

**EIGHTH AMENDMENT  
TO  
AFFORDABLE HOUSING AGREEMENT  
(EVERGREEN VILLAS)**

**between**

**CITY OF YORBA LINDA**  
a California municipal corporation, acting as the Housing Successor Entity to the  
Yorba Linda Redevelopment Agency pursuant to Health and Safety Code Section  
34176

**and**

**EVERGREEN VILLAS, LP**  
a California limited partnership

**[Dated as of \_\_\_\_\_, 2024]**

**EIGHTH AMENDMENT TO AFFORDABLE HOUSING AGREEMENT  
(EVERGREEN VILLAS)**

THIS EIGHTH AMENDMENT TO AFFORDABLE HOUSING AGREEMENT (EVERGREEN VILLAS) ("**Eighth Amendment**") is entered into by and between the **CITY OF YORBA LINDA**, a California municipal corporation, acting as the Housing Successor Entity to the Yorba Linda Redevelopment Agency pursuant to Health and Safety Code Section 34176 (the "**City**"), and EVERGREEN VILLAS LP, a California limited partnership (the "**Developer**"), and is dated as of \_\_\_\_\_, 2024 (the "**Eighth Amendment Date**").

**RECITALS**

A. The former Yorba Linda Redevelopment Agency ("**Agency**") and Developer previously entered into that certain Affordable Housing Agreement (Evergreen Villas) dated October 28, 2009 ("**Original AHA**"), as amended by the First Amendment To Affordable Housing Agreement (Evergreen Villas) dated June 9, 2010 ("**First Amendment**"), the Second Amendment To Affordable Housing Agreement (Evergreen Villas) dated November 9, 2010 ("**Second Amendment**"), the Third Amendment To Affordable Housing Agreement (Evergreen Villas) dated April 26, 2011 ("**Third Amendment**"), by City Council action taken on October 3, 2017, pursuant to the recommendation in that certain Staff Report dated October 3, 2017, for purposes of ratifying the letter agreement dated January 11, 2017, between City and Developer (with such ratified action referred to herein as the "**Fourth Amendment**"), the Fifth Amendment To Affordable Housing Agreement (Evergreen Villas) dated August 21, 2018 ("**Fifth Amendment**"), the Sixth Amendment To Affordable Housing Agreement (Evergreen Villas) dated August 27, 2019 ("**Sixth Amendment**"), the letter agreement between the City and the Developer dated December 9, 2021 ("**Seventh Amendment**"), with the Original AHA, as modified by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, and Seventh Amendment referred to hereinafter as the "**AHA**."

B. The Original AHA was made with respect to certain real property designated in the Original AHA as the "**Property**," which consisted of twenty-six (26) Agency-owned condominium units (defined therein as the "**Units**") located within the Evergreen Villas condominium development in the City of Yorba Linda (the "**Complex**"). The Original AHA provided for Developer's acquisition of the Property from the Agency and Developer's subsequent rehabilitation of the Units and rental of the Units at rents affordable to very low-income occupants, all as more specifically described in the Original AHA.

C. Article 9 of the Original AHA contemplated Developer's acquisition, with the Agency's financial assistance in the form of a subordinate financing loan, of some or all of the remaining privately owned condominium units located within the Complex as those units are offered for sale to Developer or to the Agency directly or on the open market.

D. Pursuant to Article 9 of the Original AHA, the Agency and Developer entered into the First Amendment and Second Amendment to set forth the terms and conditions of (i) Developer's purchase and rehabilitation of two (2) additional privately owned condominium units located in the Complex, with each such unit defined in the First Amendment and in the Second Amendment as an "**Additional Unit**" (collectively, the "**Additional Units**"), and (ii) the Agency's subordinate financing loans for Developer's acquisition and rehabilitation of the two Additional Units. In exchange for the Agency's subordinate financial assistance, Developer agreed, among other provisions, to restrict and preserve in perpetuity said Additional Units, like the original twenty-six (26) Units acquired pursuant to the Original AHA, for availability, use and occupancy by very low-income households at affordable rent, all as more specifically described in the First Amendment and Second Amendment.

E. In connection with the Agency's financial assistance to Developer for the acquisition and rehabilitation of the twenty-six (26) Units in the Complex, and Developer's agreement to restrict and preserve said Units in perpetuity for availability, use and occupancy by very low-income households at affordable rents pursuant to the Original AHA, Developer entered into various implementing agreements, including a "Regulatory Agreement (Evergreen Villas)," "Residual Receipts Loan Promissory Note," "Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) Securing A Residual Receipts Loan Promissory Note and Other Obligations," "Notice of Agreement," and "Notice of Affordability Restrictions on Transfer of Property," all as more particularly set forth as exhibits attached to the Original AHA. In connection with the Agency's financial assistance to Developer for the acquisition of the Additional Units under the First Amendment and Second Amendment, Developer entered into additional implementing agreements, including an "Amended and Restated Residual Receipts Loan Promissory Note" and "Amended and Restated Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) Securing A Residual Receipts Loan Promissory Note and Other Obligations" to reflect the additional financial assistance from the Agency and additional repayment obligations of Developer, as well as an additional "Regulatory Agreement," "Notice of Agreement," and "Notice of Affordability Restrictions on Transfer of Property."

F. Pursuant to the Third Amendment the Agency and Developer agreed to expand the approach implemented for Developer's acquisition and rehabilitation of condominium units in the Complex to include Developer's acquisition and rehabilitation of condominium units located in the City in one of the "Agency Approved Condominium Projects" for rental and occupancy by extremely low-, very low- and low-income households at affordable rents, in furtherance of the City's "Committed Assistance Program," all as more particularly set forth in the Third Amendment.

G. Pursuant to the Third Amendment, the Agency provided financial assistance to Developer in the amount of Nine Million Dollars (\$9,000,000.00), by providing financial assistance in the form of a subordinate financing loan in the amount not to exceed Two Hundred Seventy Five Thousand Dollars (\$275,000.00) per "Third Amendment Unit" condominium acquired for the purpose of Developer's acquiring and rehabilitating that Third Amendment Unit, as more particularly set forth in the Third

Amendment. The maximum City subordinate financing loan per Third Amendment Unit was increased to Three Hundred Thirty Thousand Dollars (\$330,000) pursuant to the Fourth Amendment.

H. Pursuant to the Third Amendment, Developer acquired forty (40) Third Amendment Units. In connection with the Agency's financial assistance to Developer for the acquisition of the Third Amendment Units under the Third Amendment, Developer entered into additional implementing agreements, including an "Amended and Restated Residual Receipts Loan Promissory Note" and "Amended and Restated Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) Securing A Residual Receipts Loan Promissory Note and Other Obligations" to reflect the additional financial assistance from the Agency and additional repayment obligations of Developer, as well as an additional "Regulatory Agreement," "Notice of Agreement," and "Notice of Affordability Restrictions on Transfer of Property."

I. As a result of the adoption of Assembly Bill 1X26 and the resulting dissolution of the Agency, pursuant to Resolutions Nos. 2012-5095 and 2012-5096, City elected to retain the housing assets and functions of the dissolved Agency.

J. As a result of the dissolution of redevelopment, City has limited sources of new funding for increasing, improving and preserving the supply of affordable housing within the City of Yorba Linda. Pursuant to the Fifth Amendment, the purpose of which is to provide for the greatest number of affordable units within the City of Yorba Linda, as certain high cost Third Amendment Units become vacant, Developer is permitted to sell such Third Amendment Units and utilize the net sales proceeds to purchase additional, lower cost units, with the intent to increase the overall number of affordable units.

K. On or about the date of the Fifth Amendment, City entered into with (i) the sole member of the managing general partner of Developer, and (ii) C & C Development Co., LLC (collectively, the "**AHPDA Developer**") that certain Affordable Housing and Property Disposition Agreement (the "**AHPDA**"), pursuant to which City agreed to sell to the AHPDA Developer certain real property owned by City (the "**Altrudy Site**") and to provide to the AHPDA Developer certain financial assistance, and the AHPDA Developer agreed to develop and thereafter operate on the Altrudy Site a senior affordable rental housing development (the "**AHPDA Development**").

L. In connection with City's approval of the AHPDA, City agreed to further amend the AHA to permit net sales proceeds from the sale of Third Amendment Units, in the amount of Two Million Three Hundred Eighty-Two Thousand Fifty Dollars (\$2,382,050) ("**Altrudy Net Sales Proceeds**") to be utilized as the "City Project Loan" to be provided by City to the AHPDA Developer pursuant to the AHPDA.

M. City has been awarded Three Million One Hundred Thousand Dollars (\$3,100,000) ("**CalOptima Grant**") in grant funding from Orange County Health Authority, a county organized health system for the County of Orange, California dba CalOptima Health ("**CalOptima**") as set forth in the Grant Award Agreement between City and CalOptima, dated as of December 1, 2023 ("**CalOptima Grant Agreement**"). The

CalOptima Grant funds are to be used to reimburse Developer for its prior purchase of seven (7) additional privately owned condominium units located within the Complex (individually, a “**Previously Acquired Eighth Amendment Unit**,” and collectively, the “**Previously Acquired Eighth Amendment Units**”) and, to the extent there are CalOptima Grant funds remaining thereafter, to provide funding for the purchase of two (2) additional privately owned condominiums located within the Complex (individually, an “**Eighth Amendment Acquisition Unit**,” and collectively, the “**Eighth Amendment Acquisition Units**”), none of which Previously Acquired Eighth Amendment Units or Eighth Amendment Acquisition Units (each such unit, an “**Eighth Amendment Unit**,” and collectively, the “**Eighth Amendment Units**”) is currently income or rent restricted by the City, in exchange for Developer's agreement to restrict and preserve in perpetuity each of the Eighth Amendment Units for availability, use and occupancy by very low-income households at affordable rent.

N. City and Developer now wish to amend the AHA to set forth the terms and conditions on which Developer will be reimbursed for Developer's prior purchase of the Previously Acquired Eighth Amendment Units and, to the extent there are CalOptima Grant funds remaining thereafter, will be provided funding for the purchase of the Eighth Amendment Acquisition Units, all from the proceeds of the CalOptima Grant, and the City and Developer will record income and rent restrictions on all of said Eighth Amendment Units to restrict and preserve in perpetuity said Eighth Amendment Units for availability, use and occupancy by very low-income households at affordable rent, all in furtherance of City's Committed Assistance Program.

O. City and Developer also wish to amend the AHA to provide that if the CalOptima Grant funds are insufficient to fully reimburse Developer for its purchase of the Previously Acquired Eighth Amendment Units or to fund the purchase of the Eighth Amendment Acquisition Units, the City shall authorize the use of any available net sales proceeds from the sales of Third Amendment Units (as contemplated pursuant to the Fifth amendment, and defined thereunder as “**Net Sales Proceeds**”) for such purposes,

P. Implementation of this Eighth Amendment is in the best interests of City and the health, safety and welfare of City's residents and furthers the goals and objectives of City's General Plan (including its Housing Element) by: (i) Strengthening the City's land use and social structure; (ii) alleviating economic and physical blight; and (iii) providing needed affordable housing in the City of Yorba Linda.

NOW, THEREFORE, in furtherance of the Recitals stated above, which are incorporated herein by this reference, and the mutual covenants set forth below, Developer and City hereby amend the AHA and agree, promise and declare as follows:

1. Developer's Identification of Proposed Previously Acquired Eighth Amendment Units for Reimbursement and City Restriction. Within five (5) business days after execution of this Eighth Amendment by the City, Developer shall identify the seven (7) units that Developer proposes to constitute the Previously Acquired Eighth Amendment Units for which it will be reimbursed under this Eighth Amendment and shall provide written notice to City of the addresses of such units and the sales price paid by

Developer for each such unit (including copies of the grant deed and the final escrow statement). City shall provide a written response, within five (5) business days after City's receipt of Developer's notice and additional information described in the preceding sentence, notifying Developer of whether the units proposed by Developer to constitute Previously Acquired Eighth Amendment Units and the acquisition price paid by Developer for each of such units are acceptable to City, which determination shall be made in City's reasonable discretion. With respect to any such units that City has approved to constitute the Previously Acquired Eighth Amendment Units, the provisions of Section 2 below shall apply.

2. Developer's Reimbursement/Restriction of Previously Acquired Eighth Amendment Units.

(a) The CalOptima Grant funds provided to Developer by City for reimbursement of the costs incurred by Developer to purchase the Previously Acquired Eighth Amendment Units pursuant to this Eighth Amendment shall be deemed to have been provided by City to Developer in the form of a grant.

(b) If the CalOptima Grant funds are insufficient to fully reimburse Developer for its purchase of all the Previously Acquired Eighth Amendment Units (any such shortfall, the "**Reimbursement Deficit**"), the City shall authorize the use of Net Sales Proceeds for reimbursement of the costs incurred by Developer to purchase Previously Acquired Eighth Amendment Units pursuant to this Eighth Amendment to the extent of the Reimbursement Deficit. The use of the portion of the Net Sales Proceeds that is comprised of "City Net Sales Proceeds" (as defined in the Fifth Amendment) for such reimbursement shall be deemed to have been provided by City to Developer in the form of a "residual receipts loan" with principal in the amount such City Net Sales Proceeds authorized to be advanced for the Reimbursement Deficit attributable to a specific Previously Acquired Eighth Amendment Unit, subject to a zero percent (0%) interest rate, with City to receive fifty percent (50%) of the residual receipts from the Previously Acquired Eighth Amendment Unit (an "**Eighth Amendment Unit Residual Receipts Loan**"). The Eighth Amendment Unit Residual Receipts Loans shall generally follow and operate in the same manner as the "Agency Residual Receipts Loan" provisions in the Original AHA.

(c) Conditions to Reimbursement of Purchase Price of Previously Acquired Eighth Amendment Units. City's obligation to use the CalOptima Grant funds for reimbursement of the purchase price for the Previously Acquired Eighth Amendment Units and to authorize the use any available Net Sales Proceeds to fund the Reimbursement Deficit shall be conditioned upon the fulfillment of the following conditions precedent, which shall be satisfied by Developer and City, as applicable, or waived in writing by City prior to such reimbursement:

i) Developer prepares, signs, acknowledges; the City signs and acknowledges; and the Developer records the following for each Previously Acquired Eighth Amendment Unit:

(A) One original regulatory agreement in a form similar to the "Regulatory Agreement" attached as Exhibit "F" to the Original AHA, and approved by City and Developer, each in its reasonable discretion, which specifies that the Previously Acquired Eighth Amendment Unit shall be restricted to a very low income household ("**Eighth Amendment Unit Regulatory Agreement**");

(B) One original of a notice of affordability restrictions on transfer of property, in a form similar to the Notice of "Affordability Restrictions on Transfer of Property," attached as Exhibit "J" to the Original AHA, and approved by City and Developer, each in its reasonable discretion ("**Eighth Amendment Unit Notice of Affordability Restriction**"); and

(C) One original of a notice of agreement, in a form similar to the "Notice of Agreement," attached as Exhibit "K" to the Original AHA, and approved by City and Developer, each in its reasonable discretion ("**Eighth Amendment Unit Notice of Agreement**").

ii) For each Previously Acquired Eighth Amendment Unit where Net Sales Proceeds are to be used to fund a Reimbursement Deficit for that unit:

(A) The Developer prepares and executes one original residual receipts loan promissory note in a form similar to the same attached as Exhibit "G" to the Original AHA, and approved by City and Developer, each in its reasonable discretion ("**Eighth Amendment Unit Promissory Note**") in the principal amount of the Eighth Amendment Unit Residual Receipts Loan for such Previously Acquired Eighth Amendment Unit.

(B) Developer prepares, signs, acknowledges and records a deed of trust to secure each Eighth Amendment Unit Promissory Note, as a first lien on the applicable Previously Acquired Eighth Amendment Unit in a form similar to the "Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) Securing A Residual Receipts Loan Promissory Note and Other Obligations" attached as Exhibit "G" to the Original AHA, and approved by City and Developer, each in its reasonable discretion ("**Eighth Amendment Unit Deed of Trust**").

iii) Immediately after the recordation of an Eighth Amendment Unit Deed of Trust (if any), an Eighth Amendment Unit Regulatory Agreement, Eighth Amendment Unit Notice of Affordability Restrictions, and Eighth Amendment Unit Notice of Agreement for each of the Previously Acquired Eighth Amendment Units, Developer shall deliver to City for each Previously Acquired Eighth Amendment Unit: the original Eighth Amendment Unit Promissory Note (if any); a conformed copy of the original recorded Eighth Amendment Unit Deed of Trust (if any), a conformed copy of the original recorded Eighth Amendment Unit Regulatory Agreement, Eighth Amendment Unit Notice of Affordability Restrictions, and Eighth Amendment Unit Notice of Agreement, all showing all recording information (collectively, the "**Original & Recorded Documents – Previously Acquired Units**").

iv) Developer is not in default of this Eighth Amendment.

(d) Within fifteen (15) business days after Developer's delivery of the Original & Recorded Documents – Previously Acquired Units to City, City shall reimburse Developer up to the total amount of the CalOptima Grant for the costs Developer incurred to purchase the Previously Acquired Eighth Amendment Units by wire transfer(s) pursuant to wire instructions provided by Developer. To the extent there is a Reimbursement Deficit, City agrees to authorize the use of any then available Net Sales Proceeds to the extent of the Reimbursement Deficit. To the extent there continues to be a Reimbursement Deficit after such reimbursement by City, the City agrees that it will direct Escrow Holder to pay to Developer within fifteen (15) days after each future sale of Third Amendment Units, any Net Sales Proceeds from such sales until the Reimbursement Deficit has been fully paid.

3. Developer's Identification of Potential Eighth Amendment Acquisition Units. Developer shall use its best efforts to locate two (2) additional condominium units at the Complex voluntarily offered for sale by the owners thereof that Developer believes would be an effective addition to City's affordable housing stock. At such time as Developer locates any such condominium unit, Developer shall provide written notice to City of the address of such unit, the listing (if applicable) and/or pictures of the unit, and the sales price at which the unit is or will be offered for sale. City shall provide a written response, within five (5) business days after receipt of Developer's notice, notifying Developer of whether the acquisition and proposed acquisition price are acceptable to City. With respect to any such acquisition that has been approved by City, Developer shall deliver to City a copy of the purchase and sale contract for the unit that is consistent with City's approved acquisition price, at which time such unit shall constitute an Eighth Amendment Acquisition Unit. Thereafter Developer shall provide City with regular updates regarding the status of the acquisition of the Eighth Amendment Acquisition Unit.

4. Developer's Acquisition of Eighth Amendment Acquisition Units.

(a) City Authorization to Expend Funds and Acquire Unit. Prior to, at or after the close of escrow pursuant to which Developer will acquire fee title to an Eighth Amendment Acquisition Unit (an "**Eighth Amendment Escrow**"), to the extent there are CalOptima Grant funds then remaining, City shall deposit proceeds of the CalOptima Grant and authorize the deposit, as necessary, of any then available Net Sales Proceeds into the Eighth Amendment Escrow, sign instructions with the escrow holder ("**Escrow Holder**") authorizing the Escrow Holder to utilize proceeds of the CalOptima Grant and any Net Sales Proceeds deposited into the Eighth Amendment Escrow to fund the purchase price for the Eighth Amendment Acquisition Unit and any reasonable escrow costs (the "**Eighth Amendment Acquisition Unit Funding**") to facilitate Developer's purchase of the Eighth Amendment Acquisition Unit at the price approved by City pursuant to a settlement statement approved by City. At the close of an Eighth Amendment Escrow, the Eighth Amendment Acquisition Unit shall be restricted and preserved in perpetuity for rental to and occupancy by very low income households, by the recordation of an Eighth Amendment Unit Regulatory Agreement" on the Eighth Amendment Acquisition Unit. To the extent that any remaining CalOptima funds and any



then available Net Sales Proceeds are not sufficient to fully fund the purchase price and closing costs for an Eighth Amendment Acquisition Unit at the time of acquisition of such unit, the City agrees that it will authorize Escrow Holder to pay to Developer within fifteen (15) days after each future sale of any additional Third Amendment Units, any Net Sales Proceeds from such sales until the deficit in funding for the purchase prices and closing costs for the Eighth Amendment Acquisition Units has been fully paid.

(b) Eighth Amendment Unit Grant. In connection with Developer's acquisition of an Eighth Amendment Acquisition Unit, any Eighth Amendment Acquisition Unit Funding utilized for such acquisition shall be deemed to have been provided by City to Developer in the form of a grant.

(c) Eighth Amendment Unit Loan. If Net Sales Proceeds are utilized for all or any portion of the purchase price and closing costs for an Eighth Amendment Acquisition Unit, the use of the portion of the Net Sales Proceeds that is comprised of City Net Sales Proceeds for such purpose shall be deemed to have been provided by City to Developer as an Eighth Amendment Unit Residual Receipts Loan.

(d) Condition of Eighth Amendment Acquisition Units and Due Diligence. Developer acknowledges and agrees that Developer is acquiring all Eighth Amendment Acquisition Units voluntarily from third party-owners who are not parties to this Eighth Amendment, and that City does not own any Eighth Amendment Acquisition Units. As such, City has no obligations concerning the condition of the property, title, or any other matters concerning the Eighth Amendment Acquisition Unit, and Developer acknowledges and agrees that Developer's rights and obligations with respect to due diligence, review of the condition of any Eighth Amendment Acquisition Unit, and acquisition of any Eighth Amendment Acquisition Unit from the third party-owner shall be governed by the agreement by and between Developer and said third party-owner. Developer shall comply with all applicable federal, state, and local laws, rules and regulations regarding the acquisition of an Eighth Amendment Acquisition Unit from a third party-owner. Developer shall defend, indemnify and hold harmless City and City's officers, employees, agents, attorneys, and contractors from and against all liability for any "Claims" (as that term is defined in the Original AHA) and related expenses attributable to the default or breach or violation of any law by Developer brought by any third party-owner in connection with the acquisition of Developer of any condominium unit pursuant to this Eighth Amendment.

(e) City Conditions to Authorizing Eighth Amendment Acquisition Unit Funding. City's obligation to authorize the use of Eighth Amendment Unit Funding, to the extent there are CalOptima Grant funds then remaining or then available Net Sales Proceeds, for a particular Eighth Amendment Acquisition Unit shall be conditioned upon the fulfillment of the following conditions precedent, which shall be satisfied by Developer or waived in writing by City prior to the close of any Eighth Amendment Escrow:

i) Developer deposits into the Eighth Amendment Escrow for the applicable Eighth Amendment Acquisition Unit the following:

(A) One original of the Eighth Amendment Unit Regulatory Agreement, duly executed and acknowledged by the authorized representative(s) of Developer in recordable form, with said Eighth Amendment Unit Regulatory Agreement specifying that the Eighth Amendment Acquisition Unit shall be restricted to very low income households;

(B) An original of the Eighth Amendment Unit Notice of Affordability Restrictions on Transfer of Property, duly executed and acknowledged by the authorized representative(s) of Developer in recordable form, to be recorded against the Eighth Amendment Acquisition Unit; and

(C) An original of the Eighth Amendment Unit Notice of Agreement, duly executed and acknowledged by the authorized representative(s) of Developer in recordable form, to be recorded against the Eighth Amendment Acquisition Unit.

ii) For each Eighth Amendment Acquisition Unit where Net Sales Proceeds are to be used to fund purchase of that unit, Developer deposits into the Eighth Amendment Escrow for the applicable Eighth Amendment Acquisition Unit the following:

(A) An original of the Eighth Amendment Unit Promissory Note, duly executed by the authorized representative(s) of Developer; and

(B) An original of the Eighth Amendment Unit Deed of Trust, duly executed and acknowledged by the authorized representative(s) of Developer in recordable form, to be recorded against the Eighth Amendment Acquisition Unit.

iii) Developer is not in default of this Eighth Amendment or the purchase and sale agreement applicable to the acquisition of the Eighth Amendment Acquisition Unit for which the City will be deemed to have provided the Eighth Amendment Unit Funding.

(f) Voluntary Acquisitions by Developer. All acquisitions of condominium units by Developer pursuant to this Eighth Amendment shall be completely voluntary as between the owner of the condominium unit and Developer. Nothing in this Eighth Amendment does or shall be deemed a mandate by City for the acquisition of any condominium units by Developer, and Developer shall make no representation to any owner of any condominium unit that City encourages or mandates the sale of a condominium unit to Developer.

(g) Recording and Distribution of Escrow Documents. Upon receipt by the Escrow Holder of written confirmation from City that all conditions precedent set forth in paragraph (d) above have been satisfied, or waived by City, Escrow Holder shall proceed to close the particular Eighth Amendment Escrow by performing all of the following tasks (in addition to any other tasks and procedures set forth in any applicable implementing agreement and Escrow Holder's standard escrow instructions approved by City and Developer):

i) For each Eighth Amendment Escrow, Escrow Holder shall cause the following documents to be recorded in the official records of the Recorder of Orange County, California, in the following order of priority at the applicable Eighth Amendment Escrow closing: (i) the grant deed conveying and vesting fee title to the Eighth Amendment Acquisition Unit to Developer; (ii) the Eighth Amendment Unit Regulatory Agreement; ; (iii) the Eighth Amendment Unit Deed of Trust (if any); (iv) the Eighth Amendment Unit Notice of Affordability Restrictions; (v) the Eighth Amendment Unit Notice of Agreement; (vi) any other mortgage, deed of trust, or other encumbrance used to secure any financing for the acquisition of the Eighth Amendment Acquisition Unit other than any Eighth Amendment Unit Funding provided pursuant to the terms of this Section 4; and (vii) any other documents to be recorded through Escrow Holder upon the joint instructions of the parties.

ii) Immediately after the close of each Eighth Amendment Escrow, Escrow Holder shall deliver: the original Eighth Amendment Unit Promissory Note (if any), a conformed copy of the original recorded Eighth Amendment Unit Regulatory Agreement, a conformed copy of the original recorded Eighth Amendment Unit Deed of Trust (if any), Eighth Amendment Unit Notice of Affordability Restrictions, and Eighth Amendment Unit Notice of Agreement, all showing all recording information, to City with copies thereof to Developer.

(h) Escrow Costs. For each Eighth Amendment Escrow opened for Developer's acquisition of Eighth Amendment Acquisition Units pursuant to this Eighth Amendment, to the extent any Eighth Amendment Unit Funding, if any, remains, Developer shall pay, from such Eighth Amendment Unit Funding all of Escrow Holder's fees and costs associated with Escrow Holder's obligations imposed by this Eighth Amendment and any implementing agreement between Developer and City in connection with such Eighth Amendment Escrow. Escrow Holder shall notify Developer and City of the costs of the Eighth Amendment Escrow by delivering the Escrow Holder's estimated closing/settlement statement to both City and Developer no later than four (4) business days prior to the close of any Eighth Amendment Escrow. Developer shall pay any Escrow Holder's fees and costs not covered by the Eighth Amendment Unit Funding, if any, subject to future reimbursement from future sales of Third Amendment Units as provided in subsection (a).

(i) Escrow Cancellation. In the event that an Eighth Amendment Escrow is terminated pursuant to any right of any party to this Eighth Amendment, the party shall deliver written notice thereof to the other party and Escrow Holder, and the following shall be performed:

i) Developer (and City, if applicable) shall, within three (3) business days of Escrow Holder's written request, execute any reasonable escrow cancellation instructions requested by Escrow Holder;

ii) Within ten (10) days of receipt by Developer of a settlement statement and title order cancellation charges from Escrow Holder, or within ten (10) days of City's written notice to terminate an Eighth Amendment Escrow, whichever is earlier:

(i) Developer or Escrow Holder shall return to City any documents previously delivered by City to Developer or Escrow Holder; (ii) City or Escrow Holder shall return to Developer all documents previously delivered by Developer to City or Escrow Holder; and (iii) Escrow Holder shall return to the City all funds deposited by City into an Eighth Amendment Escrow for the Eighth Amendment Unit Funding, if any, less any amount agreed to by City, in its sole and absolute discretion, to cover the costs of any cancellation costs or fees.

(j) Developer's Acknowledgements Regarding Acquisition of and Payment for Eighth Amendment Acquisition Units. Developer acknowledges and agrees that (a) Developer's obligation under this Eighth Amendment to acquire the Eighth Amendment Acquisition Units is not conditioned on the availability of CalOptima Grant funds to fund all or any portion of the costs to acquire the Eighth Amendment Acquisition Units, (b) Developer is unconditionally obligated to acquire the Eighth Amendment Acquisition Units by the "Expenditure Deadline" (as defined in Section below), and (c) any costs incurred by Developer to acquire the Eighth Amendment Acquisition Units that is not covered by CalOptima Grant funds shall be the sole responsibility of Developer, subject to future reimbursement from future sales of Third Amendment Units as provided in subsection (a).

(k) **Limitation on Remedies for Cancellation of an Escrow.** In the event that either party defaults or fails to timely perform any obligation under this Eighth Amendment in connection with Developer's acquisition of an Eighth Amendment Acquisition Unit prior to the closing of an Eighth Amendment Escrow, City's and Developer's sole and exclusive remedy shall be cancellation of said Eighth Amendment Escrow and the party in default shall be liable to paying any costs or fees charged by Escrow Holder for such cancellation, and for no other costs, liabilities, or damages as may be incurred by any of the parties. The parties expressly waive any right to specific performance and any right to receive any other economic damages, including consequential or punitive damages.

Developer's Initials: \_\_\_\_\_ City's Initials: \_\_\_\_\_

5. Loan of City Net Sales Proceeds from Future Sales. For the avoidance of doubt, to the extent that Net Sales Proceeds from the future sale of Third Amendment Units is authorized and required to be utilized for reimbursement of Developer pursuant to this Eighth Amendment, the portion of any of such Net Sales Proceeds that is comprised of City Net Sales Proceeds shall be included in the respective Eighth Amendment Unit Residual Receipts Loan.

6. Seniority of Eighth Amendment Unit Regulatory Agreements. Notwithstanding any provisions in this Eighth Amendment or any other agreement to which Developer is a party in connection with the Eighth Amendment Units, for each Eighth Amendment Unit, the Eighth Amendment Unit Regulatory Agreement shall have priority over any mortgage, deed of trust, or any encumbrance securing any financing or refinancing loan provided to Developer, and Developer shall have the obligation to ensure that each Eighth Amendment Unit Regulatory Agreement shall remain with priority over

any such mortgage, deed of trust, or other similar encumbrance, it being expressly understood and agreed by Developer that the Eighth Amendment Unit Regulatory Agreement shall run with the land in perpetuity and shall not be defeated by foreclosure proceeding or deed in lieu of foreclosure proceeding.

7. Expenditure Deadline. City and Developer acknowledge and agree that the expenditure deadline for the CalOptima Grant funds (the “**Expenditure Deadline**”) is the later of December 1, 2024 or completion of the Grant Project (as defined in the CalOptima Agreement), and that notwithstanding anything to the contrary in this Eighth Amendment, to the extent any proceeds of the CalOptima Grant have not been expended by the Expenditure Deadline, such portion shall no longer be available for disbursement under this Eighth Amendment.

8. General Provisions.

(a) Counterparts. This Eighth Amendment may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all parties, even though all of the parties are not signatories to the same instrument.

(b) Effect of Amendment. Except as specifically modified by this Eighth Amendment, the terms and conditions set forth in the AHA remain binding and in full force and effect.

(c) Severability. If any provision of this Eighth Amendment is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Eighth Amendment and the remaining provisions shall continue in full force and effect.

(d) Signature Authority. All individuals signing this Eighth Amendment for a party which is a corporation, partnership, limited liability company or other legal entity, or signing under a power of attorney or in any other legal capacity, covenant to the other parties hereto that he or she has the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf he or she is signing.

(e) Interpretation of Amendment. The AHA, as amended by this Eighth Amendment, integrates all of the terms and conditions mentioned herein and in the AHA, or incidental thereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof except as may be set forth herein.

(f) City Manager Authority for Interpretations of Eighth Amendment and Entering into Implementing Agreements for City. The City Manager of City shall have the authority on City's behalf (i) to issue interpretations of this Eighth Amendment, (ii) negotiate and enter in any agreements and/or other documents necessary to implement the terms of this Eighth Amendment, and (iii) negotiate and enter into addenda and

amendments to this Eighth Amendment, provided that such addenda or amendment does not materially alter the terms and conditions of this Eighth Amendment.

[Signatures of Developer and City on following page]

IN WITNESS WHEREOF, City and Developer have executed this Eighth Amendment as of the day and year set out above.

**"DEVELOPER"**

EVERGREEN VILLAS, L.P.,  
a California limited partnership

By: OHDC Properties I, LLC, a California  
limited liability company

Its Managing General Partner

By: Orange Housing Development  
Corporation, a California nonprofit public  
benefit corporation

Its: Sole Member

By: \_\_\_\_\_  
Eunice Bobert

Its: Chief Executive Officer

**"CITY"**

CITY OF YORBA LINDA,  
a municipal corporation, acting as the  
Housing Successor Entity to the Yorba  
Linda Redevelopment Agency pursuant  
to Health and Safety Code Section  
34176

By: \_\_\_\_\_  
Mark Pulone, City Manager

**ATTEST:**

By: \_\_\_\_\_  
Marcia Brown, City Clerk

**APPROVED AS TO FORM:**

Rutan & Tucker, LLP

By: \_\_\_\_\_  
Todd O. Litfin, City Attorney