

RECORDED AT THE REQUEST OF

City of Fresno
2600 Fresno Street
Fresno, Ca. 93721
Attention: City Manager

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

By: _____

Bruce Rudd

Its: City Manager

Dated: _____

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

SELF-HELP ENTERPRISES

a California non-profit corporation

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

SELF-HELP ENTERPRISES
a California non-profit corporation

Annadale and Elm Avenues
Affordable Housing Project
Fresno, California 93706

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	Affordability Restrictions (Self-Help Homeownership Program)
Exhibit H	Affordability Restrictions/Exhibits (Affordable Senior Rental Housing Program)
Exhibit I	Promissory Note
Exhibit J	Deed of Trust

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 Self-Help Enterprises, a California non-profit corporation (the “Developer”).

RECITALS

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

- A. FHS currently owns certain real property at the northwest corner of Annadale and Elm Avenues, Fresno, California, more particularly described in Exhibits “A” (Site Map) and “A-1,” (legal description) attached (the “Property”).
- B. Developer proposes to acquire the Property from FHS to develop affordable rental and homeownership housing opportunities, as more particularly described in the Scope of Development and Section 1.19, attached as Exhibit “B” (the “Project”).
- C. Developer agrees to undertake improvements in accordance with the combined Performance Schedule described in Exhibit “C” attached hereto and incorporated herein (the “Performance Schedule”).
- D. This project has been environmentally assessed under the California Environmental Quality Act (“CEQA”) by a Mitigated Negative Declaration EA No. 17-003 dated March 17, 2017.

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 City and Developer.

1.3 **Certificate of Completion.** “Certificate of Completion” means that Certificate issued in the form attached as Exhibit D 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.

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 Self-Help Enterprises, a California non-profit corporation.

1.9 Effective Date. "Effective Date" means the date that FHS signs this Agreement (including attestation by the Clerk), after Developer signs it.

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 City to convey a fee interest in the Property to Developer.

1.12 Escrow Holder. "Escrow Holder" means Fidelity National Title, 7485 N. Palm Ave., Fresno, California 93711, Attn: Bernadette Watson, or another 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 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, (e) 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.

1.15 Improvements. “Improvements” means the construction of the Project on the Property.

1.16 Outside Date. “Outside Date” means April 30, 2019, the last date on which the parties are willing to Close the Escrow.

1.17 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 City, but any delay or extension of the completion date is subject to the requirements in this Agreement.

1.18 Phase. “Phase” means a stage or portion of the Project designated by Developer for construction. The Self-Help Homeownership Program and Affordable Senior Housing Program are separate and distinct Phases. A Phase may not consist of less than an entire residential structure.

1.19 Project. “Project” means the development that Developer is to complete on the Property and any off-site improvements, as generally described in the Scope of Development, attached as Exhibit B. The Project includes affordable residential units consisting of approximately 26 single-family homes (all homes will be marketed to households at or below 80% AMI) (the “Self-Help Homeownership Program”) and approximately 40-45 units of affordable senior housing (a minimum of 30% of the senior rental units will be affordable at or below 30% of the area median income) (the “Affordable Senior Rental Housing Program”). The Project includes, without limitation, single family homes, multi-family residential units, a community center, open space, and the associated landscaping, parking improvements, on-site improvements, and any off-site improvements that the FHS may require as a condition to approving the Project. The Project may be developed and constructed in two or more Phases as shown in Exhibit C.

1.20 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.

1.21 Property. “Property” means the real property described in Exhibits A and A-1. The Self-Help Homeownership Property generally consists of approximately 4.5 acres on the western portion of the Property and the Affordable Senior Housing Program Property consists of approximately 3.5 acres on the eastern portion of the Property.

1.22 Security Financing Interest. “Security Financing Interest” means a security interest, which Developer grants in its interest in the Property, before FHS issues and records a Release of Construction Covenants, to secure a debt, the proceeds of which Developer uses to construct the Project.

2. CONVEYANCE OF THE PROPERTY. FHS will convey the Property to Developer for the purchase price and on the conditions set forth herein.

2.1 Purchase Price. FHS will contribute the Self-Help Homeownership Property to the Project. Developer will purchase the Affordable Senior Rental Housing Property from FHS for fair market value to be determined by an appraisal. FHS will finance the purchase of the Affordable Senior Rental Housing Property pursuant to terms in the Promissory Note attached as Exhibit I.

2.2 Escrow. Within 15 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 Self-Help Homeownership Property and the Affordable Senior Rental Property separately, upon satisfaction of the conditions in 2.4 for the respective Property Closing of the Self-Help Homeownership Property shall occur within 60 days of recordation of the Final Vesting Subdivision Map.

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. "Property" as used in this section may refer separately to the Self-Help Ownership Property or the Affordable Senior Rental Property in the event of separate Closings.

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 Exhibit C Performance Schedule, or waived prior to close of escrow:

A. 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.

B. 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.

C. 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.

D. Developer has entered into, and provided FHS copies of agreements with any and all funding sources and the general contractor for each Phase of the Project. 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.

E. For the Affordable Senior Rental Housing Property, Developer has submitted evidence that the combined monies from the funding sources are not less than the greater of the total development cost of \$12,032,886 or the amount which FHS determines is necessary to complete the Project, including evidence of a loan commitment for such funding sources acceptable to the FHS. Developer intends to apply for 9% Low Income Housing Tax Credits in Round 2 of 2018 (no later than June 28, 2018). If FHS determines that said funds are not sufficient to complete the Project, Developer may satisfy this condition as agreed to by Developer and FHS in writing.

F. For the Self-Help Homeownership Property, Developer has submitted evidence that the combined monies from the funding sources are not less than the greater of the total development cost of \$4,420,000 or the amount which FHS determines is necessary to complete the Project, 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.

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

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 Exhibit C Performance Schedule, 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 fifteen days following the Effective Date. Developer shall notify FHS in writing within fifteen 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 fifteen 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 ten 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 and/or low-income housing tax credit investor requirement, 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. The 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 an ALTA standard owner's policy of title insurance with coverage not exceeding the fair market value, insuring the title to the Property as described herein. The Developer shall pay the portion of the premium for an ALTA extended 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 the 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 E. 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. FHS may separately convey the Self-Help Ownership Property and the Affordable Senior Rental Housing Property as described in Section 2.3.

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 and Developer, respectively, for the title insurance premiums described in Section 2.3 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 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. Disburse funds from the Purchase Price, and 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 to the Developer to assist the Developer in construction costs of the Project. FHS shall provide \$600,000 in assistance for the Self-Help Homeownership Program as follows: \$300,000 for technical assistance and \$300,000 to provide infrastructure. FHS financial assistance for the Self-Help Homeownership Program shall be payable to Developer when the conditions in Section 2.4.1 are satisfied. FHS shall endeavor to seek secondary financing per single family unit in the Self-Help Homeownership Program from sources such as, but not limited to, CDBG, CalHOME, or HOME funds.

3.2 FHS shall provide assistance for the Affordable Senior Rental Housing Program in the form of a below market interest rate loan for \$2,900,000. FHS will also provide seller financing in the form of a below market interest rate loan for purchase of the Affordable Senior Rental Housing Property. Funding for the Senior Rental Housing Program shall be disbursed into an escrow account or equivalent at closing when the conditions in 2.4.1 are satisfied.

3.3 Developer may apply for an exemption from payment of City development impact fees pursuant to Fresno Municipal Code.

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 where provision of state code allows for owner-builder exemptions. Notwithstanding the foregoing, the Developer shall utilize the mutual self-help method of construction for the Self-Help Homeownership program and sweat equity (i.e. labor) from the families is allowable.

4.2 Except as may be expressly provided herein, Developer shall not begin construction or perform any other work on the Property until after Closing. However, following the Closing, Developer shall be permitted access to the Property to perform Developer's testing, investigation and other due diligence which Developer deems necessary to prepare for the development of the Project.

4.3 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 construction by the date provided in the Performance Schedule, and will diligently complete 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 4.4.

4.4 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. Times of performance under this Agreement may also be extended in writing by FHS and the Developer. Executive Director, on behalf of FHS, may grant extension(s) which cumulatively do not exceed one hundred eighty (180) days; any additional extension shall require City Council approval.

4.5 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 submission 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 constructed for the Self-Help Homeownership program 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.

4.6 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:

4.6.1. 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.

4.7 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:

4.7.1. Pay or discharge the same; or

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

4.7.3. 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.

4.8 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.

4.9 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.

4.10 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.

5. INDEMNITY; INSURANCE.

5.1 Indemnity. To the furthest extent allowed by law, Developer shall indemnify, hold harmless and defend, with qualified counsel of Developer's choice, FHS, and each of its officers, officials, employees and agents from any loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability including, without limitation, personal injury, death at any time and property damage) incurred by FHS, Developer or any other person, and from any claims, demands and actions in law or equity (including reasonable attorneys' fees, litigation and legal expenses incurred by FHS or City

or held to be the liability of FHS or City, including plaintiff's or petitioner's attorney's fees if awarded, in connection with City or FHS's defense of its actions in any proceeding), arising or alleged to have arisen directly or indirectly out of performance or in any way connected with: (i) the making of this Agreement; (ii) the performance of this Agreement; (iii) the performance or installation of the work or Improvements by the Developer and Developer's employees, officers, agents, contractors or subcontractors; (iv) the design, installation, operation and removal or maintenance of the work and Improvements; or (v) City or FHS's granting, issuing or approving use of this Agreement.

Developer's obligations under the preceding sentence shall apply regardless of whether City or FHS or any of its officers, officials, employees or agents are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or FHS or any of its officers, officials, employees, agents or authorized volunteers.

This indemnity shall also cover, without limitation the following: (i) any act, error or omission of Developer as to the FHS or any of their officers, employees, contractors, subcontractors, invitees, agents or representatives in connection with this Agreement, the Project or the Property; (ii) any use of the Property, the Project by Developer or any of its officers, employees, contractors, subcontractors, invitees, agents or representatives, successors or assigns; (iii) the design, construction, operation or maintenance of the Project; or (iv) failure of Developer or any of its officers, employees, contractors, subcontractors, invitees, agents or representatives to comply with any Federal, State or local law, code, ordinance or regulation applicable to this Agreement or the Project, including, but not limited to, claims based upon failure to comply fully with prevailing wage laws as may be determined by any court or agency of the State of California or United States Government; with respect to any and all claims related to prevailing wage, Developer, as provided herein and otherwise in this Agreement, assumes all responsibility for payment of prevailing wage and complying with prevailing wage laws, if required, and specifically waives any and all rights against the City or FHS, as well as City and FHS agents, employees, agencies, and consultants, pursuant to California Labor Code section 1726(c) and analogous federal law, if any, and agrees to defend and fully indemnify the City and FHS, as well as City and FHS agents, employees, agencies, and consultants, for any claims based upon failure to pay prevailing wage, including, without limitation, claims for damages, fines, penalties, litigation expenses, costs, attorneys' fees, and interest. Developer and/or FHS have the right to contest or challenge any finding that prevailing wage applies.

This section shall survive termination or expiration of this Agreement and the potential recordation of the Grant Deeds.

5.1.1 Action Arising Out of Approval of This Agreement. The Developer shall indemnify, defend and hold the FHS and each of their respective officers, officials, employees, agents, boards and volunteers harmless from any judicial action filed against FHS by any third party arising out of FHS's approval of this Agreement or any permit, entitlement or other action required to implement this Agreement, including without limitation approvals under the Law, CEQA or FHS's

Municipal Code. FHS will promptly notify the Developer of the action. Within fifteen (15) days after receipt of the notice, the Developer shall take all steps necessary and appropriate to assume defense of the action. FHS will cooperate with the Developer in the defense of the action (at no cost to FHS). Neither the Developer nor FHS will compromise the defense of such action or permit a default judgment to be taken against FHS without the prior written approval of the other party(ies).

5.1.2 Survival of Indemnification Provisions. Except as otherwise specifically stated herein, the indemnification provisions in this subsection and every other indemnification in this Agreement will survive any termination of this Agreement, will survive any Closing, will survive the expiration of any covenant herein and will not merge with any other document evidencing an interest in real property.

5.2 Insurance. Until FHS issues the Certificate of Completion and records it in the Official Records of Fresno County, Developer shall pay for and maintain, or cause to be paid and maintained, in effect all insurance policies required hereunder with insurance companies either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or (ii) authorized by the City's Risk Manager. The following policies of insurance are required, and Developer will deliver proof of these policies before starting construction:

5.2.1 Commercial General Liability Insurance. 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 shall 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, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than \$5,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury and \$5,000,000 aggregate for products and completed operations, and \$10,000,000 general aggregate.

5.2.2 Commercial Automobile Liability Insurance. Commercial automobile liability insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 (Section 1, subsection A.1 entitled "Any Auto"), with combined single limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

5.2.3 Workers' Compensation Insurance. Workers' compensation insurance, as required under the California Labor Code.

5.2.4 Employer's Liability. Employer's liability coverage with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

5.2.5 Fire and Extended Coverage Insurance. Fire and extended coverage insurance for at least the full replacement cost of the Developer Improvements on

the Property, excluding foundations, footings and excavations and tenant improvements, fixtures and personal property.

5.2.6 Builders Risk Insurance. Builders risk insurance sufficient to cover one hundred (100) percent of the replacement value of all improvements made on the Property including, without limitation, terms of 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 Developer, the cost of which is not included in the cost of work).

Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Developer shall also be responsible for payment of any self-insured retentions.

The above-described policies of insurance shall be endorsed to provide an unrestricted thirty calendar day written notice in favor of the FHS, of policy cancellation, change or reduction of coverage, except the Workers' Compensation policy that shall provide a ten calendar day written notice of such cancellation, change or reduction of coverage. If any policy is due to expire during the term of this Agreement, Developer shall provide a new certificate evidencing policy renewal not less than fifteen calendar days before the expiration date of the policy. When an insurer, broker, or agent issues a notice of cancellation, change or reduction in coverage, Developer shall immediately obtain and file a certified copy of a new or renewal policy and certificates for such policy with the FHS.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name the FHS and the officers, officials, agents and employees as an additional insured. Each policy shall be endorsed so that Developer's insurance is primary and no contribution is required of the FHS. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to FHS, its officers, officials, agents, employees and volunteers. Developer shall furnish the FHS with copies of the actual policies upon the request of its designee, or the FHS's Risk Manager.

The fact that insurance is obtained by Developer or its subcontractors shall not be deemed to release or diminish the liability of Developer or its subcontractors including without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify FHS, and their officers, officials, agents, employees and volunteers, 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 or its subcontractors. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Developer, its principals, officers, agents, employees, persons under the supervision of Developer, vendors, suppliers, invitees, subcontractors, consultants or anyone employed directly or indirectly by any of them.

If Developer fails to maintain the required insurance in full force and effect, Developer shall immediately discontinue all work under this Agreement, and take all

necessary actions to secure the work site to insure that public health and safety is protected, until FHS receive notice that the required insurance has been restored to full effect and that the premiums for the insurance have been paid for a period satisfactory to FHS. Developer's failure to maintain any required insurance shall be sufficient cause for FHS to terminate this Agreement after notice and the right to cure as provided in Section 9.5.

If Developer subcontracts all or any portion of the work under this Agreement, Developer shall require each subcontractor to provide insurance protection in favor of Developer and FHS, and their officers, officials, employees, agents and volunteers according to the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with Developer, and FHS before the subcontractor begins any work.

5.2.7 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.

5.2.8 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. The bonds will at least equal to one hundred percent of Developer's estimated construction costs of any 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. 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 or rental of Project units/space 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.

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 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 SITE.

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 Site pursuant to this Agreement and thereafter,

neither the Site 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 Site 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 Site 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 Site solely for the purpose of constructing, maintaining and operating a mixed use project with residential rental component meeting the requirements and restrictions of this Agreement and the Regulatory Agreement, including, without limitations, restriction of the rental and occupancy of the Restricted Units only to Qualified Tenants for rent not in excess of an Affordable Rent for the period specified herein.

7.3 Affordable Housing.

7.3.1 Construction of Affordable Housing Units. The Developer covenants and agrees to construct a total of 26 single-family units as part of the Self-Help Homeownership Program (the "Self-Help Housing Units"). Each Self-Help Housing Unit shall be subject to the Declaration of Restrictions attached hereto as Exhibit "G".

7.3.2 Construction of Senior Housing Units. The Developer covenants and agrees to construct a total of 40-45 rental units for senior housing as part of the Affordable Senior Rental Housing Program (the "Senior Housing Units"). Each Senior Housing Unit shall be subject to the Regulatory Agreement and Declaration of Covenants and Restrictions attached hereto as Exhibit "H".

7.3.3 Obligation to Refrain from Discrimination. There shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the rental, sale, lease, sublease, transfer, use, occupancy or enjoyment of the Site, or any portion thereof, nor shall Developer, or any person claiming under or through Developer, 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 of the Site or any portion thereof (except as permitted by this Agreement). The nondiscrimination and nonsegregation covenants herein shall remain in effect in perpetuity.

7.3.4 Maintenance of Improvements. Developer covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site or any part thereof, that, after FHS's issuance of its Certificate of Completion the Developer shall be responsible for the maintenance of all improvements that may exist on the Site (except for maintenance of improvements within the public right of way which fall under the purview of the City or FHS) from time to time, including without limitation buildings, parking lots, lighting, signs, and walls, in good condition

and repair, and shall keep the Site free from any accumulation of debris or waste materials. The Developer shall also maintain all landscaping required pursuant to Developer's approved landscaping plan in a healthy condition, including replacement of any dead or deceased plants. The foregoing maintenance obligations shall run with the land in accordance with and for the term of the Regulatory Agreement. Developer's further obligations to maintain the Site, and FHS's remedies in the event of Developer's default in performing such obligations, are set forth in the Regulatory Agreement. Developer hereby waives any notice, public hearing, and other requirements of the public nuisance laws and ordinances of the FHS that would otherwise apply, except as specified in the Regulatory Agreement. Upon the sale of any portion of the Site, Developer (but not Developer's successor) shall be released from the requirements imposed by this Section, and the financial liability therefor, as to the portion of the Site conveyed.

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.

8.1.1 Representations and Warranties of Developer. Developer represents and warrants that:

A. Developer is a California nonprofit corporation duly formed and existing under the laws of the State of California, in good standing, and authorized to do business in the State of California, County of Fresno, and FHS 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.

8.1.2 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 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).

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 Manager
2600 Fresno Street
Fresno CA 93721-3602

City Attorney
2600 Fresno Street
Fresno CA 93721-3602

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

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

10.5 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.

10.6 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.

10.7 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.

10.8 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.

10.9 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.

10.10 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.

10.11 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.

10.12 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.

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

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

10.15 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.

10.16 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.

10.17 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.

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

10.19 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.

SIGNATURES APPEAR ON NEXT PAGE

IN WITNESS WHEREOF, FHS and Developer have executed this Agreement on the dates set forth below.

DEVELOPER:
SELF HELP ENTERPRISES
A California Non-Profit Corporation

FHS:
CITY OF FRESNO ,
A Municipal Corporation, in its capacity as
Housing Successor to the
Redevelopment Agency of the City of
Fresno

By _____
Kathryn Long-Pence, Secretary

By _____
Marlene Murphey, Executive Director

Dated: _____

Dated: _____

By _____
Elizabeth McGovern Garcia, Assistant Secretary

Dated: _____

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

ATTEST:
YVONNE SPENCE, CMC
City Clerk

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By _____
(Deputy)

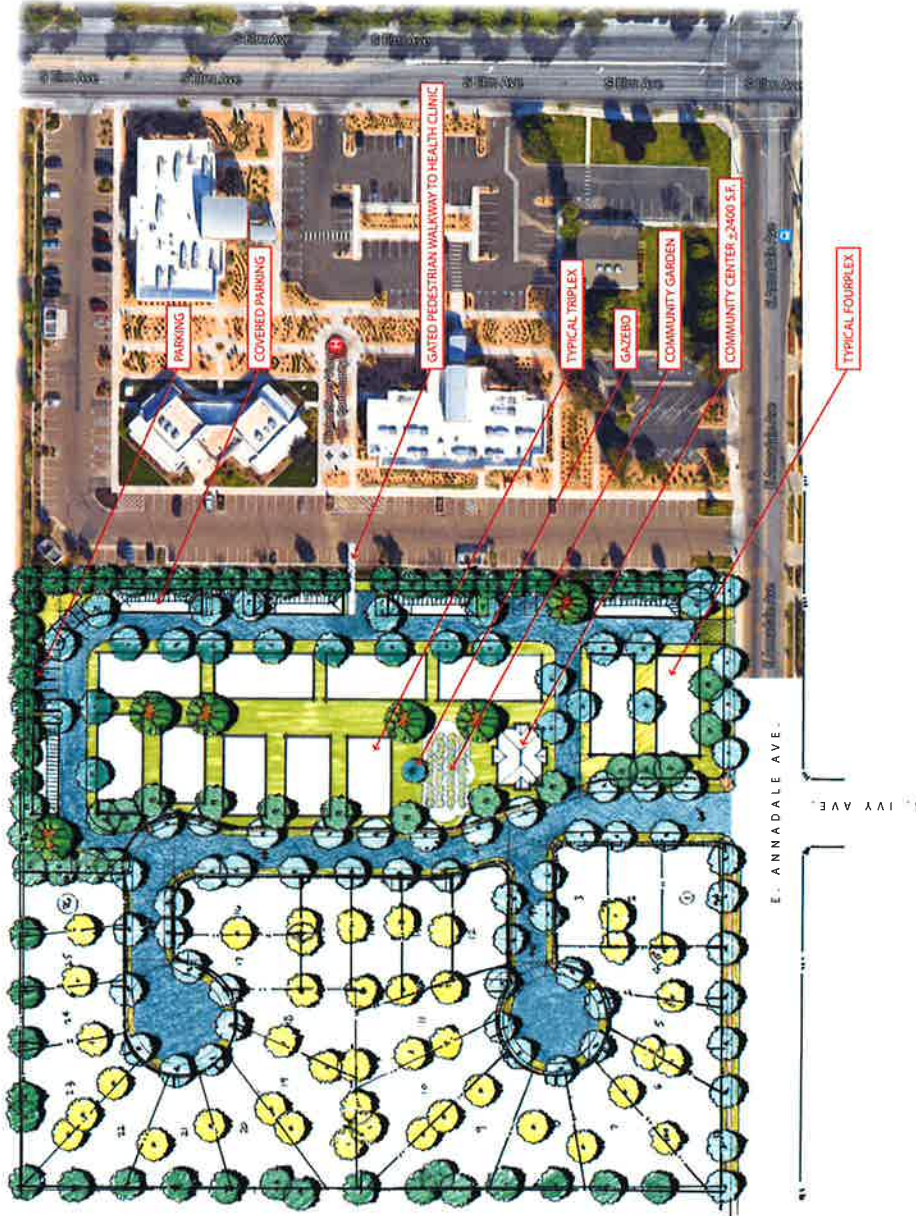
By _____
Laurie Avedisian-Favini, Assistant

- | | | |
|--------------|-------------|--|
| 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 | Affordability Restrictions (Self-Help Homeownership Program) |
| | Exhibit H | Affordability Restrictions/Exhibits (Affordable Senior Rental Housing Program) |
| | Exhibit I | Promissory Note |
| | Exhibit J | Deed of Trust |

LAF:ns [74010ns/laf]

**EXHIBIT A
SITE MAP**

Exhibit A



SITE DATA

SITE AREA	±8 acres
SINGLE FAMILY HOMESITES	
LOT SIZES: 45'x50' x 100'	20
50' x 90'	6
TOTAL LOTS	26
MULTI-FAMILY UNITS	
7 - FOURPLEX UNITS	28
4 - TRIPLEX UNITS	12
TOTAL MF UNITS	40
PARKING - MULTI-FAMILY	
REQUIRED 1.5 SPACES/UNIT	60 spaces
PROVIDED	
5 COVERED PARKING	40 spaces
BUILDINGS @ 8 SPACES EACH	20 spaces
UNCOVERED SPACES	60 spaces
TOTAL SPACES	60 spaces

POSSIBLE CONNECTION TO MARY ELLEN BROWN CENTER



PRELIMINARY SITE PLAN ANNADALE AVENUE DEVELOPMENT Fresno, California



Project Management • Civil/Structural Engineering • Urban Design • Land Planning • Entitlements • Right-of-Way/Permitting • Surveying • Construction Staking • Graphics
Promoting Services in California and Nevada

EXHIBIT A-1
LEGAL DESCRIPTION

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

Parcel 1: APN 479-270-02

The West one acre of the East 5.09 acres of the South half of Lot ninety-five of Fresno Colony, according to the Map thereof recorded August 1, 1881, in Book 2 Page 8 of Plats, in the Office of the County Recorder of said County.

Parcel 2: APN 479-270-03

The South half of Lot 95 of Fresno Colony, in the County of Fresno, State of California according to the map thereof recorded in Book 2 page 8 of Plats, Fresno County Records.

Excepting therefrom the West 328.43 feet.

Also excepting therefrom the West 1 acre of the East 5.09 acres of the South half of said Lot 95

Also excepting therefrom that portion thereof lying east of the East line of the West 4.09 acres of the East 5.09 acres.

Also excepting therefrom the East 1.192 acres of the West 3.09 acres of the East 4.09 acres thereof.

Parcel 3: APN 479-270-04

The East 1.192 acres of the West 3.09 acres of the East 4.09 acres of the South half of Lot 95 of Fresno Colony, according to the map thereof recorded in Book 2, Page 8 of Plats, Fresno County Records.

Parcel 4: APN 479-270-05

The South half of Lot 95 of Fresno Colony, according to the map thereof recorded in Book 2, Page 8 of Plats, Fresno County Records.

Excepting therefrom the West 328.43 feet thereof.

Also excepting therefrom the West 4.09 acres of the East 5.09 acres of the South half of said Lot 95.

Parcel 5: APN 479-270-06

That portion of the South ½ of Lot 96 of Fresno Colony, according to the map thereof recorded August 1, 1881 in Book 2, Page 8 of Plats, records of said county described as

beginning 300 feet north of the Southwest corner of Lot 96, thence North to the Northwest corner of the South ½ of said Lot; thence East 204.57 feet; thence South 233.28 feet; thence East 30 feet; thence South to a point 300 feet north of the South line of said lot; thence West to the point of beginning.

Excepting therefrom the South 100 feet thereof.

Parcel 6: APN 479-270-16

That portion of Lot 96 of Fresno Colony, according to the map thereof recorded August 1, 1881, in Book 2, Page 8 of Plats, in the office of the County Recorder of said County, described as follows:

Beginning at a point on the East line of Section 21, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, distant thereon 30 feet northerly from the East quarter corner of said Section; thence Westerly parallel with the East and West quarter Section line of said Section 21 and distant 30 feet Northerly therefrom to a point 63 feet Easterly from the West line of said Lot 96 of Fresno Colony, said point being there True Point of Beginning; thence Northerly parallel with said Westerly line a distance of 300 feet; thence Westerly parallel with said East and West quarter section line of said Section 21, a distance of 63 feet to the West line of said Lot 96; thence Southerly along said west line a distance of 300 feet; thence Easterly 63 feet to the point of beginning.

Parcel 7: APN 479-270-24

Parcel B of Lot Line Adjustment No. 2007-33, as Document No. 20070214780 of Official Records of Fresno County, and more particularly described as follows:

That portion of Lot 96 of Fresno Colony, according to the map thereof recorded in Book 2 Page 8 of Plats, Fresno County Records, described as follows:

Commencing at the Southeast corner of Lot 96, said corner being 30 feet North and 30 feet West of the East quarter corner of Section 21, Township 14 South, Range 20 East, Mount Diablo Base and Meridian; thence South 89 degrees 45' 09" West, along the South line of said Lot 96, a distance of 428.03 feet to the TRUE POINT OF BEGINNING; thence North 00 degrees 01' 12" West, along a line parallel with the West line of said Lot 96, a distance of 400.00 feet to a point on a line parallel with and 400.00 feet North of the South line of said Lot 96; thence South 89 degrees 45' 09" West, along last said parallel line, a distance of 204.57 feet to a point on the West line of said Lot 96; thence South 00 degrees 01' 12" East, along said West Line, a distance of 100.00 feet; thence North 89 degrees 45' 09" East, along a line parallel with and 300.00 feet North of the South line of said Lot 96, a distance of 126.00 feet to the Northeast corner of the land being the second parcel described in deed to Dorothy M. McCabe recorded February 15, 1940 in Book 1812, Page 482 of Official Records; thence South 00 degrees 01' 12" East, along a line parallel with and 126.00 feet East of the West line of said Lot 96 and along the East line of said McCabe land, a distance of 300.00 feet to a point on the South line of said Lot 96; thence North 89 degrees 45' 09" East, along said South line, a distance of 78.57 feet to the True Point of Beginning.

Parcel 8: APN 479-270-15

That portion of Lot 96 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:

Beginning at a point on the East line of Section 21, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, distant thereon 30 feet Northerly from the East $\frac{1}{4}$ corner of said Section; thence Westerly parallel with the East and West $\frac{1}{4}$ Section line of said Section 21 and distant 30 feet Northerly therefrom to a point 126 feet Easterly from the West line of said Lot 96 of Fresno Colony, said point being the true point of beginning; thence Northerly parallel with said Westerly line, a distance of 300 feet; thence Westerly parallel with said East and West $\frac{1}{4}$ section line of said Section 21, a distance of 63 feet; thence Southerly parallel with the West line of said Lot 96 a distance of 300 feet; thence East 63 feet to the point of beginning.

EXHIBIT B
**SCOPE OF DEVELOPMENT
AND BASIC DESIGN**

Self-Help Homeownership Program

Self-Help Enterprises proposes to construct approximately 26 single family units on the western 4.5 acres of the site. The homeownership phase of the proposed project would consist of designing the subdivision and associated improvements and constructing all the required infrastructure to develop buildable lots for Self-Help Enterprises' (SHE) mutual self-help housing program. The improvements will consist of all wet utilities (water, sewer, services, etc.), dry utilities (electricity, gas, telecommunications, etc.) and roadway improvements (pavement, sidewalk, curb and gutter, etc.). Funding for construction of the required public improvements will be through SHE capital in conjunction with a conventional construction loan for the subdivision.

SHE would conduct outreach and recruitments through local community based groups, such as the school district, united way, churches, etc. SHE would construct one group of 10 at a time and would obtain additional construction capital to assist the families in constructing their homes. Primary mortgage financing will be through FHA. Secondary funding will be sought out through various avenues which may include housing successor funds, HOME, CDBG and CalHOME funds if available.

Affordable Senior Rental Housing

Self-Help Enterprises proposes to construct approximately 40-45 units of affordable senior housing, a community center and open space on the eastern 3.5 acres of the site. SHE will contract a Civil Engineer and Architect to design and provide construction documents for the development of the site. The units would be designed consistent with the *Bridges at Florence* project in Fresno. The buildings will be a mixture of 3-plex and 4-plex single story garden style apartments. SHE will partner with the clinic to connect residents with services and will partner with other community based groups, such as the Mary Ella Brown Community Center which is immediately southwest of the site and provides a high quality lunch for senior citizens.

Entitlements, Permits and Funding

SHE will work with the City to process the general plan amendment, re-zone and conditional use permit. In addition, SHE will submit all required documents and plans to obtain permits for construction of improvements associated with construction of the single family homes and senior rental housing. SHE will also submit application(s) to secure an allocation of Low Income Housing Tax Credit (LIHTC) and HOME funds from the City of Fresno. The project will be submitted as a competitive 9% LIHTC project.

EXHIBIT C PERFORMANCE SCHEDULE

Fresno Self-Help Homeownership Project TimeLine

Task	Start Date	Completion Date	Duration [days]
General Plan/Zone Change	3/1/2017	6/29/2017	120
Community Meeting	4/5/2017	4/5/2017	1
Vesting Tentative Map	4/30/2017	6/29/2017	60
Subdivision Improvements, develop final map, secure financing	6/29/2017	9/27/2017	90
Record Final Map	8/28/2017	9/27/2017	30
Bid Construction Contract-SF Subdivision Improvements	8/1/2017	9/30/2017	60
Execute Construction Contracts (SF)	10/1/2017	10/16/2017	15
Obtain Permits (SF)	10/16/2017 7	11/15/2017	30
Close A&D Loan	10/1/2017	11/15/2017	45
24-Month A&D Loan Term	11/15/2017 7	11/5/2019	720
Construction	11/15/2017 7	5/14/2018	180
Improv. Accepted by City	5/14/2018	6/13/2018	30
Group 1 Lot Recruitment/Sales (11 lots)	4/1/2018	6/30/2018	90
Group 2 Lot Recruitment/Sales (10 lots)	10/1/2018	12/31/2018	90
Group 1 Construction Completion (11 lots)	2/1/2019	04/26/2019	300
Group 2 Construction Completion (10 lots)	3/30/2018	11/27/2019	300

Annadale Commons Senior Housing Project TimeLine

Task	Start Date	Completion Date	Duration [days]
General Plan/Zone Change	3/1/2017	6/28/2017	120
Conditional Use Permit	3/1/2017	6/28/2017	120
Community Meeting	4/5/2017	4/5/2017	1
Apply for 9% LIHTC	5/29/2017	6/28/2017	30
Civil Improvement Plans and Architecture Plans	6/29/2017	9/27/2017	90
Award for 9% LIHTC	9/30/2017	9/30/2017	1
Bid for Investment on 9% LIHTC	9/30/2017	12/29/2017	90
Close Construction Financing	12/29/2017	2/27/2018	60
Pull Permits for Construction	1/2/2018	2/1/2018	30
Bid for Construction	1/2/2018	3/3/2018	60
Construction	4/1/2018	4/1/2019	365

EXHIBIT D
[Sources & Uses]

Exhibit D:Annadale Commons Single-Family Homeownership Housing
SOURCES AND USES OF FUNDS**Single-Family Subdivision/HOME Construction**

SOURCE(S)	AMOUNT
SHE Capital	\$266,436
Conventional Construction Loan	\$3,853,564
Fresno Housing Successor Funds	\$300,000
Total	\$4,420,000

USES (S)	AMOUNT
Subdivision Improvements/Site Work	\$982,000
Studies/Reports	\$13,533
Engineering	\$76,500
Plan Check and Fees	\$109,214
Soft costs, weed abatement, taxes and interest	\$212,062
Hard Cost Construction-Single-Family Homes	\$3,026,691
Total	4,420,000

Self-Help Home Cost SAMPLE Estimate

SOURCE(S)	AMOUNT
Conventional Loan*	\$125,000
Secondary Financing**	\$35,000
Sweat Equity	\$10,000
Total	\$170,000

USES (S)	AMOUNT
Lot Cost	\$55,000
Foundation	\$6,830
Framing & Roof	\$19,050
Electrical, Plumbing & HVAC	\$31,100
Finishes and Electrical	\$16,600
Landscaping and exterior finishes, GCs	\$6,420
Fees	\$35,000
Total	170,000

*Assumes a family of 4 at approximately 70% AMI

**Each purchase scenario will vary based on family size, income, and amount of secondary financing available.

Exhibit D:

Annadale Commons Senior Rental Housing Program

SOURCES AND USES OF FUNDS



SOURCES OF FUNDS	TOTAL	CONSTRUCTION	PERMANENT
Construction Loan	\$5,104,055	\$5,104,055	\$0
Fresno Successor Agency	\$2,900,000	\$2,900,000	\$2,900,000
Other Leveraged Capital	\$9,132,886	\$913,289	\$9,132,886
TOTAL SOURCES	\$17,136,942	\$8,917,344	\$12,032,886
USES OF FUNDS	COST		
Land Closing Costs	\$15,000		
Offsite Improvements & Site Work	\$1,150,000		
Structures (including escalation)	\$5,806,866		
Builder Overhead, Profit, and General Requirements	\$723,011		
Contingency	\$481,077		
Solar PV	\$330,000		
Architecture & Engineering (inc. Printing)	\$470,000		
Local Impact and Municipal Fees	\$630,000		
Appraisal and Phase I	\$20,000		
Construction Loan Fees & Interest (incl. Legal)	\$427,245		
Construction Period Insurance	\$75,000		
Real Estate Taxes, Loan Fee	\$10,000		
Title & Escrow, Mortgage Closing, Legal	\$277,500		
Tax Credit Allocation Committee Fees	\$43,847		
Marketing, Audit, Market Study, Dev Fee, Reserves	\$1,573,340		
Repayment of Construction Loan	\$5,104,055		
TOTAL PROJECT COSTS (with construction loan)	\$17,136,942		
TOTAL PROJECT COSTS (perm sources only)	\$12,032,886		

EXHIBIT E

CERTIFICATE OF COMPLETION

RECORDED AT THE REQUEST OF:

City of Fresno
Attention: City Manager
2600 Fresno Street
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

No Fee-Govt. Code Sections 6103-27383

APNs:

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

This **Release of Construction Covenants and Certificate of Completion** is recorded at the request and for the benefit of the City of Fresno in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

- A. As agreed in a Disposition and Development Agreement including covenants, conditions and restrictions, ("DDA") dated [], 20__ entered by the CITY OF FRESNO, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno ("FHS"), and SELF HELP ENTERPRISES ("DEVELOPER"), FHS conveyed certain real property to DEVELOPER under a Grant Deed, dated [], recorded in the Official Records of Fresno County on [] as Document No. [] (the "DEED"), and the DEVELOPER agreed to complete/cause the completion of the of construction of certain improvements described therein (the "Project") upon the premises described therein as the "Property" according to the terms and conditions of the DDA and the documents and instruments referenced therein, incorporated herein.

The DDA or a memorandum of it was recorded [] 20__ as Instrument No. [] in the Official Records of Fresno County, California.

Under the terms of the DDA, after DEVELOPER completes/causes completion of construction of a Phase of the Project on the Property/portion thereof, DEVELOPER may ask FHS to record an instrument certifying that DEVELOPER has completed the required improvements for such Phase of development in the form of a Release of Construction Covenants and Certificate of Completion.

DEVELOPER has asked FHS to furnish DEVELOPER with a recordable Release of Construction Covenants and Certificate of Completion for a Phase of development.

FHS'S issuance of this Release of Construction Covenants and Certificate of Completion is conclusive evidence that DEVELOPER has completed the construction on a Phase of development of the Property to terminate and release DEVELOPER from the construction/improvement covenants in the DDA pertaining to such Phase.

NOW THEREFORE:

1. As provided in Section 3.6 of the DDA, FHS does hereby certify that construction of all of the improvements required by the DDA on the portion of the Property described in Attachment A, attached hereto and incorporated herein by this reference, has been satisfactorily completed.
2. This Release of Construction Covenants and Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction of the improvements on the Property. This Release of Construction Covenants and Certificate of Completion, is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, FHS has executed this Release of Construction Covenants and Certificate of Completion as of this ____ day of [_____, 20__].

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

By: _____
Its: _____

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

Dated: _____, 201__

Self Help Enterprises

By:

Name: _____
Title: _____

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

ATTEST:
CITY CLERK

APPROVED AS TO FORM:
CITY ATTORNEY

By: _____
Deputy

By: _____
Deputy

Dated: _____

Dated: _____

EXHIBIT F

FREE RECORDING REQUESTED BY:

City of Fresno
Attention: City Manager
2600 Fresno Street
Fresno, CA 93721
Attn: Bruce Rudd

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 SELF HELP ENTERPRISES a California Non Profit Corporation ("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 lease, spill, release or other adverse effect on the environment. The indemnity covers, without limitation, (a) all foreseeable and unforeseeable consequential damages, (b) the cost of any required or necessary repair, clean-up, or detoxification and the preparation of any closure or other required plans, and (c) costs of legal proceedings and attorneys' fees.

e. Grantee releases Grantor from all claims Grantee may have against, resulting from, or 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 which if known by him must have materially affected settlement with the debtor.

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 _____, 2012.

“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: _____

ATTACHMENT NO. 1 GRANT DEED
Self Help Enterprises

LEGAL DESCRIPTION OF THE PROPERTY

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)

DECLARATION OF RESTRICTIONS

(SELF-HELP HOME OWNERSHIP PROGRAM)

THIS DECLARATION OF RESTRICTIONS, ("Declaration"), is executed as of this _____ by _____ ("Declarant") in favor of the City of Fresno, a public body corporate and politic, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno ("Agency").

WHEREAS, Declarant is the owner of real estate in the County of Fresno, State of California located at: _____, which is more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, Declarant agrees to take title to the Property constructed and rehabilitated by the Agency utilizing Agency's Low Income Housing Funds (the "Funds"); and,

WHEREAS, the Agency has developed a program to increase, improve and preserve the supply of home ownership opportunities to individuals and families with low and moderate incomes; and,

WHEREAS, the California Community Redevelopment Law set forth at California Health and Safety Code Section 33000 et seq. imposes certain affordability requirements upon property benefitted by the Funds, which affordability restrictions are to be enforceable for a minimum 45 year period; and

WHEREAS, these restrictions are intended to bind all purchasers and their successors.

NOW THEREFORE, in consideration of the economic benefits inuring to the

Declarant and the public purposes to be achieved under the affordable housing program, Declarant declares that the Property is held and will be held, transferred, encumbered, used, sold, conveyed and occupied subject to the covenants, restrictions, and limitations set forth in this Declaration, all of which are declared and agreed to be in furtherance of the plan for the rehabilitation and/or sale of the Property. 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 Property or any part thereof, will inure to the benefit of the Agency and will be enforceable by the Agency. Any purchaser under a contract of sale covering any right, title or interest in any part of 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, covenant, and limitations set forth in this Declaration for the period of 45 years constituting the Affordability Period.

1. Declarations. Declarant hereby declares that the Property is and shall be subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of affordable housing purposes and use, and are established and agreed upon for the purpose of enhancing and protecting the value of the Property and in consideration for the economic benefits inuring to Declarant.
2. Restrictions. The following covenants and restrictions on the use and enjoyment of 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 Agency, and shall run with the Property and be binding on any future owners of the Property and inure to the benefit of and be enforceable by the Agency. These covenants and restrictions are as follows:
 - a. Declarant covenants and agrees that from the completion date of construction until the expiration of the Affordability Period it shall cause the Property to be used for Affordable Housing. Unless otherwise provided in the Agreement, the term Affordable Housing shall include without limitation compliance with the following requirements:
 - b. 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 Declarant or any person claiming under the Declarant, 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.
 - c. Principal Residence. The Property shall be sold or otherwise transferred only to natural persons, who shall occupy the Property as the transferee's principal residence. The foregoing requirement that the purchaser of each home constituting the Property occupy the home as the purchaser's principal residence does not apply to: (i) Declarant; (ii) persons, other than natural persons, who acquire the Property or portion thereof by foreclosure or deed in lieu of foreclosure; or (iii) qualified entities that acquire the Property or portion thereof, with the consent of the Agency.

d. Homeowner Income Requirements. The Property may be conveyed only to (a) natural person(s) whose annual household income at the time is not greater than 80% of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable price which allows monthly housing payments (principal, interest, taxes and insurance) of not more than 30% of the household's gross income. Item "a" above is hereinafter referred to as the Covenant and Restrictions.

3. Agency's Right to Purchase. If the Declarant (a) despite its good faith and best efforts to market to moderate income Households, including but not limited to working with a California licensed realtor to market and sell the home, cannot locate an Eligible Household to purchase the Unit within ninety (90) days after Declarant notifies the Agency in writing that he or she commences to market the Property; (b) transfers or attempts to transfer the Unit in violation of this Agreement; or (c) vacates, abandons or otherwise does not occupy the Property as its principal place of residence, the Agency, or its designee shall have the right but not the obligation, to purchase the Property at a price reflecting the Affordable Housing Cost using the maximum housing cost for a family of moderate income and the applicable Unit size as defined in the regulations governing Health and Safety Code Section 50052.5 (currently Title 25, California Code of Regulations, Section 6932), or any successor thereto. This right to purchase shall be exercised by the Agency by delivery of written notice to Declarant within sixty (60) days of notice from Declarant that one of the events described in (a) through (c) has occurred. If Agency exercises its right to purchase the Property, then close of escrow shall occur no later than ninety (90) days following the opening of escrow.
4. Enforcement of Restriction. Without waiver or limitation, the Agency and/or the Authority shall be entitled to injunctive or other equitable relief against any violation or attempted violation of any Covenant and Restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof.
5. Exceptions. The following transfers of title to the Property or any interest therein are not subject to these affordability restrictions: transfer by gift, devise or inheritance to the spouse, issue or adopted child of the Declarant of the Property; transfer resulting from the death of an Declarant when the transfer is to a co-Declarant or joint tenant; transfer by an Declarant to any person who becomes a co-Declarant of the Property provided the Declarant retains at least a thirty-three percent (33%) interest in the Property and the co-Declarant agrees to become a co-Declarant under the Affordable Housing Covenant; transfer of title to a spouse resulting from divorce, decree of dissolution or legal separation or from a property settlement agreement incidental to such a decree in which one of the Declarants becomes the sole Declarant; or acquisition of title to the Property or interest therein in conjunction with marriage; a transfer between co-Declarants or a transfer by Declarant into an inter vivos trust in which the Declarant is a beneficiary and the Declarant continues to occupy the Property
6. 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 Covenant and Restrictions. The acceptance

of a deed of conveyance to the Property shall constitute an agreement that the Covenant and Restriction, as may be amended or supplemented from time to time, is accepted and ratified by such future owners, tenant or occupant, and such Covenant and Restriction shall be 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 Covenant and Restriction was recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Notwithstanding the foregoing, upon foreclosure by a lender or other transfer in lieu of foreclosure, or assignment of a FHA-insure mortgage to HUD, the Affordability Period shall be terminated if the foreclosure or other transfer in lieu of foreclosure or assignment recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the requirements with respect to Affordable Housing shall be revived according to their original terms, if during the original Affordability Period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had formerly, family or business ties, obtains an ownership interest in the Property.

5. Benefit. This Declaration shall run with and bind the Property for a term commencing on the date this Declaration 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 Agency or any other person entitled to enforce this Declaration 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.
6. Costs and Attorney's Fees. In any proceeding arising because of failure of Declarant or any future owner of the Property to comply with the Covenant and Restrictions required by this Declaration, as may be amended from time to time, Agency shall be entitled to recover its costs and reasonable attorney's fees incurred in connection with such default or failure.
7. Waiver. Neither Declarant nor any future owner of Property may exempt itself from liability for failure to comply with the Covenant and Restrictions required in the Declaration.
8. Severability. The invalidity of the Covenant and Restrictions or any other covenant, restriction, condition, limitation, or other provision of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration and each shall be enforceable to the greatest extent permitted by law.
9. Pronouns. Any reference 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.

10. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs, and subparagraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.
11. Amendment. No amendment or modification of this Declaration shall be permitted without the prior written consent of Agency.
12. Recordation. Declarant acknowledges that this Declaration will be filed of record in the Office of the Recorder of the County of Fresno, State of California.
13. Capitalized Terms. All capitalized terms used in this Declaration, unless otherwise defined herein, shall have the meanings assigned to such terms in that certain Agreement by and between Declarant and Agency, of even date.
14. Heading. The headings of the articles, sections, and paragraphs used in this Agreement are for convenience only and shall not be read or construed to affect the meaning or construction of any provision.
15. Notices. Notices required to be sent to the Agency shall be sent by certified mail, return receipt requested, to the following address:

Agency:

848 M. Street, Third Floor
Fresno, CA 93721
Attn: Executive Director
(559) 621-7600

IN WITNESS WHEREOF, Declarant has executed this Declaration of Restrictions on the date first written above.

DECLARANT

Name: _____

Date: _____

(attach notary acknowledgment)

Attachment: Exhibit "A"

**EXHIBIT "A" to Declaration of Restrictions
Legal Description**

EXHIBIT H

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 Use Only)

REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS

(AFFORDABLE SENIOR RENTAL HOUSING PROGRAM)

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 ("FHS"), and _SELF-HELP ENTERPRISES, a California non-profit corporation__ ("Owner").

R E C I T A L S:

A. Pursuant to Disposition and Development Agreement by and between FHS and Owner dated _____, 201_ (the "DDA"), FHS has provided to Owner financial assistance in the amount of approximately _Two Million Nine Hundred Thousand Dollars (\$2,900,000) in loan funds (the "FHS Assistance"), for the purpose of assisting Owner in the acquisition of real property and the construction of a residential apartment complex thereon wherein thirty nine of the units shall be rented to low income households, 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, Owner has agreed to construct and maintain a rental apartment housing project consisting of 40-45 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. FHS and Owner 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 rental apartment housing project with thirty nine of the units available for rental by low income persons for the term of this Agreement.

A G R E E M E N T:

NOW, THEREFORE, the Owner and FHS 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 renting 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 the thirty nine Affordable Units on the Property funded under the Agreement and shall bind the Owner and all purchasers of the Property and their successors until the date that is fifty-five (55) years following recordation of FHS'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 FHS'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 FHS, 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 fifty-five (55) years following recordation of the FHS's Certificate of Completion.

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 FHS. These covenants and restrictions are as follows:

a. From the date of recordation of this Agreement until the expiration of the Affordability Period, the thirty nine Affordable Units funded under the DDA are to be used as Low Income Affordable Rental Housing and affordable replacement dwellings as provided for in the DDA and this Agreement. Owner agrees to file a recordable document setting forth the Project Completion Date and the Affordability Period as and when determined by the FHS. Unless otherwise provided in the Agreement, the term "Affordable Rental 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 leased only to natural persons, who shall occupy such as a principal residence.

Income Requirements. Twelve of the thirty nine Affordable Units constituting Low Income Affordable Rental Housing upon the Property may be leased

only to (a) natural person(s) whose annual household income at the time of initial occupancy is not greater than 30% of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable rent for extremely low income households, consistent with the applicable California Redevelopment Law, including California Health & Safety Code Section 50053(b). Eighteen Affordable Units may be leased only to (a) natural person(s) whose annual household income at the time of initial occupancy is not greater than 50% of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable rent for very low income households, consistent with the applicable California Redevelopment Law, including California Health & Safety Code Section 50053(b). The remaining nine Affordable units may be leased only to (a) natural person(s) who annual household income at the time of initial occupancy is not greater than 60% of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable rent for lower income households, consistent with the applicable California Redevelopment Law, including California Health and Safety Code Section 50053(b). The income requirements referenced in this paragraph shall be referred to collectively as the "Low-Income Requirements."

Injunctive Relief and Recapture. Should any of the thirty nine Affordable Units constituting Low Income Affordable Rental Housing upon the Property not continue, at the time of initial occupancy, to satisfy the Low-Income Requirements, then, during the Affordability Period, such Unit(s) shall be made available for subsequent lease only to Households that qualify as a required Extremely Low, Very Low, or Lower Income Household, as defined in California Health & Safety Code Sections 50106, 50105, and 50079.5 for use as the Household's principal residence.

2. Enforcement of Restrictions. Without waiver or limitation, the City 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. Income Computation and Certification Reporting Requirements. Prior to each Household's occupancy of an Affordable Unit, Owner shall comply with all of the following requirements:

a. **Income Computation.** Immediately prior to a Household's occupancy of an Affordable Unit, Owner shall obtain and maintain on file an Income Computation and Certification form, attached hereto as Exhibit "2," from each such Household dated immediately prior to the date of initial occupancy in the Project by such Household. In addition, the Owner will provide such further information as may be required in the future by the FHS. Owner shall use its best efforts to verify that the income provided by an applicant is accurate by taking the following steps as a part of the verification process: (i) obtain three (3) pay stubs for the most recent pay periods; (ii) obtain a written verification of income and employment from applicant's current employer; (iii) obtain an income verification form from the Social Security Administration and/or California Department of Social Services if the applicant receives assistance from either agency; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income as is satisfactory to the FHS; and (v) obtain such other information as may be requested by the FHS. A copy of each such completed Income Computation and Certification form shall be filed with the City prior to the occupancy of an Affordable Unit by a Household whenever possible, but in no event more than thirty (30) days after initial occupancy by said Household.

b. **Income Recertification.** Immediately prior to the first anniversary date of the occupancy of an Affordable Unit by a Household and on each anniversary date thereafter, Owner shall recertify the income of such Household by obtaining a completed Income Computation and Certification form based upon the current income of each occupant of the Affordable Unit. In the event the recertification demonstrates that such Household's income exceeds the income at which such Household would qualify to rent the Affordable Unit, such Household will no longer qualify for Affordable Rent. Owner shall provide the FHS with a copy of each such completed recertification with the next submission of Certificate of Continuing Program Compliance, as specified herein.

c. **Certificate of Continuing Program Compliance.** Upon the issuance of the Certificate of Completion and annually by October 31 of each year, or at

any time upon the written request of FHS, Owner shall advise the FHS of the occupancy of the Project by delivering a Certificate of Continuing Program Compliance, attached hereto as Exhibit "3," certifying: (i) the number of Affordable Units of the Project which were occupied or deemed occupied pursuant to this Agreement by a Household during such period; and (ii) to the knowledge of Owner either: (a) no unremedied default has occurred under this Agreement; or (b) a default has occurred, in which event the Certificate of Continuing Program Compliance shall describe the nature of the default and set forth the measures being taken by the Owner to remedy such default.

d. **Maintenance of Records.** Owner shall maintain complete and accurate records pertaining to the Affordable Units, and shall permit any duly authorized representative of FHS to inspect the books and records of Owner pertaining to the Project including, but not limited to, those records pertaining to the occupancy of the Affordable Units.

e. **Reliance on Tenant Representations.** Each lease between Owner and a Household shall contain a provision to the effect that Owner has relied on the income certification and supporting information supplied by the Household in determining qualification for occupancy of the Affordable Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

4. **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.

5 **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 FHS 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.

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

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

8. 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.

9. 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.

10. 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.

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

12. 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.

13. 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, Third Floor
Fresno, CA 93721
Attn: Executive Director

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

Owner: Self Help Enterprises
P.O. Box 6520
Visalia, CA 93290

The notice shall be deemed given three (3) business days after the date of mailing, or, if personally delivered, when received.

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

15. 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.

16. 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.

[END -- SIGNATURES ON NEXT PAGE]

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

ATTEST:
CITY CLERK

Deputy

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

APPROVED AS TO FORM:
CITY ATTORNEY

Name of Owner

By _____
Date: _____
Name: _____
Title: _____

[END OF SIGNATURES]

Attachments:

- Exhibit A: Legal Description of Property
- Exhibit B: Income Computation and Certification Form
- Exhibit C: Certificate of Continuing Program Compliance

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 "1" to REGULATORY AGREEMENT
LEGAL DESCRIPTION

**EXHIBIT "2" TO REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIONS**



**City of Fresno as Housing
Successor to the
Redevelopment Agency of
the City of Fresno**

**848 M Street
Third Floor
Fresno, CA 93721
www.fresnorda.com
559.621.7628**

Multi-Family Housing Program
INCOME COMPUTATION AND CERTIFICATION

Property Information

Name of Property:	Number of Bedrooms (see table on page 3 for allowable rents)	Income Category	Maximum Income Level of Household (percent of Area Median Income)
Property Address:			
Rental Agent (Name):	<input type="checkbox"/> 0 (studio)	Extremely Low	<input type="checkbox"/> 30% of AMI
	<input type="checkbox"/> 1 bedroom	Very Low	<input type="checkbox"/> 50% of AMI
Owner Certification (Signature):	<input type="checkbox"/> 2 bedrooms	Lower	<input type="checkbox"/> 80% of AMI
	<input type="checkbox"/> 3 bedrooms	Moderate	<input type="checkbox"/> 120% of AMI
Owner has relied on the income certification and supporting information supplied by the Applicant in determining qualification for occupancy of the Affordable Unit, and any material misstatement in such certification by Applicant (whether or not intentional) may be cause for immediate termination of such lease.			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>

Applicant Contact Information

Information on primary lease applicant(s).

Name (LAST, FIRST, M.I.)	Current Address City, State, Zip	Contact Phone No.	Other Phone No.
1.	1. (if different)	1. (if different)	1. (if different)
2.	2.	2.	2.

Household Information

List all members of the household* proposed to live at the address listed above.

Name (LAST, FIRST, MIDDLE INITIAL)	Social Security	Employer/ Contact Phone Number	Birth Date (mm/dd/yyyy)	Relationship
	CA Driver's License			
1.				Self
2.				
3.				

*Household is a group of related or unrelated persons occupying the same house with at least one member being the head of the household. If roommates, please complete above form as "Self" for each roommate. Use a separate page for additional household members.

Show income received from the following sources by all persons listed above. Do not show income from persons less than 14 years of age.

Yes	No	Source of Income	Gross Income (Current Year)	Person Receiving Income (As Shown Above)
<input type="checkbox"/>	<input type="checkbox"/>	Wages or salary from employment.		
<input type="checkbox"/>	<input type="checkbox"/>	Earnings from self-employment		
<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation		
<input type="checkbox"/>	<input type="checkbox"/>	Social Security or Supplemental Security Income (SSI)		
<input type="checkbox"/>	<input type="checkbox"/>	Veteran's Benefits		
<input type="checkbox"/>	<input type="checkbox"/>	Worker's Compensation		
<input type="checkbox"/>	<input type="checkbox"/>	Child support or alimony payments		
<input type="checkbox"/>	<input type="checkbox"/>	Pensions or Annuities/Railroad Retirement		
<input type="checkbox"/>	<input type="checkbox"/>	Property rental income		
<input type="checkbox"/>	<input type="checkbox"/>	Aid to Families w/Dependent Children(AFDC)		
<input type="checkbox"/>	<input type="checkbox"/>	Dividends/Interest		
<input type="checkbox"/>	<input type="checkbox"/>	Other types of income:		
Total Gross Income				
Total Household Members				

Statement and Signature(s)

I/we _____, being duly sworn, depose and say that I/we are year-round occupants of _____ (ADDRESS, CITY & ZIP CODE).

I/We the applicant(s) certify that all information in this certification and all information furnished in support of this certification is correct and complete to the best of my/our knowledge. I/We understand that the willful falsification of this information (whether or not intentional) will be cause for immediate termination of such lease. I/We agree to provide additional information that may be requested to process this income certification.

I certify that my income does not exceed the stated income level noted on page 1 of this document, and that I am eligible for a unit made available at affordable rent for lower income households, as defined by California Health & Safety Code ("H.&S.C.") Section 50053(b), to persons and families of low income, as defined in H.&S.C. Section 50093, as shown in the table below.

I/We have read the aforementioned statement and release, and understand all of the items. I/We execute it voluntarily, on the date listed below, with full knowledge of its significance. I/We certify under penalty of perjury that the facts and statements presented in this Income Computation and Certification, as well as the attached documents are true and accurate. Perjury is punishable by imprisonment in the state of California. (CA Penal Code Section 118 & 126).

APPLICANT

DATE

APPLICANT

DATE

Income Verification

Owner shall use its best efforts to verify that the income provided by an applicant is accurate by taking the following steps as a part of the verification process: (i) obtain three (3) pay stubs for the most recent pay periods; (ii) obtain a written verification of income and employment from applicant's current employer; (iii) obtain an income verification form from the Social Security Administration and/or California Department of Social Services if the applicant receives assistance from either agency; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income; and (v) obtain such other information as may be requested by the Agency. A copy of each such completed Income Computation and Certification form shall be completed and made available for Agency review prior to the occupancy of an Affordable Unit by a Household whenever possible, but in no event more than thirty (30) days after initial occupancy by said Household.

<u>2016 Maximum Income Levels</u>	One Person	Two Person	Three Person	Four Person	Five Person	Six Person
Extremely Low (≤ 30% of AMI)	\$12,400	\$16,020	\$20,160	\$24,300	\$28,440	\$32,580
Very-Low Income (≤ 50% of AMI)	\$20,650	\$23,600	\$26,550	\$29,450	\$31,850	\$34,200
Lower Income – (≤ 80% of AMI)	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650
Moderate Income – (≤ 120% AMI)	\$49,500	\$56,550	\$63,650	\$70,700	\$76,350	\$82,000

2016 Maximum Rent Limits

- Affordable Rent for Extremely Low Income Households is the product of 30% times 30% of the area median income adjusted for family size appropriate to the unit less a reasonable allowance for utilities (Health and Safety Code Section 50053(b)(1)).
- Affordable Rent for Very Low Income Households is the product of 30% times 50% of the area median income adjusted for family size appropriate to the unit less a reasonable allowance for utilities (Health and Safety Code Section 50053(b)(2)).
- Affordable Rent for Lower Income Households is the product of 30% times 60% of the area median income adjusted for family size appropriate to the unit less a reasonable allowance for utilities (Health and Safety Code Section 50053(b)(3)).
- Affordable Rent for Moderate Income Households is the product of 30% times 110% of the area median income adjusted for family size appropriate to the unit less a reasonable allowance for utilities (Health and Safety Code Section 50053(b)(4)).
- Maximum Rents are calculated based on household sizes "appropriate to the unit" of 1 person for a studio unit; 2 persons for a one-bedroom apartment; 3 persons for a two bedroom apartment; 4 persons for a three bedroom apartment; 5 persons for a four bedroom apartment (Health & Safety Code Section 50052.5(h)).

	Maximum	Est. Utility	Net
	Rent	Allowanc	Rent
Maximum Rent for Extremely Low Income Households		e	
Maximum Monthly Rent for a Studio Apartment	\$310.00	\$(45.00)	\$265.00
Maximum Monthly Rent for a One-Bedroom Apartment	\$400.50	\$(52.00)	\$348.50
Maximum Monthly Rent for a Two-Bedroom Apartment	\$504.00	\$(73.00)	\$431.00
Maximum Monthly Rent for a Three-Bedroom Apartment	\$607.50	\$(91.00)	516.50
Maximum Monthly Rent for a Four-Bedroom Apartment	\$711.00	\$(109.00)	\$602.00

	Maximum	Est. Utility	Net
	Rent	Allowanc	Rent
Maximum Rent for Very Low Income Households		e	
Maximum Monthly Rent for a Studio Apartment	\$516.25	\$(45.00)	\$471.25
Maximum Monthly Rent for a One-Bedroom Apartment	\$590.00	\$(52.00)	\$538.00
Maximum Monthly Rent for a Two-Bedroom Apartment	\$663.75	\$(73.00)	\$590.75
Maximum Monthly Rent for a Three-Bedroom Apartment	\$736.25	\$(91.00)	\$645.25
Maximum Monthly Rent for a Four-Bedroom Apartment	\$796.25	\$(109.00)	\$687.25

	Maximum	Est. Utility	Net
	Rent	Allowanc	Rent
Maximum Rent for Lower Income Households		e	
Maximum Monthly Rent for a Studio Apartment	\$618.75	\$(45.00)	\$573.75
Maximum Monthly Rent for a One-Bedroom Apartment	\$707.50	\$(52.00)	\$655.50
Maximum Monthly Rent for a Two-Bedroom Apartment	\$796.25	\$(73.00)	\$723.25
Maximum Monthly Rent for a Three-Bedroom Apartment	\$868.75	\$(91.00)	\$777.75
Maximum Monthly Rent for a Four-Bedroom Apartment	\$955.00	\$(109.00)	\$846.00

	Maximum	Est. Utility	Net
	Rent	Allowanc	Rent
Maximum Rent for Moderate Income Households		e	
Maximum Monthly Rent for a Studio Apartment	\$1,135.00	\$(45.00)	\$1,090.00
Maximum Monthly Rent for a One-Bedroom Apartment	\$1,296.25	\$(52.00)	\$1,244.25

Maximum Monthly Rent for a Two-Bedroom Apartment	\$1,458.75	\$(73.00)	\$1,385.75
Maximum Monthly Rent for a Three-Bedroom Apartment	\$1,620.00	\$(91.00)	\$1,529.00
Maximum Monthly Rent for a Four-Bedroom Apartment	\$1,750.00	\$(109.00)	\$1,641.00

**Exhibit "3" TO REGULATORY AGREEMENT AND
DECLARATION OF COVENANTS AND RESTRICTIONS**



**City of Fresno as Housing
Successor to the
Redevelopment Agency of the
City of Fresno
Redevelopment Agency**

848 M Street
Third Floor
Fresno, CA 93721
www.fresnorda.com
559.621.7628

Multi-Family Housing Program

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Period Covered from _____ to _____

The undersigned, _____ (the "Owner"), has read and is thoroughly familiar with the provisions of the Owner Participation Agreement ("DDA") and documents referred to therein executed by Owner and the Redevelopment Agency of the City of Fresno ("Agency") including but not limited to the Regulatory Agreement and Declaration of Covenants and Restrictions ("Regulatory Agreement"). As of the date of this Certificate, for the period shown above, the following number of Units in the Project are: (i) occupied by tenants satisfying the Low-Income Requirements (as defined in the Regulatory Agreement) as a principal residence ("Eligible Tenants"), or (ii) currently vacant and being held available for such occupancy and have been so held continuously since the date an Eligible Tenant vacated such Unit:

Occupied Affordable Units

Vacant Affordable Units

Property Information

Name of Property:	Number of Units by Bedrooms (see table for allowable rents)	Income Category	Number of Units by Income Level of Tenants (percent of AMI)
Property Address:	0 (studio)	Extremely Low	30% of AMI
	1 bedroom	Very Low	50% of AMI
	2 bedrooms	Lower	80% of AMI
	3 bedrooms	Moderate	120% of AMI
Owner completing this Certificate has relied on the income certification and supporting information supplied by each Applicant in determining qualification for occupancy of the Affordable Unit.			

The Owner certifies that the information contained in the Occupancy Summary attached is true and accurate and hereby certifies that (1) a review of the activities of the Owner during such period and of the Owner's performance under the DDA and the documents referred to therein has been made under the supervision of the undersigned, and (2) to the best knowledge of the undersigned, based on the review described in clause (1) hereof, the Owner is not in default under any of the terms and provisions of the above documents (or describe the nature of any default and set forth the measures being taken to remedy such default).

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Exhibit I
[Promissory Note]

Exhibit J
[Deed of Trust]