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**AGREEMENT TO PREPAY TAX OBLIGATION FOR
CITY OF COACHELLA COMMUNITY FACILITIES DISTRICT 2005-1**

THIS AGREEMENT TO MAKE A PREPAYMENT OF SPECIAL TAX OBLIGATION FOR CITY OF COACHELLA COMMUNITY FACILITIES DISTRICT 2005-1 (the "Agreement") is dated as of ___, 2021 (the "Effective Date") by and between COACHELLA HOUSING PROJECT, a California limited partnership ("Owner"), and the CITY OF COACHELLA (the "City"), as the legislative body of Community Facilities District 2005-1. The City and the Owner are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Owner owns certain real property located in the City of Coachella, Riverside County, California, more particularly described on **Exhibit A** attached to this Agreement (the "Property"), upon which Owner owns and operates an existing multifamily affordable housing development consisting of twenty (20) existing residential units (the "Existing Development"). Owner intends to redevelop the Existing Development and increase the total number of units to fifty-six (56) (the "Project").

WHEREAS, the City Council of the City of Coachella, by Resolution No. 2005-93, authorized the creation of the City of Coachella Community Facilities District 2005-1 (the "CFD") and, by Resolution No. 2005-94, authorized the levy of a special tax for properties within the CFD (the "Special Assessment"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended;

WHEREAS, the Property will be annexed in the CFD as a condition of approval and will be subject to the Special Assessment;

WHEREAS, the Owner has requested that it be permitted to deposit thirty (55) years of the Special Assessments for the Property; and

WHEREAS, the City has agreed to make a loan to Owner in order to prepay the Special Assessments, and the City and the Owner wish to enter into this Agreement to provide for the terms and conditions upon which the Special Assessments will be prepaid.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Deposit of Special Assessments; City Loan.

(a) The Owner is required to pay Special Assessments in the amount of One Thousand Two Hundred Thirty-One Dollars and Eighty-Two Cents (\$1,231.82) for each dwelling unit on the Project per year increasing annually based on the annual adjustment of the Consumer Price Index.

(b) The City shall make a loan to the Owner in the amount of Three Million Seven Hundred Ninety-Four Thousand Dollars (\$3,794,000), which is an amount equal to the Special Assessments (the "City Loan"). The City Loan is evidenced by a loan agreement and promissory note ("City Note"), and is secured by a deed of trust encumbering the Property (collectively, the "Loan Documents"). The City Loan shall bear interest at the twelve-month average LAIF rate per annum compounded annually and shall be payable from Residual Cash Flow (as defined in the City Note). The City shall apply the payments on the City Loan made by the Owner to the loan balance with the payments being first applied to interest then to principal.

(c) Owner shall annex the Property into the CFD, and the City shall apply loan proceeds toward the prepayment of the special assessment.

(d) The City shall have the right to approve any sale or refinancing of the Property ("Capital Transaction"), other than such sale or refinancing permitted under the Loan Agreement, such approval not to be unreasonably withheld, delayed or conditioned. Upon the occurrence of a Capital Transaction, any outstanding amounts under the City Loan shall be paid in full.

2. Entire Agreement; Amendment. Except as set forth in this paragraph, this Agreement and the agreements expressly referred to in this Agreement contain all of the agreements of the Parties with respect to the matters contained in this Deposit Agreement and no prior or contemporaneous agreement or understandings, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be modified, waived, amended or added to except by a writing signed by the Party against which the enforcement of such modification, waiver, amendment or addition is or may be sought.

3. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either Party shall be delivered by: (a) personal delivery with a delivery receipt; (b) by United States Postal Service, certified mail, return receipt requested; or (c) by reputable express delivery service, with a delivery receipt, all with delivery charges prepaid and addressed as follows:

To City:

City of Coachella

53990 Enterprise Way
Coachella, CA 92236
Attention: City Manager

To Owner:

Coachella Housing Project
5030 Business Center Drive Suite 260
Fairfield, CA 94534
Attention: CEO

With copy to:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attention: M David Kroot

Notice will be deemed to have been received as the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the item was returned as undeliverable. Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Party.

4. Severability. If any provision of this Deposit Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Deposit Agreement shall be given effect to the fullest extent reasonably possible.

5. Successors and Assigns. This Deposit Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

6. Governing Law. This Deposit Agreement and any dispute arising under this Deposit Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

7. Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Deposit Agreement by the other Party, or the failure by a Party to exercise its rights under the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Deposit Agreement thereafter.

8. Singular and Plural; Gender. As used in this Deposit Agreement, the singular of any work includes the plural, and terms in the masculine gender shall include the feminine.

9. Construction of Agreement. This Deposit Agreement has been reviewed by legal counsel for both the City and the Owner and shall be deemed for all purposes to have been jointly drafted by the City and the Owner. No presumption or rule that ambiguities shall be

construed against the drafting party shall apply to the interpretation or enforcement of this Deposit Agreement. The language in all parts of this Deposit Agreement, in all cases, shall be construed as a whole and in accordance with its fair meaning and not strictly for or against any Party and consistent with the provisions of this Deposit Agreement, in order to achieve the objectives of the Parties. The captions of the sections and subsections of this Deposit Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction.

10. Authority of Signatories. Each signatory and Party to this Deposit Agreement hereby represents and warrants to the other Party that it has legal authority and capacity and direction from its principal to enter into this Deposit Agreement, and that all resolutions and/or other actions have been taken so as to enable such Party to enter into this Deposit Agreement.

11. Execution in Counterparts. In the event this Deposit Agreement is executed in counterparts, each of such counterparts will, for all purposes, be deemed an original and all such counterparts, taken together, will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this instrument as of the Effective Date.

CITY:

CITY OF COACHELLA,
a California municipal corporation

By: _____
Name: William B. Pattison, Jr.
City Manager

OWNER:

Coachella Housing Project,
a California limited partnership

By: CHOC Coachella LLC,
a California limited liability company,
its managing general partner

By: Community Housing Opportunities Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Manuela Silva,
Chief Executive Officer

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 _____)

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(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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 _____)

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(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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.

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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.

Name: _____
Notary Public

Exhibit A

LEGAL DESCRIPTION

Real Property in the City of Coachella, County of Riverside, State of California, described as follows:

APN: