

**FIRST AMENDMENT TO  
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (the “Amendment”) is dated as of November 10, 2020 and is entered into by and between the CITY OF TEMECULA, as successor of the housing assets of the former Temecula Redevelopment Agency (the “City”), and TEMECULA PACIFIC ASSOCIATES, A California limited partnership (“Developer”).

**RECITALS**

A. City and Developer entered into that certain Disposition and Development Agreement as of June 25, 2019 (“Agreement”).

B. City and Developer desire to amend the Agreement to provide Developer with additional time and support to identify additional subsidies and receive an award of tax credits.

**AGREEMENT**

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained in this Amendment, the parties hereto agree as to amend the Agreement as follows:

1. Additional Tax Credit Applications.

(A) Section 5.1.8 of the Agreement is hereby amended and restated in its entirety as follows:

“The failure of Developer to apply for 9% tax credits in both rounds for 2021 or 2022 until awarded (provided that Developer, in its discretion, may apply for 4% tax credits instead of 9% tax credits after two unsuccessful 9% rounds); the failure of Developer to apply for California state tax credits in both rounds for 2023 or 2023 until awarded; or the failure to deliver to City evidence of an application for tax credits after the application is submitted within ten (10) days of written request from City.”

(B) The Schedule of Performance that is attached to the Agreement is hereby amended to reflect that the Developer will apply for tax credits in 2021, 2022, 2023 and 2024, until awarded.

2. Additional Funds. City will cooperate in good faith with Developer to secure additional funding sources for the Project of up to \$2,800,000, including without limitation a PHLA grant, funds available from Riverside County, or other funds available to the City for use on housing or redevelopment projects.

3. Conflict. Except as amended herein, the Agreement remains in full force and effect. To the extent of any conflict between this Amendment and the Agreement, this Amendment shall govern.

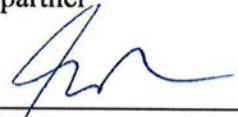
4. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the day and year first above written.

**DEVELOPER:**

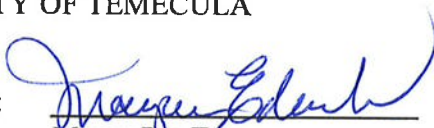
TEMECULA PACIFIC ASSOCIATES

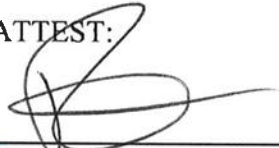
By: TPC Holdings VII, LLC  
an Idaho limited liability company,  
a general partner

By:   
Caleb Roope, Manager

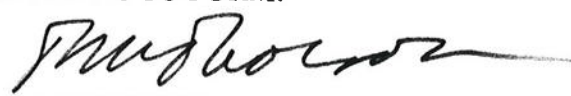
**CITY:**

CITY OF TEMECULA

By:   
Mayor Pro Tempore

ATTEST:  
  
Randi Johl, City Clerk

APPROVED AS TO FORM:

By:   
Peter M. Thorson, City Attorney

## SCHEDULE OF PERFORMANCE

This Schedule of Performance requires the submission of plans or other documents at specific times. Some of the submissions are not described in the text of the Agreement. Such plans or other documents, as submitted, must be complete and adequate for review by the City or other applicable governmental entity when submitted. Prior to the time set forth for each particular submission, the Developer shall consult with City staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

<u>Action</u>	<u>Date / Deadline</u>
<b>Items 1 – 10 Relate to Developer Actions and Requirements Prior to or through/at the Close of Escrow</b>	
1. <u>Opening of Escrow</u> . The Parties shall open escrow with the Escrow Holder.	Within five (5) business days after the award of tax credits.
2. <u>Preliminary Project Budget</u> . The Developer shall submit a preliminary Project Budget for the Improvements.	Prior and as a condition to Close of Escrow.
3. <u>Final Plans and Specifications</u> . The Developer shall submit the Final Plans and Specifications for City approval.	Prior and as a condition to Close of Escrow.
4. <u>Building Permits</u> . The Developer shall obtain the Building Permit for the construction of the Improvements.	Prior and as a condition to the Close of Escrow.
5. <u>Construction Contract</u> . The Developer shall submit the construction contract for the construction of the Improvements to the City for approval.	Prior and as a condition to the Close of Escrow.
6. <u>Performance and Payment Bonds</u> . The Developer shall deliver to the City copies of the required performance and payment bonds.	Prior and as a condition to the Close of Escrow.
7. <u>Insurance</u> . The Developer shall submit evidence of insurance to the City.	Prior and as a condition to the Close of Escrow.
8. <u>Project Budget</u> . The Developer shall submit the Project Budget to City together with reasonable evidence that all equity required will be available at the Closing.	Prior and as a condition to the Close of Escrow.

<u>Action</u>	<u>Date / Deadline</u>
9. <u>Tax Credit Applications/Award.</u>	Developer must apply for 9% tax credits in the second record for 2019, both records for 2020, 2021, 2022, 2023, 2024 (until awarded) and must provide evidence thereof to City, and form a limited partnership to provide for investment of tax credit-based equity, and deliver a copy of the partnership agreement to City. Developer must be awarded tax credits and must provide evidence thereof to City prior (and as a condition) to Close of Escrow.
10. <u>Tax Credit Equity.</u> All tax credit equity must have been invested in the Developer entity and available for Project Costs, as shown by reasonable evidence delivered to City	Prior and as a condition to Close of Escrow.
<b>Items 11 – 15 Relate to the Conveyance of the Land and Developer Actions and Requirements After the Close of Escrow</b>	
11. <u>Close of Escrow.</u> The Developer shall purchase the Land from the City and shall concurrently close the Construction Loan.	Within seven (7) months after award of tax credits, but not later than July 1, 2025.
12. <u>Commencement of Construction.</u> Developer shall substantially commence the Improvements.	No later than 30 days after the Close of Escrow.
13. <u>Completion of Grading.</u> Developer shall substantially complete the grading for the Project.	Not later than six (6) months following the commencement of construction.
14. <u>Commencement of Vertical Construction.</u> Developer shall commence vertical construction.	Not later than eight (8) months after the commencement of construction.
15. <u>Completion; Qualification for Certificate of Completion.</u> The Project shall be completed and shall qualify for a Certificate of Completion.	No later than fourteen (14) calendar months after the commencement of construction.