property, or any portion thereof, or to the successors, transferees or assigns of the Trustor while they are the owners of record of such fee title, and evidenced by one or more notes or written instruments which recite that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE TRUSTOR COVENANTS AND AGREES AS FOLLOWS:

1. The Trustor shall not use or permit the use of any of the Collateral for any purpose other than the use for which it was intended at the time this Deed of Trust was executed, as provided in the Development Covenant.

2. Upon default under this Deed of Trust or the Note (following delivery of notice and expiration of the cure period, if any, provided therein), the Beneficiary, at its option, may declare the whole of the obligations and sums secured hereby to be immediately due and payable.

3. The person(s) or entity(ies) who have executed this Deed of Trust are fully authorized, and have obtained any and all written authorizations, approvals or consents necessary, to bind the Trustor to this Deed of Trust.

4. Upon default hereunder or under the Note (following delivery of notice and expiration of the cure period, if any, provided herein or therein), for the purpose of protecting its interests hereunder, the Beneficiary will be entitled to the appointment by a court having jurisdiction, without further notice and without regard to adequacy of any security for the indebtedness secured hereby, of a receiver to take possession of and protect the Collateral described herein and operate same and collect the rents, profits and income therefrom. The entering upon and taking possession of the Property or other Collateral by such receiver, the collection of such rents, profits and income and the application thereof shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. The Trustor, at its sole cost and expense, shall provide and maintain on the entire Property, including all buildings and improvements thereon: (i) a policy of broad-form builder's risk insurance sufficient to cover 100 percent of the replacement value of all buildings and improvements on the Property including; without limitation, labor and materials in place or to be used as part of the permanent construction (including, without limitation, surplus miscellaneous materials and supplies incidental to the work, and scaffolding, staging, towers, forms and equipment not owned or rented by the Beneficiary,

the cost of which is not included in the cost of work), insuring against loss or damage by fire, extended coverage perils and such other hazards, casualties or other contingencies as from time to time may be reasonably required by the Beneficiary; (ii) a policy of commercial general liability insurance that includes contractual, products and completed operations coverages, bodily injury and property damage liability insurance with combined single limits of not less than \$1,000,000 per occurrence; and (iii) such other insurance as may be reasonably required by the Beneficiary, in each case in such amounts, in such manner and with such companies as the Beneficiary and Trustor may reasonably approve. The foregoing minimum insurance coverage limits shall be subject to reasonable adjustment from time to time by the Beneficiary. Each such policy shall be endorsed with a standard mortgage clause with loss payable to the Beneficiary and the Trustor, and shall provide that the policy shall not be canceled or materially changed without at least thirty (30) days' prior notice to the Beneficiary. Upon request by the Beneficiary, the Trustor immediately shall deposit with the Beneficiary certificates evidencing such policies.

6. The Trustor shall pay: (i) at least ten days before delinquency, all taxes and assessments affecting the Collateral, including assessments on appurtenant water stock; (ii) when due, all encumbrances, charges and liens, with interest, on the Collateral or any part thereof which appear to be prior or superior hereto; and (iii) all costs, fees and expenses of the Trustee or the Beneficiary reasonably incurred in connection with the trusts created under this Deed of Trust.

7. The Trustor shall: (i) keep the Collateral in good condition and repair and not remove or demolish any buildings on the Property; to the extent insurance or condemnation proceeds are available; (ii) complete or restore promptly and in good and workmanlike manner the buildings and improvements and any other building or improvement which may be constructed, damaged or destroyed thereon; (iii) pay when due all claims for labor performed and materials furnished therefore; (iv) comply in all material respects with all laws affecting the Collateral or requiring any alterations or improvements to be made thereon; (v) not commit or permit waste of or on the Collateral; and (vi) not commit, suffer or permit any act upon the Property in violation of law and/or any covenants, conditions or restrictions affecting the Collateral.

8. The Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee, and shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which the Beneficiary or the Trustee may appear, or in any suit brought by the Beneficiary to foreclose this Deed of Trust.

9. Should the Trustor fail to make any payment or do any act as herein provided, then the Beneficiary or the Trustee, without obligation to do so, and following notice to or demand on the Trustor, and without releasing the Trustor from any obligation hereof: (i) may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, the Beneficiary or the Trustee being

authorized to enter on the Property for such purposes; (ii) may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee; (iii) may pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto (except for the deeds of trust, encumbrances and liens securing the Construction/Permanent Financing Loan(s), as such terms are defined below); and (iv) in exercising any such powers, may pay necessary expenses, employ legal counsel and pay such counsel's reasonable fees. All such amounts paid by the Beneficiary or the Trustee hereunder shall be added to the obligations secured by this Deed of Trust.

The term "Construction/Permanent Financing Loan" means, collectively, the construction financing and take-out financing, and any refinancing or replacement of that financing from time to time, to be provided by a commercial or other lender(s); provided, however, that (i) before entering into any Construction/Permanent Financing Loan, the Trustor shall give the Beneficiary notice of the Construction/Permanent Financing Loan and copies of the loan agreement and all other loan documents evidencing the Construction/Permanent Financing Loan; (ii) the funds disbursed from each Construction/Permanent Financing Loan shall be used only for costs and charges associated with the loan and for the operation, maintenance and/or improvement of the Project or the Property as provided in the Development Covenant or to refinance existing indebtedness; (iii) the interest on each Construction/Permanent Financing Loan shall be at a reasonable rate based on all the facts and circumstances; and (iv) the combined amounts of all Construction/Permanent Financing Loans or any re-financing thereof and the Note secured by this Deed of Trust shall not exceed one hundred percent (100%) of the fair market value of the Property as improved by the Project under the Development Covenant (such value to be determined by a qualified appraiser reasonably acceptable to Trustor and Beneficiary).

10. The Beneficiary shall have the right, but not the obligation, to pay when due fire or other insurance premiums required hereunder if the Trustor fails to make such payments. All such amounts paid by the Beneficiary hereunder shall be added to the obligations secured by this Deed of Trust.

11. The Trustor shall pay immediately upon demand all sums so expended by the Beneficiary or the Trustee under this Deed of Trust, with interest from date of expenditure at the legal rate.

12. If the Trustor fails to pay any amount required by the Note or this Deed of Trust when due and payable, or fails to perform all other covenants, conditions and agreements of the Note, this Deed of Trust or the Development Covenant (following delivery of notice and expiration of the cure period, if any, provided therein), the amount of the Note, including unpaid principal and late charges, and all other charges and amounts required by the Note and this Deed of Trust shall, at the option of the Beneficiary, become immediately due and payable. This shall be in addition to and without limitation

on any other remedy or right available to the Beneficiary for such failure.

3. The Trustor shall not voluntarily create or permit to be created against the Collateral any lien or liens except as specifically permitted by this Deed of Trust or otherwise authorized by the Beneficiary. The Trustor shall keep and maintain the Collateral free from the claims of all persons supplying labor or materials who will enter into the construction, rehabilitation, renovation or repair of any and all buildings or improvements now existing or to be erected on the Property.

4. By accepting payment of any sum secured by this Deed of Trust after its due date or by accepting partial payment of any such sum, the Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for the Trustor's failure to pay.

5. If the Trustor, without the prior written consent of the Beneficiary: (i) agrees to or actually sells, conveys, transfers or disposes of the Collateral or any interest therein or portion thereof, or (ii) assigns or delegates any right or obligation under the Development Covenant, the Note or this Deed of Trust, then all amounts secured by this Deed of Trust may be declared immediately due and payable, at the option of the Beneficiary. The Beneficiary shall not unreasonably withhold its consent to any such transaction. The Beneficiary's consent to one transaction of this type shall not be a waiver of the right to require consent to future or successive transactions.

DUE ON SALE-CONSENT BY BENEFICIARY. Beneficiary may, at its option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of the Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of Property interest. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than fifty percent (50%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Trustor, other than a transfer to the managing member of Trustor or an affiliate of the managing member. However, this option shall not be exercised by Beneficiary if such exercise is prohibited by applicable law.

6. As further security for the full and complete performance of each and every obligation, covenant, agreement and duty of the Trustor contained herein or in the Note, the Trustor hereby grants and conveys to the Beneficiary a security interest in and lien on all of the Collateral. This Deed of Trust shall serve as a security agreement and financing

statement created pursuant to the California *Commercial Code*, and the Beneficiary will have and may exercise all rights, remedies and powers of a secured party under the California *Commercial Code*. Further, this Deed of Trust is filed as a fixture filing pursuant to the California *Commercial Code* and other applicable law, and covers goods which are or are to become fixtures.

7. Should the Property, the buildings or improvements thereon, or any part of any of them be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake or in any other manner, the Beneficiary will be entitled, subject to the rights of the holder of any senior deed of trust securing a Construction/Permanent Financing Loan, to all of the Trustor's interest in compensation, awards and other payments or relief therefor; and, following the occurrence of a default as defined in the Note, the Beneficiary shall be entitled, jointly with the Trustor, at the Beneficiary's option, to commence, appear in and prosecute in its own name, any action or proceeding, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any fire and other insurance affecting the Property or the buildings or improvements thereon, are hereby assigned to the Beneficiary, subject to the rights of the holder of any senior deed of trust securing a Construction/Permanent Financing Loan. After deducting therefrom all its expenses, including reasonable attorneys' fees, and if there has not occurred a default under the Note, the Beneficiary shall apply all such proceeds to restoring the Property or the buildings or improvements thereon, or if there has been such default, or if the Trustor determines not to rebuild, the Beneficiary shall retain the proceeds to the extent of the amount due under the Note and any amounts due under this Deed of Trust. Any balance of such proceeds still remaining shall be disbursed by the Beneficiary to the Trustor.

8. If the Trustor fails to perform any covenant or agreement in this Deed of Trust or the Development Covenant, or if a default occurs under the Note, the Beneficiary may declare all obligations and sums secured hereby immediately due and payable by delivery to the Trustee of written declaration of default and demand for sale and written notice of default and of election to cause the Collateral to be sold, which notice the Trustee shall cause to be duly filed for record, and the Beneficiary may foreclose this Deed of Trust; provided, however that the Trustor shall not be deemed to be in default hereunder for failure to make any payment when due or for failure to perform any other covenant or agreement contained herein until thirty (30) days after written notice of such failure is given to the Trustor and Trustor is afforded a reasonable opportunity to cure the default. The Beneficiary shall also deposit with the Trustee this Deed of Trust, the Note and all other documents evidencing the obligations or sums secured hereby.

9. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of sale having been given as then required by law, the Trustee, without demand on the Trustor, shall sell the Property at the time and place fixed by the Trustee in the notice of sale, either as a whole or in

separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in

lawful money of the United States, payable at time of sale. The Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may further postpone the sale by public announcement at the time fixed by the preceding postponement. The Trustee shall deliver to the purchaser its deed conveying fee title to the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the Trustee's deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including the Trustor, the Trustee and the Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of the sale to payment of: (i) the expenses of the sale, together with the reasonable expenses of the trust created by this Deed of Trust, including reasonable Trustee's fees and attorneys' fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (ii) the cost of any search and/or other evidence of title procedure in connection with the sale and of revenue stamps on the Trustee's deed; (iii) all sums expended under the terms hereof not then repaid, with accrued interest at the legal rate; (iv) all other sums then secured hereby; and (v) the remainder, if any, to the person or persons legally entitled thereto.

10. The Beneficiary may from time to time substitute a successor or successors to the Trustee named herein or acting hereunder to execute the trusts under this Deed of Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by the Beneficiary, containing reference to this Deed of Trust and its place of record, which instrument, when duly recorded in Fresno County, California, shall be conclusive proof of proper appointment of the successor trustee.

11. Upon written request of the Beneficiary stating that all obligations secured hereby have been satisfied and all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to the Trustee for cancellation and retention, and upon payment of its fees, the Trustee shall reconvey, without warranty, the Collateral then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

12. The trusts created by this Deed of Trust are irrevocable by the Trustor

13. This Deed of Trust applies to, inures to the benefit of, and binds of the Trustor, the Beneficiary and the Trustee and their respective administrators, executors, officers, directors, transferees, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder, including pledges, of the Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural.

13. In addition to and without limitation on any other rights or remedies of the Trustee or the Beneficiary, if the Trustee or the Beneficiary commences any legal action or proceeding to enforce or interpret any provision of this Deed of Trust or the Note, the Trustor shall pay all costs and expenses incurred by the Trustee or the Beneficiary in connection with such action or proceeding, including legal expenses and reasonable attorneys' fees and court costs.

14. The Trustee accepts the trusts hereunder when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which the Trustor, the Beneficiary or the Trustee is a party, unless brought by the Trustee.

15. The Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at 8445 W. Elowin court, Visalia, CA 93291.

16. The Trustor shall cause a copy of each deed of trust securing a Construction/ Permanent Financing Loan to be provided to the Beneficiary immediately upon its recordation, so that the Beneficiary may prepare and record a request for notice of default and notice of sale thereunder pursuant to California *Civil Code* Section 2924b.

17. PROVIDED THAT NO NOTICE OF DEFAULT HEREUNDER THEN APPEARS OF RECORD AND SUBJECT TO THE CONDITIONS IN SECTION 9 ABOVE AND/OR IN THE DEVELOPMENT COVENANT, THIS DEED OF TRUST SHALL BE SUBORDINATE AND SUBJECT TO ANY DEED OR DEEDS OF TRUST SECURING A CONSTRUCTION/PERMANENT FINANCING LOAN. BENEFICIARY SHALL, UPON REQUEST OF TRUSTOR, EXECUTE SUCH SUBORDINATION AGREEMENT OR OTHER DOCUMENTATION REASONABLY NECESSARY TO SUBORIDINATE THE LIEN AND CHARGE OF THIS DEED OF TRUST TO LIEN OF ANY DEED OR DEEDS OF TRUST SECURING A CONSTRUCTION/PERMANENT FINANCING LOAN, AS PROVIDED IN THE DEVELOPMENT COVENANT.

18. This Deed of Trust shall be interpreted and enforced, and the rights and duties (both procedural and substantive) of the parties hereunder shall be determined, according to California law.

19. Capitalized terms not otherwise defined herein shall have the meanings given them in the Development Covenant or the Note.

* * * * *

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date set forth above.

TRUSTOR:
Housing Authority of the City of Fresno, a public
body corporate and politic

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

Attachment: Exhibit A — Legal Description of the Property

ACKNOWLEDGMENTS

STATE OF CALIFORNIA

) ss.

COUNTY OF FRESNO

On _____ 20 , _____ before _____ me,
_____, Notary Public, personally appeared
_____, who proved to me on the basis
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

(SEAL)

EXHIBIT A to DEED OF TRUST

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN:

EXHIBIT J
HOMEBUYER
PROMISSORY NOTE

DO NOT DESTROY THIS NOTE: When paid, this note must be surrendered to Borrower for Cancellation.

PROMISSORY NOTE
Secured by Deed of Trust

Loan Amount: \$ _____
Fresno, California

Date: _____

Promise to Pay. For value received, the undersigned, _____ (Borrower), promises to pay to the order of the City of Fresno, a California municipal corporation in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (Lender), the sum of _____ dollars and 00/100 (\$ _____) at the rate of 0% per interest, due and payable on or before _____, (the Borrower Loan Maturity Date) pursuant to the Disposition and Development Agreement (DDA), and Homebuyer Written Agreement, on which date the unpaid principal balance together with unpaid penalties or late charges where applicable thereon shall be due and payable, along with attorney's fees and costs of collections, without relief from valuation and appraisal laws, provided that, in the event the Borrower is not then in default of the DDA. Any failure to make a payment required hereunder shall constitute a default under this Note.

Definitions. All capitalized terms used in this Note, unless otherwise defined, will have the respective meanings specified in the DDA and Homebuyer Agreement.

Business Day. Means any day other than Saturday, Sunday, or public holiday or the equivalent for banks generally under the laws of California. Whenever any payment to be made under this Note is stated to be due on a day other than a Business Day, that payment may be made on the next succeeding Business Day. However, if the extension would cause the payment to be made in a new calendar month, that payment will be made on the next preceding Business Day.

Security. This Note, and any extensions or renewals hereof, is secured by a Deed of Trust, executed by the Borrower and recorded against the Property in Fresno County, California, as Document No. _____ on _____, 2023, that provides for acceleration upon stated events, and executed in favor of the Lender (Deed of Trust), creating and insured as a not worse than 3rd position lien on the Property, subordinated only to a senior lender to borrow funds to secure a first mortgage for purchase of the property and Borrower's PLHA loan secured as a second mortgage located at _____ Street, Fresno, CA 93706 (Property). Said Deed of Trust shall be subject to the terms of the Homebuyer Written Agreement, and such shall automatically be incorporated in the terms of the Deed of Trust that secures this Note. Said Deed of Trust is insured by CLTA Lender's policy in the principal amount of, and endorsed for this Note.

Time is of the Essence. It will be a default under this Note if the Borrower defaults under the DDA, defaults under any other Loan Documents, or if Borrower fails to pay when due any sum payable under this Note. In the event of a default by the Borrower, the Borrower shall pay a late charge equal to the lesser of 2% of any outstanding payment or the maximum amount allowed by law. All payments collected shall be applied first to payment of any costs, fees or other charges due under this Note or any other Loan Documents and then to the principal balance. On the occurrence of a default or on the occurrence of any other event that under the terms of the Loan Documents give rise to the right to accelerate the balance of the indebtedness, then, at the option of Lender, this Note or any notes or other instruments that may be taken in renewal or extension of all or any part of the indebtedness will immediately become due without any further presentment, demand, protest, or notice of any kind.

Terms of Payment. The indebtedness evidenced by this Note shall be paid in whole upon the 45-year maturity date. The Lender will apply all the payments first to any costs, fees, late charges, or other charges due under this Note or under any of the other Loan Documents and then to the principal balance.

All Loan payments are payable in lawful money of the United States of America, to:

City of Fresno – Finance Department
Accounts Receivable
2600 Fresno Street, Suite 2156
Fresno, CA 93721

The Borrower agrees to pay all costs including, without limitation, attorney fees, incurred by the holder of this Note in enforcing payment, whether or not suit is filed, and including, without limitation, all costs, attorney fees, and expenses incurred by the holder of this Note in connection with any bankruptcy, reorganization, arrangement, or other similar proceedings involving the undersigned that in any way affects the exercise by the holder of this Note of its rights and remedies under this Note. All costs incurred by the holder of this Note in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by the Borrower. The Borrower will pay to the Lender all attorney fees and other costs referred to in this paragraph on demand.

Any notice, demand, or request relating to any matter set forth herein shall be in writing and shall be given as provided in the DDA and Homebuyer Written Agreement. No delay or omission of the Lender in exercising any right or power arising in connection with any default will be construed as a waiver or as acquiescence, nor will any single or partial exercise preclude any further exercise. The Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of the Lender's rights under this Note, but rather will be deemed to have been made in pursuance of this Note and not in modification. No waiver of any default will be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default.

Terms of Security Instruments. The Deed of Trust securing this note provides as follows:

DUE ON SALE–CONSENT BY BENEFICIARY. The Beneficiary may, at its option, declare immediately due and payable all sums secured by a Deed of Trust upon the sale or transfer of all or any portion of the Property, or any interest therein, as provided in the DDA and Homebuyer Written Agreement, without the Beneficiary’s prior consent. A “sale or transfer” means the conveyance of the Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of land interest. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than 25% of the voting stock, partnership interests or limited liability company interests, as the case may be, of Trustor. However, this option shall not be exercised by the Beneficiary if such exercise is prohibited by applicable law.

Assignment by Lender. The Lender may transfer this Note and deliver to the transferee all or any part of the Property then held by it as security under this Note, and the transferee will then become vested with all the powers and rights given to Lender; and Lender will then be forever relieved from any liability or responsibility in the matter, but Lender will retain all rights and powers given by this Note with respect to Property not transferred.

Enforceability. If any one or more of the provisions in this Note is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. This Note will be binding on and inure to the benefit of Borrower, Lender, and their respective successors and assigns.

Governing Law. The Borrower agrees that this Note will be deemed to have been made under and will be governed by the laws of California in all respects, including matters of construction, validity, and performance, and that none of its terms or provisions may be waived, altered, modified, or amended except as the Lender may consent to in a writing duly signed by the Lender or its authorized agents.

//

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be executed by its authorized agent as of the date and year first above written.

BORROWER

By: _____ Date: _____
Name: _____
(Attach notary certificate of acknowledgment)

By: _____ Date: _____
Name: _____
(Attach notary certificate of acknowledgment)

Exhibit K

Recorded at the Request of
and When Recorded Return to:

Housing Successor of the Redevelopment Agency
of the City of Fresno
848 M Street, 3rd Floor
Fresno, CA 93721

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

ESCROW NO. _____
APN NO.: _____

**HOMEBUYER
DEED OF TRUST**

THIS DEED OF TRUST (Deed of Trust) made this ___ day of _____, 2023, by and between _____ (herein Borrower), _____ Title Company, a California Corporation (herein Trustee), and the City of Fresno, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno, organized and existing under the laws of the State of California whose address is 848 M Street, 3rd Floor, Fresno, California 93721 (herein Beneficiary and Lender).

The Borrower, in consideration of the indebtedness herein recited and the trust herein created, does irrevocably grant and convey to Trustee, in trust, with power of sale, all the Borrower's right, title, and interest now owned or hereafter acquired in the real property (Land) of APN: _____, located at _____ Street, Fresno, CA _____, Fresno County, California and more particularly described in the Attached Exhibit "A", incorporated by reference (Borrower agrees that any greater interest to the Land later acquired during the term of this Deed of Trust will be subject to this Deed of Trust), together with the profits, subject however, to the right, power, and authority granted and conferred on the Borrower in this Deed of Trust to collect and apply the profits; and

The Borrower also irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, all of the Borrower's right, title and interest now owned or later acquired to the following property (including the rights or interests pertaining to the property) located at _____ Street, Fresno, CA 93706:

Buildings and improvements now or later on the land and all easements, rights, appurtenances, water and water rights, minerals and mineral rights; all machinery, equipment, appliances, and fixtures for the generation or distribution of air, water, heat, electricity, light, fuel, or refrigeration or for ventilating or sanitary purposes or for the exclusion of vermin or insects or for the removal of dust, refuse, or garbage; all wall safes, built-in furniture, and installations, window shades and blinds, light fixtures, fire hoses and brackets, screens, linoleum,

carpets, furniture, furnishings, fixtures, plumbing, laundry tubs and trays, refrigerators, heating units, stoves, water heaters, incinerators, and communication systems and installations for which _____ Street is specially designed; all of these item, whether now or later installed, being declared to be for all purposes of this Deed of Trust a part of the Land, the specific enumerations in this Deed of Trust.

TO SECURE, in order of priority that Beneficiary determines:

- (1) Payment of the indebtedness evidenced by a note of the Borrower of even date with this Deed of Trust in the principal amount of _____ dollars and 00/100 (\$_____.00) (Note), payable to the Beneficiary or order, and all extensions, modifications, or renewals of that note; and
- (2) Payment of the interest on that indebtedness according to the terms of the Note; and
- (3) Payment of all other sums becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust; and
- (4) Performance of every obligation contained in this Deed of Trust, the Note, the Disposition and Development Agreement (DDA) and Homebuyer Written Agreement and its related documents, the Declaration of Restrictions dated _____, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by the Borrower as of the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness amending this Deed of Trust or any instrument secured by this Deed of Trust (collectively the Loan Documents); and
- (5) Payment of all other obligations owed by the Borrower to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

The Borrower covenants that the Property is unencumbered except for encumbrances of record. The Borrower covenants that the Borrower will forever warrant and will defend the grant made in this Deed of Trust against all claims and demands, subject to encumbrances of record. The Borrower covenants that the Borrower will maintain and preserve the lien of this Deed of Trust until all the indebtedness under the Note is paid in full.

The Borrower represents and warrants to the Beneficiary that as of the date of this Deed of Trust the Borrower has the requisite power and authority to own the Property.

The Borrower represents and warrants to the Beneficiary that as of the date of this Deed of Trust the execution, delivery, and performance by the Borrower and the borrowings evidenced by the Note are within the power of the Borrower and will not violate any provision of law, any order of any court or agency of government, DDA, Homebuyer Written Agreement, or any other instrument to which Borrower is a party or by which the Borrower or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with

due notice and lapse of time) a default under any agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of the Borrower, except as contemplated by the provisions of the Loan Documents; and each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

The Borrower represents and warrants to the Beneficiary that as of the date of this Deed of Trust that the Property is used principally as affordable housing and shall be a principal place of residence for a period of 45 years and that the principal purpose of the Loan is for mortgage assistance.

UNIFORM COVENANTS. The Borrower and the Lender covenant and agree as follows:

1. Payment of Principal. The Borrower shall promptly pay when due the principal indebtedness evidenced by the Note.
2. Hazard Insurance. The Borrower, at its sole cost and expense, for the mutual benefit of the Borrower and the Beneficiary, shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as the Lender may require and in such amounts and for such periods as the Lender may require as set forth in the DDA and Homebuyer Written Agreement referenced above.

The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the Lender and shall include a standard mortgage clause in favor of and in a form acceptable to the Lender. The Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the Lender. The Lender may make proof of loss if not made promptly by the Borrower.

If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the Lender within 30 days from the date notice is mailed by the Lender to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

3. Preservation and Maintenance of Property. The Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. The Borrower shall not permit overcrowded housing conditions to exist as defined by the U.S. Department of Housing and Urban Development.
4. Protection of Lender's Security. If the Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, then the Lender, at the Lender's option, upon notice to the Borrower, may make such appearances, disburse

such sums, including reasonable attorney's fees, and take such action as is necessary to protect the Lender's interest. If the Lender requires mortgage insurance as a condition of making the loan secured by this Deed of Trust, the Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Borrower's and the Lender's written agreement or applicable laws.

Any amounts disbursed by the Lender pursuant to this Paragraph 4 shall become additional indebtedness of the Borrower secured by this Deed of Trust. Unless the Borrower and the Lender agree to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof. Nothing contained in this Paragraph 4 shall require the Lender to incur any expense or take any action hereunder.

5. Inspection. The Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that the Lender shall provide the Borrower notice prior to any such inspection specifying reasonable cause therefore related to the Lender's interest in the Property.
6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.
7. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by the Lender to any successor in interest of the Borrower shall not operate to release, in any manner, the liability of the original Borrower and the Borrower's successors in interest. The Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust be reason of any demand made by the original Borrower and the Borrower's successors in interest. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be waiver of or preclude the exercise of any such right of remedy.
8. Successors and Assignees Bound; Joint and Several Liability; Co-Signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assignees of the Lender and the Borrower. All covenants and agreements of the Borrower shall be joint and several. Any borrower who co-signs this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that the Borrower's interest in the Property of Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust or the Note, without the Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

9. Transferability. One of the inducements to the Beneficiary for making the Loan is the identity of the Borrower. The existence of any interest in the Property other than the interests of the Borrower and the Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in the Borrower other than those of the present owners, would impair the Property and the security interest of the Beneficiary, and, therefore, except as provided herein or in the Loan Documents, the Borrower will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of the Beneficiary. Consent to one transaction by the Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the Beneficiary and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note except as prohibited by law.
10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to the Borrower at the Property address or at such other address as the Borrower may designate by notice to the Lender as provided herein, and (b) any notice to the Lender shall be given by certified mail to the Lender's address stated herein or to such other address as the Lender may designate by notice to the Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to the Borrower or the Lender when given in the manner designated herein.
11. Governing Law; Severability. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust or if the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are declared to be severable. As used herein, "costs", "expenses", and "attorney's fees" include all sums to the extent not prohibited by applicable law or limited herein.
12. Borrower's Copy. The Borrower shall be furnished a copy of the Promissory Note, and a conformed copy this Deed of Trust and Declaration of Restrictions after recordation thereof.

NON-CONFORMING COVENANTS. The Borrower and the Lender further covenant and agree as follows:

13. Acceleration; Remedies. Upon the Borrower's breach of any covenant or agreement of the Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, the Note or the Program restrictions, the Lender prior to acceleration shall give notice to the Borrower as provided in Paragraph 10 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than ten days from the date notice is mailed to the Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date

specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform the Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of the Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the Lender, at the Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. The Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Paragraph 13, including, but not limited to, reasonable attorney's fees. If the Lender invokes the power of sale, the Lender shall execute or cause the Trustee to execute a written notice of the occurrence of an event of default and of the Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. The Lender or the Trustee shall mail copies of such notice in the manner prescribed by applicable law. The Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, the Trustee, without demand on the Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine.

The Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. The Lender or the Lender's designee may purchase the Property at any sale.

The Trustee shall deliver to the purchaser the Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. The Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

14. Borrower's Right to Reinstate. Notwithstanding the Lender's acceleration of the sums secured by this Deed of Trust due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) the Borrower pays the Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) the Borrower cures all breaches of any other covenants or agreements of the Borrower contained in this Deed of Trust; (c) the Borrower pays all reasonable expenses incurred by the Lender and the Trustee in enforcing the covenants and agreements of the Borrower in Paragraph 14 hereof, including but not limited to, reasonable attorney's fees; and (d) the Borrower takes such action as the Lender may reasonably require to assure that the lien of this Deed of Trust, the Lender's interest in the Property and the Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by the Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

15. Lien of Deed of Trust. The Beneficiary agrees that the lien of this Deed of Trust shall be subordinated to any senior lender recorded against the Property, provided its terms must terminate upon foreclosure under this Deed of Trust or upon a transfer of the Property by instrument of lieu of foreclosure.
16. Reconveyance. Upon payment of all sums secured by this Deed of Trust, the Lender shall request the Trustee to reconvey the Property and shall surrender this Deed of Trust, and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
17. Substitute Trustee. The Lender at the lender's option, may, from time to time, appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by the Lender and recorded in the Fresno County Recorder's Office. The instrument shall contain the name of the original the Lender, the Trustee and the Borrower, the book and page where this Instrument is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.
18. Statement of Obligation. The Lender may collect a fee not to exceed \$50 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.
19. Event of Default. Prior to declaring or taking any remedy permitted under Loan Documents, (where applicable) the Borrower shall have an additional period of not less than thirty days to cure such alleged default. Notwithstanding the foregoing, in the case of a default that cannot with reasonable diligence be remedied or cured within thirty days, the Borrower shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than 90 days from the expiration of the initial 30-day period above. To the extent that there is a conflict between this Paragraph 19 and any remedy permitted by the DDA, Homebuyer Written Agreement, Loan Documents, or Loan, the terms of this Paragraph 19 shall control.

The following events are each an "Event of Default":

- a. Breach of any of the terms of this Note, the Deed of Trust, or the Declaration of Restrictions;
- b. Misrepresentation or misstatement of any facts upon which Borrower's eligibility for the Loan is based;
- c. Failure by Borrower to occupy the Property as Borrower's principal place of residence for reasons other than medical treatment or disability which require a temporary alternate residence; and
- d. Transfer or attempted transfer of all or any portion of Borrower's right, title and/or interest in the property, by any means or method including, but not limited to, sale, contract to sell, lease, devise, or the granting a lien, security

interest or other encumbrance, whether voluntary or involuntary, or by operation of law, without the Lender's written permission.

- e. The following shall also constitute a default under this Note: Occurrence of (1) Borrower's becoming insolvent or bankrupt or being unable or admitting in writing Borrower's inability to pay Borrower's debts as they mature or making a general assignment with creditors; (2) proceedings for the appointment of a receiver, trustee, or liquidator of the assets of Borrower or a substantial part thereof, being authorized or instituted by or against Borrower; or (3) proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation, or other similar law of any jurisdiction being authorized or instituted against Borrower.
- f. Failure to maintain insurance as provided in Section 2 hereof.

If one or more Event of Default occurs and is continuing, then the Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and the Beneficiary may:

- (i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of the Borrower, or the existence of waste, enter on and take possession of the Property or any part of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon the Indebtedness, all in any order that the Beneficiary may determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;
- (ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;
- (iii) deliver to the Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;
- (iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with the Beneficiary's rights and remedies in respect of the Land, or proceed to sell the Personalty separately and without regard to the Land in accordance with Beneficiary's rights and remedies; or
- (v) exercise any of these remedies in combination or any other remedy at law or in equity.

20. Protection of Security. If an Event of Default occurs and is continuing, Beneficiary or Trustee, without notice to or demand upon the Borrower, and without releasing the Borrower from any obligations or defaults may:

- (a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

- (b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of the Beneficiary or the Trustee;
- (c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of the Beneficiary or the Trustee is prior or superior to this deed of Trust; and
- (d) pay expenses relating to the Property and its sale, employ counsel, and pay reasonable attorneys' fees.

The Borrower agrees to repay on demand all sums expended by the Trustee or the Beneficiary pursuant to this section with interest at the Note Rate of Interest, and those sums, with interest, will be secured by this Deed of Trust.

//

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above.

BORROWER

By: _____ Date: _____
Name: _____
(Attach notary certificate of acknowledgment)

By: _____ Date: _____
Name: _____
(Attach notary certificate of acknowledgment)

EXHIBIT "A"
To Deed of Trust
Legal Description

DO NOT RECORD

The following is a copy of provisions (1) to (14), inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

To Protect the Security of This Deed of Trust, Trustor (herein Borrower) Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violations of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to the Beneficiary fire insurance satisfactory to and with loss payable to the Beneficiary. The amount collected under any fire or other insurance policy may be applied by the Beneficiary upon indebtedness secured hereby and in such order as the Beneficiary may determine, or at option of the Beneficiary the entire amount so collected or any part thereof may be released to the Borrower. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee, and to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Beneficiary or the Trustee may appear, and in any suit brought by the Beneficiary to foreclose this Deed of Trust.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust.

Should the Borrower fail to make any payment or to do any act as herein provided, then the Beneficiary or the Trustee, but without obligation so to do and without notice to or demand upon the Borrower and without releasing the Borrower from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof the Beneficiary or the Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by the Beneficiary or the Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date

hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to the Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, the Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of the Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of the Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to the Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto. Five years after issuance of such full reconveyance, the Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, the Borrower hereby gives to and confers upon the Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto the Borrower the right, prior to any default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto the Borrower the right, prior to any default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees. Upon any indebtedness secured hereby, and in such order as the Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder the Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written declaration of default and

demand for sale and of written notice of default and of election to cause to be sold said property which notice the Trustee shall cause to be filed for record. The Beneficiary also shall deposit with the Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on the Borrower, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. The Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement the Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including the Borrower, the Trustee, or the Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of the Trustee and of this Trust, including cost of evidence of title in connection with sale, the Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) The Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Borrower, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Borrower, Beneficiary or Trustee shall be a party unless brought by Trustee.

//

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid:

To _____ Title Company, Trustee: Dated _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO: _____

By _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

HOMEBUYER WRITTEN AGREEMENT

HERITAGE ESTATES Homebuyer Agreement for Mortgage Assistance

NOTICE TO HOMEBUYER: This Agreement contains requirements you must fulfill in exchange for the assistance you are receiving through the City of Fresno in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno. You should read each paragraph carefully and ask questions regarding any sections you do not fully understand. This Agreement will be enforced through a forgivable loan and mortgage as set forth in Section 1 below. You should be sure that you thoroughly understand these documents before you sign them.

This Agreement is entered into this _____, 2023 by and between _____, an individual (herein referred to as HOMEBUYER) and the City of Fresno, a municipal corporation in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (herein referred to as Agency), to provide low-income homebuyer mortgage assistance. The Agency assistance enables HOMEBUYER to purchase the residence located at _____, Fresno, California. The house must remain HOMEBUYER's principal place of residence during the entire period of time covered by this Agreement.

Section 1: Scope of Program

The Agency will loan the HOMEBUYER the sum of _____ (Loan), which was provided to the Developer from the Agency as a developer subsidy, thus reducing the sales price of the house to the HOMEBUYER by that same amount, and therefore representing a direct subsidy to the HOMEBUYER. The Loan will be protected by a mortgage recorded on the Property. The Promissory Note and Deed of Trust will be released once the period of affordability, as described in Section 2 below, has expired. At that time, if the HOMEBUYER has complied with the terms of this Agreement, no further sums will be due to the Agency.

Section 2: Affordability Period

The period of affordability for the house will be 45 years, based on the amount of the direct subsidy to the HOMEBUYER. During this 45-year affordability period, the HOMEBUYER must always maintain the house as his/her principal place of residence. The 45-year period of affordability shall begin at the recordation of the Commencement of Affordability, which a conformed copy shall be provided to the HOMEBUYER. At the end of the 45-year period of affordability, the Agreement will expire, and the Promissory Note and Deed of Trust will be released.

Section 3. Loan and Interest Rate

The Agency will provide funds in the form of a 45-year mortgage at 0% interest to the HOMEBUYER in the sum of _____ (\$000.00).

The mortgage assistance in the form of a Promissory Note will be secured by a Deed of Trust recorded against the property. The HOMEBUYER understands and agrees that the Promissory Note secured by a Deed of Trust is made for the sole purpose of assisting the HOMEBUYER in the purchase of the HOMEBUYER's house as the principal place of residence.

Therefore, the HOMEBUYER understands and agrees that the Promissory Note secured by this Deed of Trust shall be immediately due and payable upon the earlier of: (1) any change in residency of the HOMEBUYER from the HOMEBUYER's house which is used as security for the Note described above, unless having obtained the written consent of the Agency; or (2) the sale or transfer, without the Agency's prior written consent, of all or any part of the property, or any interest in the property. A "sale or transfer" means the conveyance of the property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the property, or by any other method of conveyance of land interest.

The CITY and the HOMEBUYER acknowledge and agree that this security instrument is second and subordinate in all respects to the liens, terms, covenants and conditions of the first Deed of Trust and if applicable a second mortgage issued by the City of Fresno through a Permanent Local Housing Allocation Agreement and shall not impair the rights of any institutional lender which is the maker of a loan secured by such first deed of trust, or such lender's assignee or successor in interest, to exercise its remedies under the deed of trust in the event of default by the HOMEBUYER. These remedies include the right to foreclosure or exercise a power of sale or to accept a deed or assignment in lieu of foreclosure. The terms and provisions of the first Deed of Trust and if applicable a second mortgage issued by the City of Fresno through a Permanent Local Housing Allocation Agreement are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the first Deed of Trust and if applicable a second mortgage issued by the City of Fresno through a Permanent Local Housing Allocation Agreement, any provisions herein or any provisions in any other collateral agreement restricting the use of the property to low-income households or otherwise restricting the HOMEBUYER's ability to sell the property shall have no further force or effect on subsequent owners or purchasers of the property. Any person, including his/her successors or assigns (other than the HOMEBUYER or a related entity of the HOMEBUYER), receiving title to the property through a foreclosure or deed in lieu of foreclosure of the first Deed of Trust shall receive title to the property free and clear from such restrictions.

In the event of a catastrophic occurrence that results in the property having to be sold, the portion of the existing second mortgage lien that results in the combined loan-to-value ratio being more than 100% of the value of the property will be released with no forgiveness of that portion of the debt, and the contemporaneous execution of an unsecured promissory note equal to the amount released from the second mortgage, and a modification agreement that reduces the secured debt of the existing second mortgage by the amount of the new unsecured promissory note.

Section 4. Use of Funds

The Loan provided to the HOMEBUYER was initially provided to the Developer as a construction loan for the construction of the house located at _____, Fresno, California. Developer's construction loan subsequently converted to a mortgage assistance loan at the transfer of the property title through escrow to the HOMEBUYER, thus representing a direct mortgage subsidy assistance to the HOMEBUYER.

Section 5. Principal Residence Requirement

This Agreement shall remain in force throughout the 45-year affordability period so long as the house remains the principal residence of the HOMEBUYER. The house shall remain the HOMEBUYER's principal place of residence for the entire 45-year affordability period as evidence by the fully executed and recorded Declaration of Restrictions which contains the affordability covenants which shall run with the land and be recorded against the property. Should the HOMBUYER not maintain the house as his/her principal place of residence, or rent or sell the residence to another party, the HOMEBUYER will be in default of this Agreement and will be required to repay any amount of the Loan outstanding as of the date the house is no longer the principal place of residence of the HOMEBUYER.

Section 6. Recapture Agreement

The Agency requires that Agency funds be recaptured if the house does not continue to be the HOMEBUYER's principal residence or if all or any part of the property or any interest in it is sold, rented, conveyed, or transferred for the duration of the 45-year affordability period. If the net proceeds are not sufficient to recapture the full Agency investment plus enable the HOMEBUYER to recover the amount of the HOMEBUYER's down payment and any capital improvement investment made by the HOMEBUYER since purchase, the Agency may share the net proceeds. The net proceeds are the sales price minus superior loan repayment and any closing costs.

Section 7. Low-Income Homebuyer

The HOMEBUYER attests, and the Agency has verified, that the HOMEBUYER qualifies as a low-income individual or household with a total income that does not exceed 80% of the Area Median Income for Fresno County.

Section 8. Appraised Value of Housing Determined to be Modest

The Agency certifies that the property appraiser has appraised the value of the house located at _____, Fresno, California, that is subject of this Agreement is [\$ FILL IN DOLLAR AMOUNT].

Section 9. Insurance Requirement

The HOMEBUYER must at all times during the duration of the Agreement maintain a valid and current insurance policy on the house for the current appraised or assessed value of the house. Failure to maintain a valid and current insurance policy will be considered a breach of this Agreement, and the Agency will have the right to foreclose on its mortgage lien if necessary to protect the Agency's investment.

Section 10. Property Standards

The property located at _____ Fresno, California must meet all State and local housing quality standard and CITY code requirements. If no such standards or codes apply, the property must at a minimum meet the HUD Section 8 Housing Quality Standards/Uniform Physical Conditions Standards.

HOMEBUYER

_____, an individual
(Attach notary certificate of acknowledgment)

Date

CITY OF FRESNO,
A California municipal corporation in its capacity
as Housing Successor to the Redevelopment Agency
of the City of Fresno

By: _____
Name: Marlene Murphey,
Title: Executive Director
(Attach notary certificate of acknowledgment)

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Name: Tracy N. Parvanian
Title: Supervising Deputy City Attorney

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Name:
Title: Deputy City Clerk