

RECORDED AT THE REQUEST OF

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

WHEN RECORDED RETURN TO:

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

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

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

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

By: _____
Marlene Murphey
Its: Executive Director

Dated: _____

FIRST AMENDED AND RESTATED 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 public benefit corporation

FIRST AMENDED AND RESTATED 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 public benefit corporation

Florence and Walnut 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
Exhibit H	Promissory Note – Forgivable Infrastructure Loan
Exhibit I	Promissory Note - Homebuyers
Exhibit J	Deed of Trust (Developer)
Exhibit K	Deed of Trust - Homebuyers

FIRST AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT

This FIRST Amended and Restated 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 public benefit corporation (the Developer).

RECITALS

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

- A. This Agreement supersedes and replaces in its entirety the Amended and Restated Disposition and Development Agreement by and between the Parties on February 23, 2023, and recorded on January 23, 2024, as Document No. 2024-0005654 in the Office of the Fresno Recorder.
- B. FHS currently owns one parcel at the southwest corner of Florence and Walnut Avenues and four parcels at the northwest corner of Florence and Plumas, Fresno, California, more particularly described in Exhibit A (Site Map) and Exhibit A-1, (legal description) attached (the Property).
- C. Developer proposes to acquire the Property from FHS to develop affordable homeownership housing opportunities, as more particularly described in the Scope of Development and Basic Design, attached as Exhibit B, and Section 1.21, (collectively, the Project).
- D. Developer agrees to undertake improvements in accordance with the combined Performance Schedule described in Exhibit C attached hereto and incorporated herein (the Performance Schedule).
- E. This Project has been environmentally assessed under the California Environmental Quality Act (CEQA) and is categorically exempt pursuant to Article 19, Section 15332 (Class 32-infill) of the California Environmental Quality Act (CEQA).

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 E to Developer by FHS evidencing completion of the Project, or any Phase thereof, for purposes of this Agreement.

1.4 City. “City” means the City of Fresno, a municipal corporation, having its offices at 2600 Fresno Street, Fresno, California 93721-3605, and operating through its Council and its various departments.

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 public benefit corporation.

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

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 Eligible Buyer. “Eligible Buyer” is defined in accordance with Health and Safety Code Section 50079.5.

1.12 Escrow. “Escrow” means the escrow opened with Escrow Holder for City to convey a fee interest in the Property to Developer.

1.13 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.

1.14 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.

1.15 Hazardous Materials. “Hazardous Materials” means any substance, material, or waste, which is or becomes regulated by any local governmental authority, the State of California, or the United States Government including, without limitation, any material or substance, which is: (a) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, (b) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, (c) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, (d) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, which petroleum, (f) friable asbestos, (g) polychlorinated biphenyl, (h) listed under Article 9 or defined as “hazardous” or “extremely hazardous” under Article

11 of Title 22, California Administrative Code, (i) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (j) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. §6901 *et seq.*, or (k) defined as “hazardous substances” pursuant to Section of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601, *et seq.*); provided, however, hazardous materials shall not include: (1) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential rental housing, mixed-use, or commercial developments or associated buildings or grounds, or typically used in household activities in a manner typical of other residential, mixed-use or commercial developments which are comparable to the Improvements; and (2) certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code Section 25249, *et seq.*, which substances are commonly used by a significant portion of the population living within the region of the Property, including, but not limited to, alcoholic beverages, aspirin, tobacco products, NutraSweet, and saccharine.

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

1.17 Maximum Sales Price Calculation. “Maximum Sales Price Calculation” is defined in accordance with Health and Safety Code Section 50052.5(b)(3).

1.18 Outside Date. “Outside Date” means _____, the last date on which the parties are willing to Close the Escrow.

1.19 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.

1.20 Phase. “Phase” means a stage or portion of the Project designated by Developer for construction. A Phase may not consist of less than an entire residential structure.

1.21 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 and Basic Design, attached as Exhibit B. The Project includes the splitting of parcels and the construction of affordable residential units consisting of 13 single-family homes. The Project also includes (if needed) the dedication of approximately .89 acres for the construction of flood control facilities (ponding basin). The income levels for the 13-unit project will be targeted for families at approximately 80% AMI or below. The Project includes, without limitation, single family homes, associated on-site improvements, and any off-site improvements that 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.

1.21.1 Four FHS-owned lots, proximate to the Project (477-145-57T, 477-145-59T, 477-145-61T, 477-145-63T) shall be contributed to Developer for use as a site for a temporary ponding basin (collectively, Ponding Basin Lots) if required for the development of APNs 477-145-42T, 477-145-44T, 477-145-45T, 477-145-58T, 477-145-60T, 477-145-62T and 477-145-64T (collectively, Phase 2 Lots.) Upon the determination that the Ponding Basin Lots are not necessary for development of a temporary ponding basin, Developer shall develop the Ponding Basin Lots as affordable housing consistent with and pursuant to the same conditions for the 13 single-family homes required under this Agreement.

1.22 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.

1.23 Property. "Property" means the real property described in Exhibit A and Exhibit A-1 and generally consists of approximately 3.05 acres including 2.24 acres at the northwest corner of Florence and Plumas and approximately 0.81 acres at the southwest corner of Florence and Walnut.

1.24 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 on the conditions set forth herein.

2.1 Purchase Price. FHS will contribute the Property to the Project.

2.2 Escrow. Within 30 days after the Effective Date of this Agreement, FHS and the Developer will open an Escrow with the Escrow Holder, and deposit a signed copy of this Agreement as their initial joint escrow instructions. FHS and the Developer will sign any supplemental escrow instructions, consistent with this Agreement that the Escrow Holder or either party hereto deems necessary or appropriate. This Agreement will control any inconsistency that may exist between this Agreement and the supplemental escrow instructions. The parties authorize the Escrow Holder to act under the escrow instructions and, after the Escrow Holder accepts the instructions in writing, it will carry out its duties as Escrow Holder under this Agreement.

2.3 Timing of Closing. FHS and Developer may close escrow on the Property upon satisfaction of the conditions in 2.4. Property Closing may occur within 60 days of when the Developer submits evidence that all approvals have been obtained from the City for the on-site civil work for the property being developed in Phase 1 of the Infill New Construction Program identified as the Walnut and Florence Project. The lot split occurred through the transfer of land and Close of Escrow identified as APNs 477-162-06 through -11. FHS and Developer may close escrow on Phase 2 Lots within 7 business days of when the Developer submits evidence that building permits have been approved, and all financing for the Project is obtained. The lot split shall occur through the transfer of land and close of escrow. The Ponding Basin Lots shall be conveyed with the Phase 2 Lots. The Developer shall be allowed to close in phases as

shown in Exhibit C.

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 accept conveyance of the Property from FHS. These conditions must be satisfied by the time stated or, if no time is stated, then by the Outside Date set for the Closing.

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

A. 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 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. If the Developer utilizes its own private capital for portions of the development work, the Developer shall submit evidence that funds are available in a form acceptable to the FHS.

E. For the 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 the Project or the amount which FHS determines is necessary to complete the Project, or phases thereof, including evidence of a loan commitment for such funding sources acceptable to FHS. If FHS determines that said funds are not sufficient, this condition may be satisfied as agreed to by Developer and FHS in writing.

F. Developer will have received all land use and development approvals, variances, permits and the like, if any, required by this Agreement. The Developer may proceed with site and off-site work in advance of construction of the individual homes, in which case a building permit shall not be required to close escrow. FHS and Developer may close escrow on Phase 2 Lots within 7 business days of when the Developer submits evidence that building permits have been approved. The Ponding Basin Lots and the Phase 2 Lots may be concurrently conveyed upon approval of the building permits for construction of the 13 single-family homes for affordable housing.

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

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

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

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

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

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

2.4.3 Termination for Failure of Condition. In the event there is a failure of one or more conditions described in Section 2.4.1 or 2.4.2 that are not waived, the party for whose benefit the condition is established may terminate this Agreement by written notice to the other party prior to the Closing, in which event this Agreement shall terminate and no party shall have any further rights or liability to the other under this Agreement.

2.5 Escrow and Title Costs. FHS shall pay 100% of escrow fees, recording fees, and documentary stamp taxes, if any, to convey the Property to Developer. FHS shall pay 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. Any other costs associated with the Escrow shall be paid by FHS 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 F. The conveyance and Developer's title will be subject to all conditions, covenants, restrictions and requirements set forth in this Agreement, and the Grant Deed. FHS may separately convey approximately 0.82 acres of the Property located at the southwest corner of Florence and Walnut and the balance of the Property located at the northwest corner of Florence and Plumas.

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

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

2.10 Sale "AS IS" – No Warranties. FHS will convey the Property "AS IS" with all faults, including, without limitation, the conditions disclosed in any toxics reports delivered to Developer, any conditions disclosed in the files of the regulators such as, but not limited to, the Fresno County Health Department, and the Regional Water Quality Control Board, and any environmental or other physical conditions on or under

the Property, buried debris or structures, and soil compaction, presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, and the suitability of the Property for the development purposes intended hereunder.

2.11 Close of Escrow. The Escrow will close within 30 days after the parties satisfy all the conditions precedent to Closing as set forth in this Agreement, but not later than the "Outside Date," unless the parties mutually agree to extend the time for Closing.

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

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

2.12.2 Pay Fees. Pay and charge FHS for 100% 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. 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. The Agency shall provide \$410,000 for infrastructure improvements consisting of \$204,285 for Phase 1 which includes storm drain improvements along Walnut Avenue and \$205,715 for Phase 2 (Infrastructure Improvements). The Director has sole discretion to disburse additional funds in excess of \$204,285 prior to Developer's commencement of Phase 2. FHS financial assistance for the Infrastructure Improvements shall be payable to Developer when the conditions in Section 2.4.1 are satisfied and subject to execution of a Promissory Note and a request for Disbursement of Funds. FHS shall additionally provide up to \$320,000 in first time home buyer down payment assistance, subject to the Eligible Buyer executing a promissory note (Exhibit I) and deed of trust (Exhibit K). Developer shall endeavor to seek secondary financing per single family unit in the Project from sources such as, but not limited to, CDBG, CalHOME, or HOME funds.

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

4. DISBURSEMENT OF FHS FUNDS. Without waiver of limitation, the parties agree as follows, regarding disbursement of FHS funds:

4.1 Use of FHS Funds. The Developer warrants, covenants and agrees that it shall request FHS Funds limited to the amount needed for eligible costs, including allowable costs aggregating not more than Four Hundred Ten Thousand Dollars and 00/100 (\$410,000.00). Eligible costs are on/off site infrastructure improvements required and approved by the City of Fresno as necessary for the project.

A. If any such FHS Funds shall be determined to have been requested and/or used by the Developer for costs other than for eligible construction reimbursement costs, and subject to the notice and cure provisions of Section 10.4 hereunder, an equal amount from non-public funds shall become immediately due and payable by the Developer to FHS; provided, however, that the Developer shall, subject to its full cooperation with FHS, be entitled to participate in any opportunity to remedy, contest, or appeal such determination.

B. In the event FHS Funds are requested to reimburse Eligible Costs which subsequently lose eligibility as Eligible Costs, the Developer shall immediately return such FHS Funds to the FHS.

C. The FHS will disburse FHS Funds, only to reimburse the Developer for eligible cost through proper invoicing of the eligible costs of the Project as provided in this Article 4.

4.2 Conditions Precedent to Disbursement. The FHS shall not be obligated to make or authorize any reimbursements of FHS Funds unless the following conditions are satisfied:

A. There exists no Event of Default as provided in Article 10, nor any act, failure, omission or condition that with the passage of time or the giving of notice or both would constitute an Event of Default.

B. The Developer has received and delivered to the FHS firm commitments of, or Agreements for, sufficient funds to finance the Project.

C. The FHS has approved the requested reimbursement of eligible Project costs.

D. The Developer has obtained insurance coverage and delivered to the CITY evidence of insurance as required in Section 6 and FHS and Risk Management has approved the required insurances submitted to FHS by the Developer.

E. The Developer is current with its compliance of reporting requirements set forth in this Agreement.

F. The Developer has provided FHS with a written request for FHS funds for reimbursement of eligible Project costs and detailing such Eligible Costs applicable to the request.

G. FHS has received certification required by Section 4.4 of this Agreement.

H. FHS has received, and continues to have the right to disburse, FHS Funds.

4.3 FHS disbursement of FHS Funds. The Developer shall request reimbursement for eligible expenses using the FHS Request for Reimbursement of Funds form. The Developer shall request a maximum of Four Hundred Ten Thousand Dollars and 00/100 (\$410,000.00) in FHS assistance for the Project. All requests should detail the applicable Eligible Costs.

4.4 DEVELOPER Certification. The Developer shall submit to FHS a written certification that, as of the date of the Request for Reimbursement (Certification):

A. The representations and warranties contained in or incorporated by reference in this Agreement continue to be true, complete and accurate in material respects; and

B. The Developer has carried out all of its obligations and is in compliance with all the obligations or covenants specified in this Agreement, to the extent that such obligations or covenants are required to have been carried out or are applicable at the time of the request for the reimbursement; and

C. The Developer has not committed or suffered an act, event, occurrence, or circumstance that constitutes an Event of Default or that with the passage of time or giving of notice or both would constitute an Event of Default; and

D. The reimbursement requested will be used solely for reimbursement of Eligible Costs identified in this Agreement and must be supported by the itemized obligations that have been properly incurred and are properly chargeable in connection with the Project.

4.5 Disbursement of FHS Funds. The disbursement of FHS Funds shall occur within the normal course of FHS business, typically within 30 days, after the FHS receives the Certification and to the extent of annually allocated and available FHS.

5. PROJECT DEVELOPMENT

5.1 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. Except as set forth in this Agreement, before Developer begins constructing the Improvements or undertakes any other work of improvements on the Property, Developer, at its own cost and expense, will independently secure all land use and other entitlements, permits, and approvals that City of Fresno, FHS or any other governmental agency with jurisdiction over the Project requires for construction of the Project. Notwithstanding the foregoing, the Developer may utilize the mutual self-help method of construction and sweat equity (i.e. labor) from the families as allowable.

5.2 Except as may be expressly provided herein, Developer shall not begin construction or perform any other work on the Property until after Closing.

5.3 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, or phases 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 5.4.

In the event Developer does not perform and complete work pursuant to the Performance Schedule as set forth in Exhibit C or is otherwise unable to deliver a completed project, the sale of the Property may be rescinded and this Agreement may be cancelled pursuant to Section 10.5 and 10.6.

5.4 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. In the event On/Off Site Plans have been timely submitted by Developer and approval cannot be obtained by the date set forth herein, the milestones occurring on and after said dates shall be extended by the number of days equal to the duration of the delay. Notwithstanding the foregoing, the times of performance under this Agreement may also be extended in writing by FHS and the Developer, subject to Council approval.

5.5 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 and or site plan 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.

5.6 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:

5.6.1. 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.

5.7 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:

5.7.1. Pay or discharge the same; or

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

5.7.3. 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.

5.8 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.

5.9 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.

5.10 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.

6. INDEMNITY; INSURANCE.

6.1 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, 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. Notwithstanding the forgoing, FHS shall fully cooperate with developer as reasonable necessary in order to determine the applicability and compliance with prevailing wage laws.

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

6.1.1 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).

6.1.2 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.

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

The fact that insurance is obtained by Developer shall not be deemed to release or diminish the liability of Developer, including, without limitation, liability under the

indemnity provisions of this Agreement. The duty to indemnify City or FHS shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Developer. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Developer, vendors, suppliers, invitees, contractors, consultants, subcontractors, or anyone employed directly or indirectly by any of them.

6.2.1 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.

6.2.2 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.

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

6.2.4 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.

6.2.5 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.

6.2.6 Builders Risk Insurance. Builders risk insurance sufficient to cover one hundred percent (100%) 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 9.4.

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.

6.2.7 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.

6.2.8 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.

7. SECURITY FINANCING INTERESTS AND RIGHTS OF HOLDERS.

7.1 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.

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

- A. Creation of Security Financing Interests;
- B. A sale, conveyance, or transfer of the Property at foreclosure (or a deed in lieu of foreclosure) resulting from a Security Financing Interest;
- C. The conveyance or dedication of parts of the Property to the FHS or the grant of easements or permits solely to facilitate the development of the Property before the Certificate of Completion is recorded;

- D. Sale to homeowners in accordance with this Agreement;
- E. Sale or assignment to an entity controlled by or in common control with Developer;
- F. Assignments resulting from the death or mental or physical incapacity of an individual;
- G. Assignments in trust for the benefit of a partner's spouse, children, grandchildren or other family members;.

7.2 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:

7.2.1 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.

7.2.2 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.

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

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

7.2.5 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.

7.3 Security Financing; Rights of Holders

7.3.1 No Encumbrances Except Mortgages, Deeds of Trust, Sales and Lease-Back or Other Financing for Development. Notwithstanding Section 7.1 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.

7.3.2 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.

7.3.3 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 7.3.3. 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.

7.3.4 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.

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

8. USE AND MAINTENANCE OF THE PROPERTY.

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

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

development meeting the requirements and restrictions of this Agreement and the Regulatory Agreement.

8.3 Affordable Housing.

8.3.1 Construction of Affordable Housing Units. The Developer covenants and agrees to construct 13 single-family units as part of the Project. Each Single-Family Unit shall be subject to the Declaration of Restrictions attached hereto as Exhibit G. Upon the determination that the Ponding Basin Lots are not necessary for development of a temporary ponding basin, Developer shall develop the Ponding Basin Lots as affordable housing consistent with and pursuant to the same conditions for the 13 single-family homes required under this Agreement.

8.3.2 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.

8.3.3 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.

9. REPRESENTATIONS AND WARRANTIES.

9.1 Developer Representations and Warranties.

9.1.1 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.

9.1.2 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.

10. DEFAULT, REMEDIES AND TERMINATION.

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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:

10.5.1. 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

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

10.5.3. 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.

10.6 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 10.5 and 10.6 shall automatically terminate on the recordation of a Certificate of Completion for the Project (or applicable phase).

11. GENERAL PROVISIONS.

11.1 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.

11.2 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.

11.2.1 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.

11.2.2 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.

11.3 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.

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

11.5 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.

11.6 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.

11.7 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.

11.8 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.

11.9 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.

11.10 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.

11.11 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.

11.12 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.

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

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

11.15 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.

11.16 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.

11.17 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.

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

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

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

SELF HELP ENTERPRISES,
A California Non-Profit Public Benefit
Corporation

By: _____
Marlene Murphey,
Executive Director

By: _____

Name: Thomas J. Collishaw

Title: President/CEO
(If corporation or LLC., Board Chair,
Pres. or Vice Pres.)

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____

By: _____
Tracy N. Parvanian Date
Assistant City Attorney

Name: Elizabeth McGovern Garcia

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

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Deputy

REVIEWED BY:

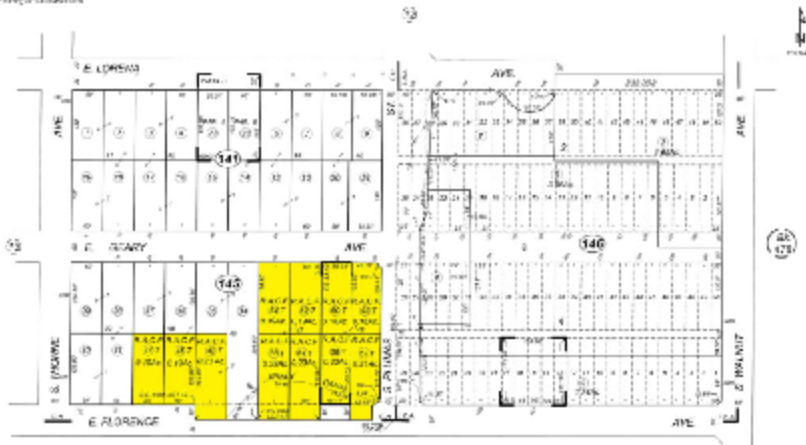
Attachments:	Exhibit A	Site Map
	Exhibit A-1	Legal Description
	Exhibit B	Scope of Development and Basic Design
	Exhibit C	Performance Schedule
	Exhibit D	Sources & Uses
	Exhibit E	Certificate of Completion
	Exhibit F	Grant Deed
	Exhibit G	Affordability Restrictions (Homebuyers)
	Exhibit H	Promissory Note – Forgivable Infrastructure Loan
	Exhibit I	Promissory Note - Homebuyers
	Exhibit J	Deed of Trust – Developer
	Exhibit K	Deed of Trust - Homebuyers

EXHIBIT A SITE MAP

NOTES:
This map is for informational purposes only.
It is not to be used as a basis for
any legal claim or liability for
any error or omission.

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

San Joaquin Area
477-14



California Highways - Plat No. 10, Pg. 61
Long Branch Addition - Plat No. 1, Pg. 29
Plat No. 2005 - 27, 45, 46, Pg. 1 & 2
Record of Survey No. 44, Pg. 55
Record of Survey No. 45, Pg. 44

Assessor's Map 01-477 - Pg. 14
COUNTY OF FRESNO, CALIF.

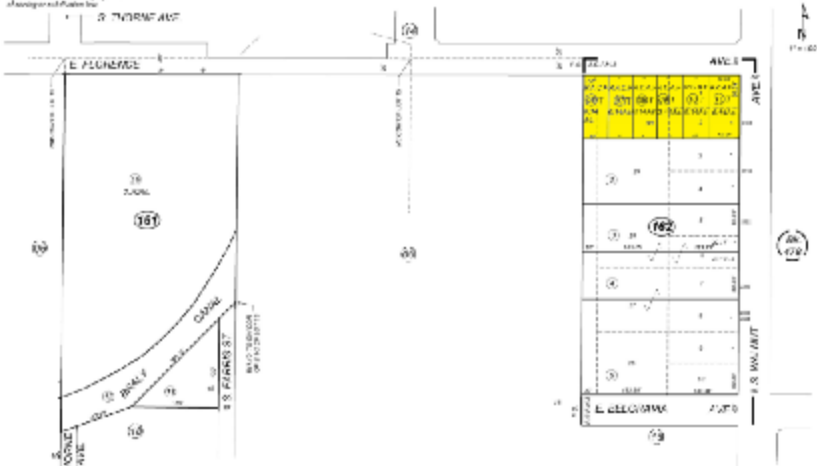
804002 S.

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

San Joaquin Area
477-16

NOTES:
This map is for informational purposes only.
It is not to be used as a basis for
any legal claim or liability for
any error or omission.

See Assessor's Map Numbers Shown in Outline
Assessor's Map Numbers Shown in Outline



A-1, Fowler's Addition Tract No. 2 - Plat No. 7, Pg. 30
Fowler's Addition - Plat No. 7, Pg. 30

Assessor's Map 01-477 - Pg. 13
COUNTY OF FRESNO, CALIF.

804002 S.

See Assessor's Map Numbers Shown in Outline
Assessor's Map Numbers Shown in Outline

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 477-145-42T

Parcel 2: APN 477-145-44T

Parcel 3: APN 477-145-45T

Parcel 4: APN 477-145-57T

Parcel 5: APN 477-145-58T

Parcel 6: APN 477-145-59T

Parcel 7: APN 477-145-60T

Parcel 8: APN 477-145-61T

Parcel 9: APN 477-145-62T

Parcel 10: APN 477-145-63T

Parcel 11: APN 477-145-64T

Parcel 12: APN 477-162-06T

Parcel 13: APN 477-162-07T

Parcel 14: APN 477-162-08T

Parcel 15: APN 477-162-09T

Parcel 16: APN 477-162-10T

Parcel 17: APN 477-162-11T

EXHIBIT B

SCOPE OF DEVELOPMENT AND BASIC DESIGN

Self-Help Single-Family Owner-Occupied Project

Self-Help Enterprises (SHE) proposes to construct 13 single-family units (6 at the southwest corner of Florence and Walnut Avenues (Phase 1) and 7 at the northwest corner of Florence and Plumas (Phase 2)). SHE's proposed project consists of designing the subdivision and associated improvements and constructing all the required infrastructure excepting a potential ponding basin* to develop buildable lots. 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 and may also include a conventional construction loan for the subdivision. SHE has secured HOME funds for secondary financing for the project and may also apply for CalHome and/or CSHHP.

The homes will be constructed by SHE as the General Contractor or by an independent third-party general contractor. 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.

Entitlements, Permits and Funding

SHE will work with the City to process the necessary plans and permits. 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. SHE has submitted an application(s) and secured HOME funds from the City of Fresno.

* Four FHS-owned lots, proximate to the project (477-145-57T, 477-145-59T, 477-145-61T, 477-145-63T) (Ponding Basin Lots) may be contributed for use as a site for a temporary ponding basin if required for the development of APNs 477-145-42T, 477-145-44T, 477-145-45T, 477-145-58T, 477-145-60T, 477-145-62T, 477-145-64T (Phase 2 Lots). Upon the determination that the Ponding Basin Lots are not necessary for development of a temporary ponding basin, Developer shall develop the Ponding Basin Lots as affordable housing consistent with and pursuant to the same conditions for the 13 single-family homes required under this Agreement.

EXHIBIT C
PERFORMANCE SCHEDULE

Walnut Project (formerly Fresno Self-Help Homeownership Project) Timetable		
Task	Start Date	Completion Date
DDA fully approved and Executed Complete	Completed	Completed
NEPA Review	Completed	Completed
NEPA Posting	Completed	Completed
AUGF Signed	Completed	Completed
Apply for and Secure Impact Fee Waiver	Completed	Completed
Engage Civil Engineer For Improvements	Completed	Completed
Complete LLA and/or Lot Splits	Completed	Completed
Zone Clearance Approval	Completed	Completed
Submit On/Off Site Plans for City Review	Completed	Completed
Complete/Receive Approval-On/Off Site Plan Ck *	10/1/2022	Completed
Apply/Receive Off Site Permits	3/1/2024	4/15/2024
Close of Escrow	Completed	Completed
Construction On/Off Site Improvements	3/15/2024	8/1/2024
Apply/Receive Construction Permits	1/1/2024	4/15/2024
Start/Complete Construction	4/15/2024	12/31/2024
Final Sale and Families Move-in	12/31/2024	3/30/2025

Plumas Project (formerly Infill New Construction) Project Timeline		
Task	Start Date	Completion Date
DDA fully approved and Executed Complete	Completed	Completed
NEPA Review	Completed	Completed
NEPA Posting	Completed	Completed
AUGF Signed	Completed	Completed
Apply for and Secure Impact Fee Waiver	12/1/2022	4/1/2024
Engage Civil Engineer	Completed	Completed
Complete LLA and/or Lot Splits	Completed	Completed
Zone Clearance Approval	Completed	Completed
Submit On/Off Site Plans for City Review	Completed	Completed
Complete/Receive Approval On/Off Site Plan CK *	10/1/2022	4/15/2024
Apply/Receive On/Off Site Permits	4/15/2024	4/30/2024
Close of Escrow	11/1/2022	4/9/2024
Construction On/Off Site Improvements	4/30/2024	9/1/2024
Submit House Plans for City Review **	3/15/2024	4/15/2024
Apply/Receive Construction Permits	3/15/2024	4/15/2024
Start/Complete Construction	4/15/2024	12/31/2024
Final Sale and Families Move-in	1/1/2025	3/30/2025

* In the event Plan Check Approvals cannot be obtained by the dates set forth herein, the milestones occurring on and after said dates shall be extended by the number of days equal to the duration of the delay.

** Self-Help Enterprises intends to utilize house plans from the Annadale Subdivision as an approved master plan "template" and is coordinating with the City through this process to streamline permitting and reduce project costs.

EXHIBIT D Sources & Uses

Infill New Construction Sources & Uses - Permanent										
	Sources per home		Sources per home		Sources per home		Sources per home		Total Per Project	
	3-bedroom w/HOME	#	3-bedroom NO HOME	#	4-bedroom w/HOME	#	4-bedroom NO HOME	#		
Price of House	\$290,000	of Homes	\$290,000	of Homes	\$310,000	of Homes	\$310,000	of Homes	\$1,450,000	of Homes
FHS Downpayment Assistance	\$22,857	2	\$22,857	2	\$22,857	9	\$22,857	1	\$320,000	14
HOME Downpayment Assistance	\$72,727	2	\$0	2	\$72,727	9	\$0	1	\$800,000	14
SHE Secondary Financing	\$72,016	2	\$144,743	2	\$83,716	9	\$156,443	1	\$1,343,400	14
FHA Mortgage to Buyer	\$122,400	2	\$122,400	2	\$130,700	9	\$130,700	1	\$1,796,600	14
Total Sources	\$290,000		\$290,000		\$310,000		\$310,000		\$4,260,000	
Uses	Uses Per Home		Uses Per Home		Uses Per Home		Uses Per Home		Total Per Project	
Site Imp, Grading/Compaction and Utility Laterals	\$50,000	2	\$50,000	2	\$50,000	9	\$50,000	1	\$700,000	14
Fees, Permits	\$20,000	2	\$20,000	2	\$20,000	9	\$20,000	1	\$280,000	14
Financing Costs	\$10,000	2	\$10,000	2	\$12,500	9	\$12,500	1	\$165,000	14
Home Construction	\$210,000	2	\$210,000	2	\$227,500	9	\$227,500	1	\$3,115,000	14
Total Hard Cost	\$290,000		\$290,000		\$310,000		\$310,000		\$4,260,000	

*HOME assistance is \$800,000 for 11 homes

**FHS Infrastructure funding up to \$410,000 for underground utilities and subdivision improvements (including up to \$50,000 for storm drain improvements to Walnut Ave in Phase 1). Infrastructure funding provided during construction to be forgiven and is not charged to the home buyer necessary to keep the cost of the homes affordable.

***Less SHE capital required for HOME units because they have HOME support, so the total is not equally amortized over all units

Note as follows: two at \$71,500 (3-bedrooms) and nine at \$73,000 (4-bedrooms) to the 11 homebuyers who shall assume such Note at 0% interest with a lump sum principal only payment due and payable from the homebuyer on, or before, expiration of thirty (30) year from close of escrow (Loan Maturity Date).

FHS shall provide \$320,000 in down payment assistance for first time home buyers

*SHE will utilize internal capital for the construction of the phase I - 6 homes. SHE will obtain a construction loan for the phase II lots.

EXHIBIT E

CERTIFICATE OF COMPLETION

RECORDED AT THE REQUEST OF:

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

WHEN RECORDED RETURN TO:

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

No Fee-Govt. Code Sections 6103-27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

APNs: []

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 5.5 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: _____, 20__

Self Help Enterprises

By: _____
Name: _____
Title: _____

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

ATTEST:
TODD STERMER, CMC
City Clerk

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Deputy

By: _____
Tracy N. Parvanian
Assistant City Attorney

Dated: _____

Dated: _____

EXHIBIT F

FREE RECORDING REQUESTED BY:

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

AFTER RECORDATION RETURN TO:

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

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

GRANT DEED

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

CITY OF FRESNO, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (Grantor), hereby grants to 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. Except with respect to Hazardous Materials found to exist on the Property as of the date of this Grant deed, 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, reasonable 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 _____, 20__.

“GRANTOR”

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

By: Marlene Murphey, Executive
Director

Date: _____

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

THIS DECLARATION OF RESTRICTIONS, (Declaration), is executed as of this _____ by _____, (Declarant) in favor of the City of Fresno, municipal corporation, 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 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 development 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 date Declarant and Homebuyer close escrow 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 in accordance with Health and Safety Code Section 50079.5, and at an affordable price which allows monthly housing payments (principal, interest, taxes, utilities, maintenance, and insurance) of not more than 30% of the household's gross income in accordance with Health and Safety Code Section 50052.5(b)(3).. 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 low income Households in accordance with Health and Safety Code Section 50079.5, 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 low income and the applicable Unit size as defined in the regulations governing Health and Safety Code Section 50052.5(b)(3) (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.

7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. Amendment. No amendment or modification of this Declaration shall be permitted without the prior written consent of Agency.

14. 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.
15. 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.
16. 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.
17. 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
AGENCY PROMISSORY NOTE

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

\$410,000.00

Fresno, California
_____, 2024

For value received, the undersigned, Self Help Enterprises, a California non-profit corporation (Borrower), promises to pay to the order of the City of Fresno in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (Lender or Beneficiary), up to Four Hundred, Ten Thousand Dollars, to the extent that such funds are disbursed to Borrower, at zero percent interest on the unpaid balance and forgivable as described herein. This Promissory Note (Note) is made and entered into in accordance with the terms of the Amended and Restated Disposition and Development Agreement dated _____, entered into between Borrower and Lender (Agreement).

Principal on the Note, in Lender's sole discretion, may be forgiven incrementally upon the close of Escrow as to each unit or upon the sale of an entire Phase of units. Each unit shall be sold to a household earning not greater than 80% AMI as set forth in the Agreement (the Maturity Date).

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

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

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

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

Time is of the essence with respect to all terms of this Note. It will be a default under this Note if Borrower defaults under the Agreement, any other Loan Documents (as defined in the Agreement), or if Borrower fails to pay when due any sum payable under this Note or

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

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

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

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

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

No delay or omission of Lender in exercising any right or power arising in connection with any default will be construed as a waiver or as an acquiescence, nor will any single or partial exercise preclude any further exercise. Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of Lender's rights under this Note, but rather will be deemed to have been made in pursuance of this Note and not in modification. No waiver of any default will be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default.

The Deed of Trust provides as follows:

DUE ON SALE—CONSENT BY BENEFICIARY. Beneficiary may, at its option, declare

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

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

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

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

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

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

[Signatures on following page.]

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

Borrower

Self Help Enterprises, a California non-profit corporation

By: _____

By: _____

EXHIBIT I

NOTICE TO BORROWER: THIS PROMISSORY NOTE MAY NOT BE ASSUMABLE

BORROWER MUST MEET ELIGIBILITY REQUIREMENTS BEFORE EXECUTING THIS DOCUMENT.

AGENCY PROMISSORY NOTE SECURED BY DEED OF TRUST

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

Fresno, California

_____, 2024

Period of Affordability: **45 years**

FOR VALUE RECEIVED, the undersigned _____ (Borrower), jointly and severally, promises to pay to the order of the City of Fresno, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno (Lender), with its principal office at **848 M Street, Third Floor Fresno, California 93721**, or such other place as the Lender may designate by written notice to Borrower, in lawful money of the United States, the principal sum of _____, or such lesser amount as shall equal the aggregate amount disbursed to or on behalf of Borrower pursuant to a Loan Agreement dated of even date herewith between the Lender and the Borrower (the Loan Agreement) (if any) together with interest on the unpaid principal as provided herein (the Loan).

1. **Security**. This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned to Borrower by the Lender pursuant to the Loan Agreement (if any) for the purpose of purchase of a single-family residence located at _____ (the Property) described in that certain deed of trust securing this indebtedness and dated of even date herewith (the Deed of Trust) pursuant to the Loan Agreement.
2. **Interest**. This is a Deferred Payment Loan (DPL) which bears interest at the rate or zero percent (0%).
3. **Loan Terms**. The Borrower agrees to pay the indebtedness hereunder as follows:
 - a. The loan shall have a term of 45 years. No payments are required for the first 45 years. Loan balance is due and payable after 45 years.
 - b. Full payment of the outstanding principal and accrued interest is due at the time the Property is sold or transferred, or when the Borrower ceases to occupy the Property as Borrower's principal place of residence.

- c. Borrower may repay the entire amount of the Loan amount at any time without penalty.
4. Borrower Warranties. Borrower acknowledges and understands that this Note evidences a loan being made pursuant to the terms, conditions, and restrictions of the Declaration of Restrictions. Further Borrower understands that Borrower must meet the income eligibility restrictions of the Declaration of Restrictions. Borrower hereby warrants to the Lender that all information concerning the Borrower's income is true and correct, and to the best of Borrower's knowledge and belief meets the eligibility criteria of the Declaration of Restrictions.
5. Acceleration On Default. On the occurrence of any event of default, the Lender, at its sole election, and after 30 days from the date written notice is mailed to Borrower, may declare all or any portion of the principal and accrued interest on this Note to be immediately due and payable and may proceed thereafter at once without further notice to enforce this Note according to law. The Lender may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Lender shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to reasonable attorney's fees.
6. Events of Default. Each of the following occurrences shall constitute an Event of Default:
 - a. Breach of any of the terms of this Note, the Deed of Trust, or the Declaration of Restrictions;
 - b. Misrepresentation or misstatement of any facts upon which Borrower's eligibility for the Loan is based;
 - c. Failure by Borrower to occupy the Property as Borrower's principal place of residence for reasons other than medical treatment or disability which require a temporary alternate residence; and
 - d. Transfer or attempted transfer of all or any portion of Borrower's right, title and/or interest in the property, by any means or method including, but not limited to, sale, contract to sell, lease, devise, or the granting a lien, security interest or other encumbrance, whether voluntary or involuntary, or by operation of law, without the Lender's written permission
 - e. The following shall also constitute a default under this Note: Occurrence of (1) Borrower's becoming insolvent or bankrupt or being unable or admitting in writing Borrower's inability to pay Borrower's debts as they mature or making a general assignment with creditors; (2) proceedings for the appointment of a receiver, trustee, or liquidator of the assets of Borrower or a substantial part thereof, being authorized or instituted by or against Borrower; or (3) proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation, or other similar law of any jurisdiction being authorized or instituted against Borrower.

7. Incorporation by Reference. All covenants, conditions and agreements contained in the Loan Agreement (if any), Deed of Trust, Affordability Restrictions on Transfer of Property and notice thereof, and the Declaration of Restrictions are hereby made a part of this Note.
8. No Waiver of Remedies. No delay or failure of the holder of this Note in the exercise of any right or remedy hereunder, or under any other agreement which secures or is related hereto, shall affect any such right or remedy, and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof, and no action taken or omitted by the holder shall be deemed a waiver of any such right or remedy.
9. Waiver of Presentment. Each maker, endorser, surety and guarantor of this Note hereby jointly and severally waives demand, protest, presentment, notice of nonpayment, notice of protest, notice of dishonor and diligence in bringing suit against any party and does hereby consent that time of payment of all or any part of said amount may be extended from time to time by the holder hereof without notice. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors.
10. Notice. Any notice to the Borrower provided for in this Note shall be given by personal delivery or by mailing such notice by certified mail addressed to the Borrower at the address stated below, or to such other address as the Borrower may designate by written notice to the Lender. Any notice to the Lender shall be given by mailing such notice by certified mail, return receipt requested, to the mailing address stated above, or at such other address as may have been designated by written notice to Borrower. Mailed notices shall be deemed delivered and received five (5) days after deposit in the United States mails in accordance with this provision.
11. Successors & Assigns. This Note shall be binding upon the Borrower and Borrower's successors and assigns.
12. Costs of Enforcement. Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which the holder of this Note may pay or incur in the enforcement of this Note, the Deed of Trust, or any term or provision thereof.
13. Governing Law. This Note shall be construed in accordance with and be governed by the laws of the State of California.
14. Severability. If any provision of this Note shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless, in the sole discretion of the Lender, the invalidity, illegality, or unenforceability of the provision negates the Program purpose and/or threatens the security of the Lender.
15. Certification. The Borrower hereby certifies to the Lender that this is the Promissory Note described in and secured by the Trust Deed covering the real property therein described.

Executed at _____, California.

BORROWER

By: _____

By: _____

ADDRESS FOR PURPOSES OF NOTICE

EXHIBIT J

DEED OF TRUST (DEVELOPER)

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

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

INSTRUCTIONS TO COUNTY RECORDER:

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

Space above for Recorder's Use

DEED OF TRUST

This DEED OF TRUST (Deed of Trust) is entered into between SELF-HELP ENTERPRISES, a California non-profit corporation whose principal executive office is at 8445 W. Elowin Court, Visalia, CA 93291 (the Trustor), in favor of OLD REPUBLIC TITLE COMPANY, whose address is 7451 N. Remington Avenue, Suite 102, Fresno, CA 93711 (the Trustee), for the benefit of the CITY OF FRESNO IN ITS CAPACITY AS HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO (the Beneficiary), with offices at 848 M Street, Third Floor, Fresno, California 93721.

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

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

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

(iii) All water rights pertaining to the Property and shares of stock evidencing the same, and all deposits made with or other security given to utility companies by the Trustor with respect to the Property;

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

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

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

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

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

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS:

(a) Payment to the Beneficiary of an indebtedness in the principal amount of Four Hundred Ten Thousand Dollars (\$410,000), evidenced by a promissory note executed by the Trustor and payable to the order of the Beneficiary, bearing the same date as this Deed of Trust, and any and all modifications, extensions or renewals thereof or substitutions therefor (the Note), and performance and satisfaction of each and all other obligations of the Trustor under the Note;

(b) Performance of every obligation of Trustor in this Deed of Trust, the Note, the Development Covenant contemplating the improvement of the "Project" (as that term is defined in the Development Covenant); and

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

written instruments which recite that they are secured by this Deed of Trust.

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

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

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

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

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

5. The Trustor, at its sole cost and expense, shall provide and maintain on the entire Property, including all buildings and improvements thereon: (i) a policy of broad-form builder's risk insurance sufficient to cover 100 percent of the replacement value of all buildings and improvements on the Property including; without limitation, labor and materials in place or to be used as part of the permanent construction (including, without limitation, surplus miscellaneous materials and supplies incidental to the work, and scaffolding, staging, towers, forms and equipment not owned or rented by the Beneficiary, the cost of which is not included in the cost of work), insuring against loss or damage by fire, extended coverage perils and such other hazards, casualties or other contingencies as from time to time may be reasonably required by the Beneficiary; (ii) a policy of commercial general liability insurance that includes contractual, products and completed operations coverages, bodily injury and property damage liability insurance with combined single limits of not less than \$1,000,000 per occurrence; and (iii) such other insurance as may be reasonably required by the Beneficiary, in each case in such amounts, in such manner and with such companies as the Beneficiary and Trustor may reasonably approve. The foregoing minimum insurance coverage limits shall be subject to reasonable adjustment from time to time by the Beneficiary. Each such policy shall be endorsed with a standard mortgage clause with loss payable to the Beneficiary and the Trustor, and shall provide that the policy shall not be canceled or materially changed without at least thirty (30) days' prior notice to the Beneficiary. Upon request by the Beneficiary, the Trustor immediately shall deposit with the Beneficiary certificates evidencing such policies.

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

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

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

9. Should the Trustor fail to make any payment or do any act as herein provided, then the Beneficiary or the Trustee, without obligation to do so, and following notice to or demand on the Trustor, and without releasing the Trustor from any obligation hereof: (i) may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, the Beneficiary or the Trustee being authorized to enter on the Property for such purposes; (ii) may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee; (iii) may pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto (except for the deeds of trust, encumbrances and liens securing the Construction/Permanent Financing Loan(s), as such terms are defined below); and (iv) in exercising any such powers, may pay necessary expenses, employ legal counsel and pay such counsel's reasonable fees. All such amounts paid by the Beneficiary or the Trustee hereunder shall be added to the obligations secured by this Deed of Trust.

The term "Construction/Permanent Financing Loan" means, collectively, the construction financing and take-out financing, and any refinancing or replacement of that financing from time to time, to be provided by a commercial or other lender(s); provided, however, that (i) before entering into any Construction/Permanent Financing Loan, the Trustor shall give the Beneficiary notice of the Construction/Permanent Financing Loan and copies of the loan agreement and all other loan documents evidencing the Construction/Permanent Financing Loan; (ii) the funds disbursed from each Construction/Permanent Financing Loan shall be used only for costs and charges associated with the loan and for the operation,

maintenance and/or improvement of the Project or the Property as provided in the Development Covenant or to refinance existing indebtedness; (iii) the interest on each Construction/Permanent Financing Loan shall be at a reasonable rate based on all the facts and circumstances; and (iv) the combined amounts of all Construction/Permanent Financing Loans or any re-financing thereof and the Note secured by this Deed of Trust shall not exceed one hundred percent (100%) of the fair market value of the Property as improved by the Project under the Development Covenant (such value to be determined by a qualified appraiser reasonably acceptable to Trustor and Beneficiary).

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

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

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

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

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

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

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

16. As further security for the full and complete performance of each and every obligation, covenant, agreement and duty of the Trustor contained herein or in the Note, the Trustor hereby grants and conveys to the Beneficiary a security interest in and lien on all of the Collateral. This Deed of Trust shall serve as a security agreement and financing statement created pursuant to the California *Commercial Code*, and the Beneficiary will have and may exercise all rights, remedies and powers of a secured party under the California *Commercial Code*. Further, this Deed of Trust is filed as a fixture filing pursuant to the California *Commercial Code* and other applicable law, and covers goods which are or are to become fixtures.

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

of such proceeds still remaining shall be disbursed by the Beneficiary to the Trustor.

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

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

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

21. Upon written request of the Beneficiary stating that all obligations secured hereby have been satisfied and all sums secured hereby have been paid, and upon surrender of this

Deed of Trust and the Note to the Trustee for cancellation and retention, and upon payment of its fees, the Trustee shall reconvey, without warranty, the Collateral then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as “the person or persons legally entitled thereto.”

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

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

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

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

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

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

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

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

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

* * * * *

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

TRUSTOR:
Self-Help Enterprises, a California
non-profit corporation

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

Attachment: Exhibit A – Legal Description of the Property

EXHIBIT A to DEED OF TRUST

LEGAL DESCRIPTION

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

APN:

Recorded at the Request of
and 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

EXHIBIT K

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

ESCROW NO. _____
APN NO.: _____

DEED OF TRUST

THIS DEED OF TRUST (Deed of Trust) made this ___ day of _____, 2024, by and between [HOMEBUYER] (herein Borrower), [TITLE COMPANY], a California Corporation (herein Trustee), and the City of Fresno, a Municipal Corporation in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno, whose address is 848 M. Street, Third Floor, Fresno, California 93721 (herein Beneficiary and Lender).

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

The Borrower also irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, all of the Borrower's right, title and interest now owned or later acquired to the following property (including the rights or interests pertaining to the property) located at _____, Fresno, CA 93701:

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

which _____ is specially designed; all of these item, whether now or later installed, being declared to be for all purposes of this Deed of Trust a part of the Land, the specific enumerations in this Deed of Trust.

TO SECURE, in order of priority that Beneficiary determines:

- (1) Payment of the indebtedness evidenced by a note of the Borrower of even date with this Deed of Trust in the principal amount of _____ (Note), payable to the Beneficiary or order, and all extensions, modifications, or renewals of that note; and
- (2) Payment of the interest on that indebtedness according to the terms of the Note; and
- (3) Payment of all other sums becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust; and
- (4) Performance of every obligation contained in this Deed of Trust, the Declaration of Restrictions dated _____, 2024, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by the Borrower as of the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness amending this Deed of Trust or any instrument secured by this Deed of Trust (collectively the Loan Documents); and
- (5) Payment of all other obligations owed by the Borrower to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

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

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

The Borrower represents and warrants to the Beneficiary that as of the date of this Deed of Trust the execution, delivery, and performance by the Borrower and the borrowings evidenced by the Note are within the power of the Borrower and will not violate any provision of law, any order of any court or agency of government, or any other instrument to which Borrower is a party or by which the Borrower or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of the Borrower, except as contemplated by the provisions of the Loan Documents; and each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

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

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

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

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

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

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

3. Preservation and Maintenance of Property. The Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. The Borrower shall not permit overcrowded conditions to exist as defined by the U.S. Department of Housing and Urban Development.
4. Protection of Lender's Security. If the Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, then the Lender, at the Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect the Lender's interest. If the Lender requires mortgage insurance as a condition of making the loan secured by this Deed of Trust, the Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Borrower's and the Lender's written

agreement or applicable laws.

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

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

Lender as provided herein, and (b) any notice to the Lender shall be given by certified mail to the Lender's address stated herein or to such other address as the Lender may designate by notice to the Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to the Borrower or the Lender when given in the manner designated herein.

10. Governing Law; Severability. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust or if the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are declared to be severable. As used herein, "costs", "expenses", and "attorney's fees" include all sums to the extent not prohibited by applicable law or limited herein.
11. Borrower's Copy. The Borrower shall be furnished a copy of the Promissory Note, and a conformed copy this Deed of Trust and Declaration of Restrictions at the time of execution or after recordation thereof.

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

12. Acceleration; Remedies. Upon the Borrower's breach of any covenant or agreement of the Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, the Note or the Program restrictions, the Lender prior to acceleration shall give notice to the Borrower as provided in paragraph 9 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than ten days from the date notice is mailed to the Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform the Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of the Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the Lender, at the Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. The Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 12, including, but not limited to, reasonable attorney's fees. If the Lender invokes the power of sale, the Lender shall execute or cause the Trustee to execute a written notice of the occurrence of an event of default and of the Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. The Lender or the Trustee shall mail copies of such notice in the manner prescribed by applicable law. The Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by

applicable law, the Trustee, without demand on the Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine.

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

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

13. Borrower's Right to Reinstate. Notwithstanding the Lender's acceleration of the sums secured by this Deed of Trust due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) the Borrower pays the Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) the Borrower cures all breaches of any other covenants or agreements of the Borrower contained in this Deed of Trust; (c) the Borrower pays all reasonable expenses incurred by the Lender and the Trustee in enforcing the covenants and agreements of the Borrower in paragraph 13 hereof, including but not limited to, reasonable attorney's fees; and (d) the Borrower takes such action as the Lender may reasonably require to assure that the lien of this Deed of Trust, the Lender's interest in the Property and the Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by the Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
14. Lien of Deed of Trust. The Beneficiary agrees that the lien of this Deed of Trust shall be subordinated to any senior lender recorded against the Property, provided its terms must terminate upon foreclosure under this Deed of Trust or upon a transfer of the Property by instrument of lieu of foreclosure.
15. Reconveyance. Upon payment of all sums secured by this Deed of Trust, the Lender shall request the Trustee to reconvey the Property and shall surrender this Deed of Trust, and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
16. Substitute Trustee. The Lender at the lender's option, may, from time to time, appoint a successor trustee to any Trustee appointed hereunder

by an instrument executed and acknowledged by the Lender and recorded in the Fresno County Recorder's Office. The instrument shall contain the name of the original the Lender, the Trustee and the Borrower, the book and page where this Instrument is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

17. Statement of Obligation. The Lender may collect a fee not to exceed \$50 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.
18. Event of Default. Prior to declaring or taking any remedy permitted under Loan Documents, (where applicable) the Borrower shall have an additional period of not less than thirty days to cure such alleged default. Notwithstanding the foregoing, in the case of a default that cannot with reasonable diligence be remedied or cured within thirty days, the Borrower shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than ninety days from the expiration of the initial thirty-day period above. To the extent that there is a conflict between this paragraph 18 and any remedy permitted by the, Loan Documents, or Loan, the terms of this paragraph 18 shall control.

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

- a. Breach of any of the terms of this Note, the Deed of Trust, or the Declaration of Restrictions;
- b. Misrepresentation or misstatement of any facts upon which Borrower's eligibility for the Loan is based;
- c. Failure by Borrower to occupy the Property as Borrower's principal place of residence for reasons other than medical treatment or disability which require a temporary alternate residence; and
- d. Transfer or attempted transfer of all or any portion of Borrower's right, title and/or interest in the property, by any means or method including, but not limited to, sale, contract to sell, lease, devise, or the granting a lien, security interest or other encumbrance, whether voluntary or involuntary, or by operation of law, without the Lender's written permission.
- e. The following shall also constitute a default under this Note: Occurrence of (1) Borrower's becoming insolvent or bankrupt or being unable or admitting in writing Borrower's inability to pay Borrower's debts as they mature or making a general assignment with creditors; (2) proceedings for the appointment of a receiver, trustee, or liquidator of the assets of Borrower or a substantial part thereof, being authorized or instituted by or against Borrower; or (3) proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation, or other similar law of any jurisdiction being authorized or instituted against Borrower.

f. Failure to maintain insurance as provided in Section 2 hereof.

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

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

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

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

The Borrower agrees to repay on demand all sums expended by the Trustee or the Beneficiary pursuant to this section with interest at the Note Rate of Interest, and

those sums, with interest, will be secured by this Deed of Trust.

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

BORROWER

By: _____ Date: _____

Name: _____

(Attach notary certificate of acknowledgment)

EXHIBIT "A"
To Deed of Trust
Legal Description