

**SECOND AMENDMENT
TO
LOAN AGREEMENT
(LAS HACIENDAS)**

THIS SECOND AMENDMENT TO LOAN AGREEMENT ("**Amendment**"), is dated as of December 8, 2021, and is entered into by and between CITY OF TEMECULA, as successor to the housing assets and funds of the former Temecula Redevelopment Agency ("**City**"), and LAS HACIENDAS HOUSING ASSOCIATES, L.P., a California limited partnership ("**Borrower**").

RECITALS

A. City and Borrower are parties to that certain Loan Agreement dated as of May 26, 2020 and amended it by a First Amendment to Loan Agreement dated March 23, 2021 ("**Agreement**"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement unless the context clearly indicates otherwise.

B. City and Borrower mutually desire to modify the Agreement as set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. **Definitions; Definition of Residual Receipts.** The following changes are made to Section 1.1 (Definitions) of the Agreement:

Section 1.1.8 is deleted, and is replaced with the following:

1.1.8 "Gross Revenues" means the sum of: the total rental income and all other revenues or income received by the Borrower or its successors or assigns in connection with the Project, including without limitation Housing Rent, laundry charges or consideration received from an entity that contracts to provide laundry services, payments in connection with Section 8 certificates, if any (including payments under such certificates that are in excess of the restricted rents provided for herein), cable income or consideration received from an entity that contracts to provide cable services, each of (i) amounts paid to Borrower or any affiliated person on account of Operating Expenses for further disbursement by Borrower or such affiliate to a third party or parties, including, without limitation, grants received to fund social services or other housing supportive services at the Project; (ii) late charges and interest paid on rentals; (iii) rents and receipts from licenses, concessions, vending machines, coin laundry, and similar sources; (iv) other fees, charges, or payments not denominated as rental but payable to Borrower in connection with the rental of office, retail, storage, or other space in the Project; (v) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases; (vi) interest and other investment earnings on security deposits, reserve accounts and other Project accounts to the extent disbursed,

and (vii) all other income from the Project, but **does not include** (a) insurance proceeds applied to reconstruct or repair the Project; (b) proceeds of bona fide loans to Borrower; (c) capital contributions from partners in Borrower to Borrower; or (d) capital proceeds from sale or refinancing (provided that any refinancing proceeds in excess of the outstanding balance of the loan being refinanced, plus reasonable borrower closing costs for such refinancing loan, shall be included unless otherwise approved in writing by the City Manager).

Section 1.1.15 is deleted and is replaced with the following:

1.1.15 “Operating Expenses” means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Project, including without limitation the following (to the extent actual, reasonable and customary, and attributable to the operation, maintenance or management of the Project): painting, cleaning, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Project; a management fee (“Management Fee”) to a third party property manager, not to exceed \$48 per month per unit commencing in the year the Closing occurs, which Management Fee shall increase 2.5% annually; purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the Completion of Construction in connection with the operation of the Project; payments of deductibles in connection with casualty insurance claims not normally paid from reserves; and payment of any tax credit adjuster payments, general partner management fee in an amount not to exceed \$20,000 per year commencing in the year of Closing, which fee shall increase at 3% annually, resident services fee in an amount not to exceed \$48,000 per year commencing in the year of Closing, which fee may accrue to the extent not paid and shall increase at 3% annually, asset management fee payable to the limited partners of Borrower in the aggregate amount not to exceed \$8,500 per year, which fee shall increase at 3% annually; deferred developer fees; repayment to the limited partner of Borrower of loans made by such limited partner to Borrower (provided reasonable evidence of such loans are given to City); replenishment of operating reserves, with the limitations that the operating reserve deposits at no time shall exceed \$188,367; and repayment of operating loans made by the general partner of Borrower to Borrower (provided reasonable evidence of such loans is given to City). Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. Operating Expenses shall also exclude all of the following: (i) salaries of employees of Borrower or Developer or Borrower’s or Developer’s general overhead expenses, or expenses, costs and fees paid to any affiliated person or entity; (ii) any amounts paid directly by a tenant of the Project which, if incurred by Developer or Borrower, would be any Operating Expenses; (iii) any payments with respect to any loan or financing; (iv) expenses, expenditures, and charges of any nature whatsoever arising or incurred by Borrower or Developer prior to completion of the Project, or any portion thereof, including, without limitation, all predevelopment and preconstruction activities

conducted by Borrower or Developer in connection with the Project, including, without limitation, the preparation of all plans and the performance of any tests, studies, investigations or other work, and the construction of the Project and any on site or off site work in connection therewith; (v) depreciation, amortization, and accrued principal and interest expense on deferred debt; and (vi) any partnership internal fees except as set forth above. The Operating Expenses shall be reported in the Annual Financial Statement and Residual Receipts Report and shall be broken out in line-item detail.

2. Reimbursement by City. Section 2.9 of the Agreement is hereby deleted, and is replaced with the following:

“2.9 Limited Reimbursement by City. Upon completion of the new road connecting Las Haciendas and Calle Cortez, which may occur at any time prior to the issuance Certificate of Occupancy, and City’s acceptance of such road, Borrower may request City’s reimbursement of the costs incurred by Borrower on behalf of the City in connection with the construction such road for an amount up to a maximum of the lesser of: (i) one and three quarters percent (1.75%) of the total land acquisition and hard costs of the Project (excluding such road costs) or (ii) the actual amount of such road costs (which are estimated as of the date hereof to be about \$500,857). However, provided Borrower is not in default under this Agreement, Borrower may request and City shall provide such reimbursement in two phases: (i) the first disbursement shall be made upon completion of the rough improvements including: rough and finish grading, curb and gutter, apron and approach installations, and initial base course of asphalt; and (ii) the second disbursement shall be made at end of the completion of the street improvements, which shall include, without limitation: public sidewalks, final courses and sealing of asphalt, and striping, paint and signage and when the City authorizes reduction in the subdivision improvement bond for such improvements (each of such two reimbursement payments being limited to the amount of documented costs then incurred, and being further limited by the first sentence of this Section). Concurrent with Borrower’s request for reimbursement, Borrower shall deliver to City reasonable evidence of the out-of-pocket construction costs incurred by Borrower for which reimbursement is requested and City shall reimburse Borrower within 30 calendar days after receipt of Borrower’s request for reimbursement.”

3. Disbursements of City Loan Funds. Section 3.7(i) of the Agreement is hereby deleted, and Section 3.7(ii) is hereby replaced with the following:

(ii) Borrower may draw on the Loan funds after all of Borrower’s equity that is to be used for construction costs shall have been so used, as shown by reasonable evidence delivered by Borrower to City, but prior to Borrower’s draw on the construction loan provided by the Senior Lender (and prior to equity funds provided by Borrower’s tax credit limited partner that are not to be invested until the construction loan is repaid or converted to a permanent loan), provided, Borrower shall have delivered to City a written disbursement request signed by Borrower, together with copies of the applicable invoices or other appropriate

documentation for the costs to be paid and appropriate mechanics lien waivers for the work performed prior to the date of disbursement (i.e., unconditional progress payment waivers for all costs paid with the previous disbursement, and conditional progress payment waivers for the costs to be paid with the current disbursement, provided that final waivers shall be provided as a condition to the final disbursement), and any other documentation required by the Senior Project Lender as a condition to disbursements of City Loan funds. Disbursements by City shall be made not more often than once every thirty (30) days.

4. Replacement General Partner of Borrower. Section 4.6 of the Agreement is hereby replaced with the following:

4.6 Transfers. The qualifications and identity of the Borrower are of particular concern to the City and it is because of such qualifications and identity that the City has entered into this Agreement with the Borrower. No voluntary or involuntary successor in interest of the Borrower shall acquire any rights or powers under this Agreement except as expressly set forth herein. Provided, however, should City approve the limited partnership agreement of Borrower (such approval shall not be unreasonably withheld), the following transfers shall be permitted: (A) the removal of the General Partner for cause and in accordance with the terms of the limited partnership agreement of Borrower, provided (i) Borrower shall provide City with at least 30 days prior written notice of such removal (except in the event of a removal due to an event of emergency), and (ii) that the identity and qualifications of any replacement general partner is approved in writing by City prior to the consummation of the removal of the General Partner (except for (a) replacement with an affiliate of Borrower's investor limited partner provided reasonable evidence of such affiliation and the identity of such affiliate is first provided to City in writing, and (b) in the event of a removal due to an event of emergency, in which case City shall be provided with written notice within five (5) business days after the removal, setting forth the identity and qualification of the replacement), (B) the transfer of the limited partner's interest in Borrower and (C) the transfer of any direct or indirect interests in the limited partner of Borrower. Except for a transfer that is permitted hereunder, the Loan may be accelerated by City if there is any conveyance by Borrower of the Property or any portion thereof or interest therein, or Developer ceases to be (or ceases to own and control, as applicable) the sole member and manager of the general partner of the Borrower prior to the completion of the Improvements without the City's prior written consent in its sole and absolute discretion.

5. Addresses for Notices to Borrower's Investor Limited Partner. The following is hereby added to the end of Section 6.7 of the Agreement:

If to the Investor Limited Partner:

Wells Fargo Affordable Housing
Community Development Corporation
550 S. Tryon Street
23rd Floor, D1086-239

Charlotte, NC 28202-4200
Attention: Director of Asset Management
Bina.M.Galal@wellsfargo.com
Michael.Loose@wellsfargo.com

with a copy to:

Craig A. de Ridder, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1200 17th Street, NW
Washington, D.C. 20036
craig.deridder@pillsburylaw.com

6. Changes to Exhibits to Loan Agreement. Exhibits “D” (Promissory Note), “E” (Notice of Affordability Covenants), and “H” (Schedule of Performance) to the Agreement shall be deleted in its entirety and replaced with the new Exhibits “D”, “E”, and “H” attached to this Amendment.

7. No Other Amendments; Amendment Governs and Controls. The Agreement, as amended by this Amendment, is hereby reaffirmed. Except as expressly modified hereby, the Agreement shall remain unmodified and in full force and effect. To the extent any of the provisions of this Amendment are inconsistent with any of the provisions set forth in the Agreement, the provisions of this Amendment shall govern and control. All references in the Agreement to the “Agreement” shall mean the Agreement as amended by this Amendment.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. Each counterpart may be delivered by email or other electronic transmission. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto.

IN WITNESS WHEREOF, City and Borrower have executed this Amendment as of the day and year first above written.

CITY:

CITY OF TEMECULA

By: _____

Maryann Edwards
Mayor

ATTEST:

By: _____

Randi Johl, City Clerk

APPROVED AS TO FORM:

By: _____
Peter Thorson, City Attorney

BORROWER:

LAS HACIENDAS HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Las Haciendas LLC,
a California limited liability company,
its General Partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its Sole Member and Manager

By: _____
Mary Jane Jagodzinski, Senior Vice President

EXHIBIT “D”

FORM OF PROMISSORY NOTE

(Attached.)

SECURED PROMISSORY NOTE

December 8, 2021

\$9,629,143.00

Temecula, California

FOR VALUE RECEIVED, the undersigned [LAS HACIENDAS HOUSING ASSOCIATES, L.P., a California limited partnership] (“Maker” or “Developer”), having its principal place of business at c/o Community Housingworks, 3111 Camino del Rio North, Suite 800, San Diego, CA 92108, promises to pay to the order of the CITY OF TEMECULA, a municipal corporation (“Payee” or “City”), at 41000 Main Street, Temecula, CA 92590, or at such other place as the holder of this Note from time to time may designate in writing, the principal sum of \$718,445.00 constituting deferred development fees and \$8,910,698.00 of construction loan funds (collectively, \$9,629,143), together with interest on the outstanding principal amount of this promissory note (the “City Loan Note”) at the “Applicable Interest Rate,” as defined below, in lawful money of the United States of America.

This City Loan Note is being delivered, and the loans evidenced hereby are being made, pursuant to the terms of that certain Loan Agreement between Developer and City as amended by a First Amendment to Loan Agreement and a Second Amendment to Loan Agreement (“Loan Agreement”). All capitalized terms used herein which are not separately defined herein shall have the meanings set forth therefor in the Loan Agreement.

Upon the date hereof, the sum of \$718,445 (consisting of deferred development fees) shall be deemed outstanding. The remainder of the loan principal (consisting of construction loan funds) shall be disbursed by City subject to the terms and conditions in Section 3.7 of the Loan Agreement.

“Applicable Interest Rate” means three percent (3%) per annum, simple interest, on outstanding principal, except that amounts not paid when due shall accrue interest from the date due until the date paid at the lesser of: (i) seven percent (7%) per annum, simple interest, or (ii) the maximum rate permitted by applicable law.

1. Payments. Payments under this City Loan Note shall be due and payable as follow: Payments of fifty percent (50%) of all Residual Receipts (“City Portion”) payable on April 30 after the first anniversary of completion of construction of the Project pursuant to the Loan Agreement, and each anniversary thereafter until this City Loan Note has been satisfied in full. Payments shall first be applied to accrued interest, then to the first \$718,445.00 of principal (representing deferred fees), then to remaining outstanding principal. In addition, the entire amount of outstanding principal and accrued interest and any additional amounts which become owing hereunder shall be paid by Maker to Payee as of the earliest of (i) a default under the Loan Agreement, the Regulatory Agreement entered pursuant to the Loan Agreement, or the deed of trust securing this City Loan Note not cured within the applicable cure period after delivery of required notice; (ii) as provided in Section 4 below; (iii) fifty-five (55) years after the date of this City Loan Note (the “Maturity Date”).

2. Secured by Deed of Trust. Repayment of this City Loan Note is secured by a deed of trust (the “City Deed of Trust”) of this date executed by Maker for the benefit of Payee encumbering the property described in the City Deed of Trust (the “Property” or “Site”).

3. Prepayment. Maker shall have the right to prepay amounts owing under this City Loan note at any time, without penalty or premium.

4. Due on Sale or Encumbrance. In the event of any Transfer (as defined below) of the Property, or any portion thereof or interest therein, Payee shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term “Transfer” means and includes the direct or indirect sale, transfer, conveyance, assignment, or other alienation of the Property, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, or the lease of all or substantially all of the Property or of all or substantially all of the improvements located thereon. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Developer’s limited partner of its partnership interest to the extent permitted by the Loan Agreement, nor shall Transfer include the removal of any general partner of Developer by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of Developer’s partnership agreement to the extent permitted by the Loan Agreement. “Transfer” shall not include a Transfer permitted in the Loan Agreement so long as Trustor complies with the provisions of the Regulatory Agreement relating to such leasing activity. “Transfer” shall not include the leasing of individual Units on the Property. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

5. Miscellaneous.

(a) Governing Law. All questions with respect to the construction of this City Loan Note and the rights and liabilities of the parties to this City Loan Note shall be governed by the laws of the State of California.

(b) Binding on Successors. This City Loan Note shall inure to the benefit of, and shall be binding upon, the successors and assigns of each of the parties to this City Loan Note.

(c) Attorneys’ Fees.

(i) Maker shall reimburse Payee for all reasonable attorneys’ fees, costs and expenses, incurred by Payee in connection with the enforcement of Payee’s rights under this City Loan Note, including, without limitation, reasonable attorneys’ fees, costs and expenses for trial, appellate proceedings, out-of-court negotiations, workouts and settlements or for enforcement of rights under any state or federal statute, including, without limitation, reasonable attorneys’ fees, costs and expenses incurred to protect Payee’s security and attorneys’ fees, costs and expenses incurred in bankruptcy and insolvency proceedings such as (but not limited to) seeking relief from stay in a bankruptcy proceeding. The term “expenses” means any expenses incurred by Payee in connection with any of the out-of-court, or state, federal or

bankruptcy proceedings referred to above, including, without limitation, the fees and expenses of any appraisers, consultants and expert witnesses retained or consulted by Payee in connection with any such proceeding.

(ii) Payee shall also be entitled to its attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect and enforce the judgment. This provision is separate and several and shall survive the merger of this City Loan Note into any judgment on this City Loan Note.

(d) Entire Agreement. This City Loan Note and the relevant provisions of the Loan Agreement constitute the entire agreement and understanding between and among the parties in respect of the subject matter of such agreements and supersede all prior agreements and understandings with respect to such subject matter, whether oral or written.

(e) Time of the Essence. Time is of the essence with respect to every provision hereof.

(f) Waivers by Maker. Except as otherwise provided in any agreement executed in connection with this City Loan Note, Maker waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; and diligence in taking any action to collect any sums arising under this City Loan Note or in any proceeding against any of the rights or interests in or to properties securing payment of this City Loan Note.

(g) Non-waivers. No previous waiver and no failure or delay by Maker in acting with respect to the terms of this City Loan Note or the City Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this City Loan Note, the City Deed of Trust or the obligations secured thereby. A waiver of any term of this City Loan Note, the City Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this City Loan Agreement Note and the terms of any other document related to the loan evidenced by this City Loan Agreement Note, the terms of this City Loan Note shall prevail.

(h) Non-Recourse. Repayment of this Note and all other obligations of Borrower hereunder, under the Loan Agreement, Regulatory Agreement or City Deed of Trust shall be a non-recourse obligation of Borrower, such that neither Borrower nor any partner of Borrower shall have any personal obligation to make any payments or perform any other obligations of Borrower.

(i) Cure by Limited Partners. City hereby agrees that any cure of any default made or tendered by Developer's limited partners who shall have been identified in writing by Developer to City and shall be deemed to be a cure by Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer; provided City shall have

received written notice by Developer of the identity of, and address for notices for, such limited partners and a copy of the applicable limited partnership agreement and amendments showing they are limited partners.

MAKER:

LAS HACIENDAS HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Las Haciendas LLC,
a California limited liability company,
its General Partner

By: Community HousingWorks,
a California nonprofit public benefit
corporation, its Sole Member and Manager

By: _____
Mary Jane Jagodzinski,
Senior Vice President

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

EXHIBIT “E”

FORM OF NOTICE OF AFFORDABILITY COVENANTS

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Temecula
41000 Main Street
Temecula, CA 92590
Attention: City Clerk

with a copy to:

Community HousingWorks
3111 Camino del Rio North, Suite 800
San Diego, CA 92108
Attn: Mary Jane Jagodzinski

APN: 921-050-016-2; 921-050-020-5

Exempt From Recording Fee Pursuant to Government Code § 27383

NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and other persons, regarding affordable housing restrictions on the real property described in this Notice: Affordable housing restrictions have been recorded with respect to the property described below (referred to in this Notice as the “Site”) which require that the Site be developed as an affordable rental housing development (the “Project”) and that all of the units be rented to and occupied by persons and households of limited income at affordable rents.

Title of Document Containing Affordable Housing Restrictions: Affordability Restrictions and Regulatory Agreement (Low/Mod Set-Aside Funds) (“Agreement”).

Parties to Agreement: LAS HACIENDAS HOUSING ASSOCIATES, L.P., a California limited partnership (“Developer”) and the City of Temecula (“City”).

The Agreement is recorded concurrently with this Notice, in the Official Records of Riverside County.

Legal Description of Site: See Exhibit “A” attached hereto and incorporated herein by this reference.

Site Location: 28715 Las Haciendas Street and 28772 Calle Cortez.

Assessor’s Parcel Number of Site: 921-050-016-2; 921-050-020-5

Summary of Agreement:

- The Agreement requires Developer to develop a seventy-seven (77) unit (each, a “Unit”) rental housing project on property being acquired by Developer from the City, but one unit is a manager’s unit.
- The Agreement restricts the rental of
 - 37 Units (“Required Affordable Units”), which are required to be rented to and occupied by Extremely Low Income Households, Very Low Income Households and Low Income households, whose annual income generally cannot exceed 30%, 50%, or 60% (respectively) of Area Median Income for the Riverside County area, adjusted for household size.
- Area Median Income limits (or “AMI”) are all as published periodically by the California Department of Housing and Community Development.
- The Agreement restricts the rents that may be charged to households occupying Required Household Units to the following maximum rents (“Affordable Rent”):
 - Affordable Rent for Extremely Low Income Households shall be 30% x 30% of AMI (as described in the Agreement) for a household size appropriate to the unit, including a reasonable utility allowance;
 - Affordable Rent for Very Low Income Households shall be 30% x 50% of AMI for a household size appropriate to the unit, including a reasonable utility allowance;
 - Affordable Rent for Low Income Households shall be 30% x 60% of AMI for a household size appropriate to the unit, including a reasonable utility allowance;
 - Household size appropriate to the unit shall be two persons for a one bedroom unit, three persons for a two bedroom unit, and 4 persons for a three bedroom unit.
 - The term of the Agreement is fifty-five (55) years from the date of the City’s issuance of a Final Certificate of Occupancy for the Project.

This Notice does not contain a full description of the details of all of the terms and conditions of the Agreement. You will need to obtain and read the Agreement to fully understand the restrictions and requirements which apply to the Site.

This Notice is being recorded and filed in compliance with Health and Safety Code Section 33334.3(f)(3) and (4), and shall be indexed against Developer.

CITY:

CITY OF TEMECULA

Date: December 8, 2021

By: _____

Print Name: _____

City Manager

DEVELOPER:

LAS HACIENDAS HOUSING ASSOCIATES, L.P., a
California limited partnership

By: CHW Las Haciendas LLC,
a California limited liability company,
its General Partner

By: Community HousingWorks,
a California nonprofit public benefit
corporation, its Sole Member and
Manager

By: _____

Mary Jane Jagodzinski,
Senior Vice President

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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Signature of Notary Public

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STATE OF CALIFORNIA

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to herein is situated in the State of California, County of Riverside and described as follows:

Lots 16 and 20 of Tract 3841, City of Temecula, County of Riverside, State of California, as per map filed in Book 61, Page(s) 75 and 76 of Maps, and amended by a Certificate of Correction recorded August 25, 1987 as Instrument No. 246382, Records of Riverside County, California.

APN: 921-050-016-2 and 921-050-020-5

EXHIBIT “H”

SCHEDULE OF PERFORMANCE

<u>Action</u>	<u>Date / Deadline</u>
Items 1 – 8 Relate to Developer Actions and Requirements Prior to the Closing	
1. <u>Project Budget</u> . The Developer shall submit a comprehensive Project Budget for the Improvements.	Prior and as a condition to Closing.
2. <u>Final Plans and Specifications</u> . The Developer shall submit the Final Plans and Specifications for City approval.	Prior and as a condition to Closing.
3. <u>Building Permits</u> . The Developer shall obtain the Building Permit for the construction of the Improvements.	Prior and as a condition to the Closing.
4. <u>Construction Contract</u> . The Developer shall submit the Stipulated Sum construction contract for the construction of the Improvements to the City for approval.	Prior and as a condition to the Closing.
5. <u>Performance and Payment Bonds</u> . The Developer shall deliver to the City copies of the required performance and payment bonds, or security in lieu thereof.	Prior and as a condition to the Closing.
6. <u>Insurance</u> . The Developer shall submit evidence of insurance to the City.	Prior and as a condition to the Closing.

<u>Action</u>	<u>Date / Deadline</u>
7. <u>Tax Credit Applications/Award.</u>	Developer must apply for 9% tax credits in both round in 2021 (until awarded), both round in 2022 (until awarded), and first round in 2023 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 for approval. Developer must be awarded tax credits and must provide evidence thereof to City prior (and as a condition) to Closing. In addition, in the event Developer is unsuccessful at securing 9% tax credits, the Developer shall have the option to pursue 4% tax credits during 2021, 2022, and on or before June 30, 2023 as an alternative.
8. <u>Tax Credit Equity.</u> All tax credit equity must have been committed and available to pay the initial Project costs, as shown by reasonable evidence delivered to City.	Prior and as a condition to Closing.
Items 9 – 13 Relate to Closing and Requirements After the Closing	
9. <u>Closing.</u> The Developer shall close the City Loan.	Within 180 days after award of tax credits, but not later than December 31, 2023.
10. <u>Commencement of Construction.</u> Developer shall substantially commence the Improvements.	No later than 30 days after the Closing.
11. <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.
12. <u>Commencement of Vertical Construction.</u> Developer shall commence vertical construction.	Not later than eight (8) months after the commencement of construction.
13. <u>Completion; Qualification for Certificate of Completion.</u> The Project shall be completed and shall qualify for a Certificate of Completion.	No later than thirty (30) months after the commencement of construction.