

**ASSIGNMENT OF AFFORDABLE HOUSING PORTION OF MASTER DEVELOPER'S
SHARE OF MASTER DEVELOPER'S TAX REVENUES RELATING TO COTTAGES
AFFORDABLE HOUSING PROJECT PROPOSAL**

This **ASSIGNMENT OF AFFORDABLE HOUSING PORTION OF MASTER DEVELOPER'S SHARE OF MASTER DEVELOPER'S PROPERTY TAX REVENUES RELATING TO COTTAGES AFFORDABLE HOUSING PROJECT PROPOSAL**, effective as of April 1, 2019 (as hereafter amended, modified or supplemented, this "Assignment"), is made by CIVIC PARTNERS-ELSINORE, LLC, a California limited liability company ("Civic") and MISSION COTTAGES, LP, a California limited partnership ("Developer").

RECITALS

WHEREAS, Civic is a party to that certain Amended and Restated Disposition and Development Agreement ("DDA") dated as of March 8, 2011, by and among the Redevelopment Agency of the City of Lake Elsinore ("RDA"), McMillin Summerly LLC and Civic.

WHEREAS, the RDA was dissolved in accordance with California Health & Safety Code Section 34172 as of February 1, 2012.

WHEREAS, the Successor Agency to the former RDA ("Successor Agency") has pledged to pay Civic certain tax revenues at the times and subject to terms and conditions as set forth in the DDA.

WHEREAS, certain of the tax revenues pledged to Civic in the DDA (the "Pledged Housing Funds" as defined in section 603 the DDA) are deposited into the Low and Moderate Income Housing Fund and are available to fund an approved "Affordable Housing Project Proposal" as defined in the DDA.

WHEREAS, the City of Lake Elsinore, a municipal corporation ("City") is the housing successor to the former RDA.

WHEREAS, Civic submitted an Affordable Housing Project Proposal for the Cottages at Mission Trail ("Project") conforming to the terms and conditions of the DDA and the City, in its capacity as housing successor, has approved such proposal and issued a Loan Commitment for Rental Housing Project-Cottages Affordable Housing dated June 13, 2017, as amended by that certain Addendum to Loan Commitment for Rental Housing Project-Cottages Affordable Housing dated March 26, 2019 ("Addendum") in order to fund Reimbursable Affordable Housing Costs (as defined in the DDA) for the Project. The approved Affordable Housing Project Proposal for the Project and the Addendum are herein referred to as the "TIF Documents"

WHEREAS, a portion of such Pledged Housing Funds has been allocated to the Project pursuant to the Addendum ("TIF Revenues") and Civic is entitled to receive TIF Revenues in connection with the development of the Project.

WHEREAS, Civic desires to assign its right, title and interest in, to and under the TIF Documents as well as the right to receive the TIF Revenues to Developer and Developer desires to accept such assignment on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby represents, warrants, covenants and agrees as follows:

Section 1. Incorporation of Recitals. Civic and Developer hereby acknowledge the truth and accuracy of the recitals and incorporate the same herein by this reference.

Section 2. Assignment. Civic hereby transfers and assigns to Developer (i) all of its right, title and interest in, to and under the TIF Documents, as the same may now exist and as they may be from time to time supplemented, modified, amended, replaced or reinstated, (ii) all of Civic's rights, now existing or hereafter arising, under the TIF Documents to receive and enforce payment of the TIF Revenues, including the right to enforce payment of the Pledged Housing Funds under the DDA to the extent they represent TIF Revenues; and (iii) all proceeds and products thereof, and all accounts, contract rights and general intangibles related to the TIF Revenues.

Section 3. Assumption. Developer having read the TIF Documents hereby assumes and agrees to be bound by all of the provisions thereof and agrees to discharge all of Civic's obligations under the Addendum and the approved Affordable Housing Project Proposal for the Project.

Section 4. Consent and Substitution of Liability. City hereby consents to the assignment to Developer of Civic's rights under the TIF Documents and to receive the TIF Revenues and hereby releases Civic from such obligations relating to the Project. In the interest of clarity, Civic is not assigning any of its rights or obligations as Master Developer under the DDA or any rights in the Master Developer's Share of the Master Developer's Property Tax Revenues, other than its right to receive the Pledged Housing Funds that are a part of the TIF Revenues and to enforce payment thereof by the Successor Agency to that extent.

Section 5. Representations and Warranties. Civic hereby represents and warrants that (i) it has all requisite power and authority and the legal right to enter into this Assignment, and that its execution, delivery and performance of this Assignment is within its powers, has been duly authorized, and does not contravene any agreement applicable to it or restrictions binding on or affecting it or its assets; (ii) all necessary consents, approvals, allocations and assignments for the allocation of the TIF Revenues to the Property have been obtained; (iii) the pledge of the TIF Revenues from the Successor Agency to the Master Developer is legal, valid, binding and irrevocable; and (iv) there are no other liens, pledges, encumbrances or other third party interests in the TIF Revenues other than the pledge to the Master Developer.

Section 6. Covenants. Until such time that all TIF Revenues have been received by Developer, Civic covenants and agrees:

(a) at any time and from time to time, upon the request of Developer to promptly and duly execute and deliver such further instruments and documents as may be reasonably requested for obtaining or preserving the full benefits of this Assignment and the rights and powers granted herein; and

(b) not to consent to, vote in favor of or otherwise permit or be party to any action which shall have the effect of revoking the pledge of the TIF Revenues, reducing the TIF Revenues or the Developer's interest therein or giving any party other than the Developer an interest therein or a claim thereupon.

Section 7. Indemnification. Developer hereby agrees to pay and protect, and indemnify and hold Civic harmless from and against, any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), regardless of when made, to which Civic may become exposed, or which Civic may incur, in connection with any of the TIF Documents or in Developer's exercising its rights under this Assignment, on and after the date hereof, except to the extent caused by the gross negligence or willful misconduct of Civic.

Section 8. Binding Effect. This Assignment shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

Section 9. Counterparts; Electronic Signatures. This Assignment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Assignment.

Section 10. Governing Law. This Assignment and all matters arising out of or related to this Assignment shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its conflict of laws principles.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed and delivered by its duly authorized representative as of the day and year first above written.

CIVIC PARTNERS-ELSINORE, LLC a California
limited liability company

By: _____
Name: Steven P. Semingson
Title: Managing Member

MISSION COTTAGES, LP, a California limited
partnership

By: Cottages Management, LLC, a California
limited liability company, its administrative
general partner

By: _____
Name: Steven P. Semingson
Title: Managing Member

By: AOF Mission Trails, LLC, a California limited
liability company, its managing general partner

By: AOF/Pacific Affordable Housing
Corporation, a California nonprofit
public benefit corporation, its sole
member and manager

By: _____
Name: Philip J. Kennedy
Title: President

CONSENTED TO, ACKNOWLEDGED AND AGREED:

CITY OF LAKE ELSINORE, CALIFORNIA

By: _____
Name:
Title

