

**AMENDMENT NO. 1 TO DISPOSITION  
AND DEVELOPMENT AGREEMENT**

THIS AMENDMENT NO.1 TO DISPOSITION AND DEVELOPMENT AGREEMENT (“**Amendment No. 1**”) is made and entered into as of the \_\_\_ day of April, 2026, by and between the CITY OF FULLERTON, a California municipal corporation (“**City**”), and EAST FULLERTON VILLAS, LTD., a California limited partnership (“**Developer**”).

**RECITALS**

- A. On or about September 20, 1994, (i) Chapman Ventures, a California joint venture (the “**Original Developer**”), consisting of Fullerton Interfaith Housing Development Corporation, a non-profit public benefit corporation (“**IHDC**”), and Douglas B. Chaffee, an individual (“**Chaffee**”), (ii) City, and (iii) the former Fullerton Redevelopment Agency, a public body, corporate and politic (the “**RDA**”), entered into a Disposition Agreement (the “**DDA**”).
- B. Pursuant to the DDA, among other things, (i) the RDA sold to IHDC that certain real property located at 2120 East Chapman Avenue, in the City of Fullerton (the “**Property**”) for a purchase price of Seven Hundred Eighty Thousand Dollars (\$780,000), which purchase price was subsequently “written down” to Three Hundred Seventy-Five Thousand Dollars (\$375,000), (ii) the RDA provided a loan to IHDC in the amount of the purchase price (the “**RDA Loan**”), (iii) City provided a loan to IHDC in the amount of One Hundred Sixty-Five Thousand Dollars (\$165,000) sourced from HOME Investment Partnerships Program funds City received from HUD (the “**City Loan**”), (iv) IHDC established Developer and transferred to Developer all of its interests in the DDA, the Property, the City Loan, the RDA Loan, and all other documents and agreements related to the Property, the RDA Loan, and City Loan, and (v) Developer constructed on the Property and currently operates the East Fullerton Villas, a multifamily development that includes twenty-seven (27) residential rental units restricted for rental to and occupancy by income-qualified tenants at an affordable rent (the “**Project**”).
- C. The RDA Loan is evidenced by that certain Promissory Note Secured by Deed of Trust and Assignment of Leases, Rents, Profits, and Contracts, dated October 28, 1994 (the “**RDA Note**”). Repayment of the RDA Loan is secured by (i) that certain Deed of Trust with Assignment of Rents, dated October 28, 1994, and recorded in the Official Records of Orange County, California (“**Official Records**”) on October 28, 1994, as Instrument No. 94-0636736, as modified by that certain Modification of Deed of Trust with Assignment of Rents, dated November 30, 1995, and recorded in the Official Records on December 1, 1995, as Instrument No. 19950532425 (as modified, the “**RDA Deed of Trust**”), and (ii) that certain Assignment of Leases, Rents, Profits, and Contracts, dated October 27, 1994, and

recorded in the Official Records on October 28, 1994, as Instrument No. 94-0636737, as modified by that certain Modification of Assignment of Leases, Rents, Profits, and Contracts, dated November 30, 1995, and recorded in the Official Records on December 1, 1995, as Instrument No. 19950532426 (as modified, the “**RDA Assignment of Rents**”).

- D. The City Loan is evidenced by that certain Promissory Note Secured by Deed of Trust and Assignment of Leases, Rents, Profits, and Contracts, dated October 28, 1994 (the “**City Note**”). Repayment of the City Loan is secured by (i) that certain Deed of Trust with Assignment of Rents, dated October 28, 1994, and recorded in the Official Records on October 28, 1994, as Instrument No. 94-0636734, as modified by that certain Modification of Deed of Trust with Assignment of Rents, dated November 30, 1995, and recorded in the Official Records on December 1, 1995, as Instrument No. 19950532428 (as modified, the “**City Deed of Trust**”), and (ii) that certain Assignment of Leases, Rents, Profits, and Contracts, dated October 27, 1994, and recorded in the Official Records on October 28, 1994, as Instrument No. 94-0636735, as modified by that certain Modification of Assignment of Leases, Rents, Profits, and Contracts, dated November 30, 1995, and recorded in the Official Records on December 1, 1995, as Instrument No. 19950532429 (as modified, the “**City Assignment of Rents**”).
- E. Each of the RDA Note, RDA Deed of Trust, RDA Assignment of Rents, City Note, City Deed of Trust and City Assignment of Rents was originally executed by IHDC and subsequently assigned to and assumed by Developer.
- F. The Grant Deed by which the RDA transferred the Property to IHDC, which was recorded in the Official Records on October 28, 1994, as Instrument No. 94-0636733 (the “**Grant Deed**”) serves as the affordable housing regulatory agreement for the Property, and sets forth the affordability restrictions for the residential rental units. The term of the affordability restrictions is ninety-nine (99) years, commencing on the “Effective Date” of the DDA, which is September 20, 1994.
- G. City is the housing successor entity to the RDA, has acquired all of the housing assets of the former RDA, including the RDA Loan, RDA Note, RDA Deed of Trust, and RDA Assignment of Rents (collectively, the “**RDA Loan Documents**”), is the beneficiary of the covenants and restrictions in the Grant Deed, and has the right to enforce all agreements and covenants in favor of the former RDA, including, without limitation, the covenants and restrictions in the Grant Deed, and all any covenants in any of the RDA Loan Documents.
- H. Each of the RDA Note and City Note (collectively, the “**Notes**”) require annual payments based on the net cash flow generated by the Project

during the respective year. As a result of the deep affordability targeting required by the Grant Deed and the relatively small size of the Project, the Project has not generated sufficient net cash flow to provide for any meaningful repayment of the RDA Loan and City Loan (collectively, the “**Loans**”). Further, the Notes provide for interest to accrue on a compound basis, which has had the effect of significantly increasing the outstanding balance of the Loans. As of April 1, 2026, (i) the outstanding balance (principal and interest) that will be owed under the City Note is Nine Hundred Fifty-Eight Thousand Seven Hundred Sixty-Nine Dollars and Forty-Six Cents (\$958,769.46), and the outstanding balance (principal and interest) that will be owed under the RDA Note is Nine Hundred Two Thousand Two Hundred Seventy-Three Dollars and Ninety-Six Cents (\$902,273.96), and (ii) the outstanding interest that will be owed under the City Note is Seven Hundred Ninety-Three Thousand Seven Hundred Sixty-Nine Dollars and Forty-Six Cents (\$793,769.46), and the outstanding interest that will be owed under the RDA Note is Five Hundred Twenty-Seven Thousand Two Hundred Seventy-Three Dollars and Ninety-Six Cents (\$527,273.96), for a collective amount of One Million Three Hundred Twenty-One Thousand Forty-Three Dollars and Forty-Two Cents (\$1,321,043.42) (the “**Existing Accrued Interest**”).

- I. Developer has continuously operated the Project in accordance with all requirements under the DDA, Grant Deed, RDA Loan Documents, City Note, City Deed of Trust and City Assignment of Rents.
- J. Prior to the Notes’ maturity date of October 28, 2024, Developer representatives contacted City regarding a possible loan restructuring, that would consist of (i) City forgiving all of the Existing Accrued Interest, and (ii) City combining the original principal amounts of the Loans and restructuring the repayment terms, under one (1) new promissory note, with interest accruing at three percent (3%) simple interest, and fixed annual payments of principal and interest for a new twenty-seven (27) year term.
- K. City has agreed to restructure the Loans and, on an incremental and conditional basis, to forgive the Existing Accrued Interest, subject to the terms and conditions set forth in this Amendment No. 1.

### **A M E N D M E N T:**

In consideration of the foregoing Recitals, which are incorporated herein by this reference, and the covenants and promises hereinafter contained, and for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree to amend the DDA as follows:

- 1. Agreement Regarding Loan Restructuring, and Conditional, Incremental Interest Forgiveness. City and Developer agree to amend the DDA to (i) restructure the Loans as one (1) combined loan in the principal amount of Five Hundred Forty Thousand

Dollars (\$540,000) (the “**Restructured Loan**”), at three percent (3%) simple interest, with fixed annual payments in the amount of Thirty Thousand Dollars (\$30,000), over a twenty-seven (27) year term, and (ii) provide for a process whereby so long as Developer is in compliance with the terms of the DDA, as amended by this Amendment No. 1, the Grant Deed, the “Amended and Restated Note” (as defined in Section 2 below), and the City Deed of Trust, at the end of each year during the term of the Restructured Loan, a portion of the interest, in the amount of Forty-Eight Thousand Nine Hundred Twenty-Seven Dollars and Fifty-Three Cents (\$48,927.53), shall be forgiven.

2. Amended and Restated Promissory Note. Concurrently herewith, City and Developer shall execute an amended and restated promissory note substantially in the form attached hereto and incorporated herein as Exhibit 1 (the “**Amended and Restated Note**”), which shall amend, restate, and replace, in their entirety, the Notes.

3. New City Deed of Trust. Concurrently herewith, City and Developer shall execute and record in the Official Records, a new deed of trust substantially in the form attached hereto and incorporated herein as Exhibit 2 (the “**New City Deed of Trust**”).

4. Release of RDA Deed of Trust, RDA Assignment of Leases. Concurrently herewith, City shall execute and record in the Official Records reconveyances releasing the RDA Deed of Trust and City Deed of Trust, and terminations releasing the RDA Assignment of Leases and City Assignment of Leases.

5. City Title Policy. Notwithstanding anything to the contrary in this Amendment No. 1, City’s obligation to execute any of the documents necessary to implement the terms of this Amendment No. 1, including, without limitation, the Amended and Restated Note and the reconveyances and releases described in Section 4 above, is conditioned on the issuance by First American Title Company to City of an ALTA lender’s policy of title insurance with coverage in the amount of One Million Eight Hundred Sixty-One Thousand Forty-Three Dollars and Thirty-One Cents (\$1,861,043.31), in a form and with endorsements, and with only those exceptions, approved, in writing, by City (the “**City Title Policy**”). Developer shall be responsible for the cost of the City Title Policy.

6. Further Actions and Instruments. Each party shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Amendment No. 1 and the satisfaction of the conditions of this Amendment No. 1. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Amendment No. 1 to carry out the intent and to fulfill the provisions of this Amendment No. 1 or to evidence or consummate the transactions contemplated by this Amendment No. 1. City hereby authorizes the City Manager of City to take such other actions and negotiate and execute any additional agreements as may be necessary or proper to fulfill City’s obligations under this Amendment No. 1.

7. Restructured Loan Due on Transfer or Event of Default. As further stated in the Amended and Restated Note, the outstanding balance owed under the Amended and Restated Note shall be immediately due and payable to City upon (i) a transfer or assignment by Developer of any or all of the Property, the Project, the DDA, as amended by this Amendment No. 1, the Restructured Loan, the Amended and Restated Note, or the New City Deed of Trust, or (ii) the occurrence of an “Event of Default” (as defined in the Amended and Restated Note).

8. Conforming Changes. The DDA is hereby modified to make any other conforming changes necessary to implement the terms of this Amendment No. 1.

9. Interim City Manager. All references herein to the “City Manager” shall include any person duly appointed to the position of “Interim City Manager.”

10. Severability. If any provision of this Amendment No. 1 is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Amendment No. 1 and the remaining provisions shall continue in full force and effect.

11. Interpretation of Amendment. The DDA, as amended by this Amendment No. 1, integrates all of the terms and conditions mentioned herein and in the DDA, or incidental thereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof and to all or any part of the Property except as they may be set forth herein.

12. Effect of Amendment. Except as expressly provided in this Amendment No. 1, all of the terms, conditions, and provisions set forth in the DDA shall remain in full force and effect.

13. Effective Date. The effective date of this Amendment No. 1 shall be the later of the dates set forth next to the signatures of the parties hereto, after both parties hereto have signed this Amendment No. 1, which date shall be inserted into the preamble to this Amendment No. 1.

14. Representations. The persons executing this Amendment No. 1 on behalf of each party hereto warrant that (a) they are duly authorized to execute this Amendment No. 1 on behalf of the party for whom they sign, and (b) by so executing this Amendment No. 1, the party for whom they sign is formally bound to the provisions of this Amendment No. 1.

15. Counterparts. This Amendment No. 1 may be executed in counterparts, each of which, when both parties hereto have signed this Amendment No. 1, shall be deemed an original.

[END – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, City and Developer have caused this instrument to be executed on their behalf by their respective officers or agents herein duly authorized as of the date first written above.

“City”

CITY OF FULLERTON, a California municipal corporation

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Eddie Manfro, City Manager

ATTEST:

\_\_\_\_\_  
Lucinda Williams, MMC, City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

*Ahe Marie Sui*  
\_\_\_\_\_  
Special Counsel to the City of Fullerton

“Developer”

EAST FULLERTON VILLAS, LTD., a California limited partnership

By: Interfaith Housing Development Corporation, a California nonprofit public benefit corporation, its general partner

By: *Molly McClanahan*  
\_\_\_\_\_  
Molly McClanahan, President

**COMMUNITY  
DEVELOPMENT**

**MAR 30 2026**

Date: \_\_\_\_\_ **DEPARTMENT**

[END OF SIGNATURES]

## AMENDED AND RESTATED PROMISSORY NOTE

Loan Amount: \$1,861,043.31

April \_\_, 2026  
Fullerton, California

FOR VALUE RECEIVED, EAST FULLERTON VILLAS, LTD., a California limited partnership ("**Borrower**"), promises to pay to the CITY OF FULLERTON, a California municipal corporation ("**City**"), the principal sum of FIVE HUNDRED FORTY THOUSAND DOLLARS (\$540,000), plus interest on the outstanding principal balance, in accordance with the terms and conditions set forth herein. This Amended and Restated Promissory Note (this "**Amended and Restated Note**") evidences the obligation of Borrower to City for the repayment of certain funds loaned to Borrower by City and by the former Fullerton Redevelopment Agency (the "**RDA**") pursuant to that certain Disposition and Development Agreement dated September 20, 1994 among City, the RDA, and Borrower's predecessor in interest (the "**Original DDA**"), as amended by that certain Amendment No. 1 to Disposition and Development Agreement entered into currently herewith between City and Borrower (the "**DDA Amendment**"). The Original DDA was entered into in connection with the acquisition of real property located at 2120 East Chapman Avenue, in the City of Fullerton (the "**Property**") and the construction thereon of the East Fullerton Villas affordable housing rental development (the "**Project**").

Reference is also made to the following additional agreements and documents involving City and Borrower and/or pertaining to the Property, each of which is incorporated herein by this reference:

- (i) Promissory Note Secured by Deed of Trust and Assignment of Leases, Rents, Profits, and Contracts, dated October 28, 1994, in the current principal amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000), in favor of City, as the housing successor entity to the RDA (the "**RDA Note**");
- (ii) Promissory Note Secured by Deed of Trust and Assignment of Leases, Rents, Profits, and Contracts, dated October 28, 1994, in the principal amount of One Hundred Sixty-Five Thousand Dollars (\$165,000), in favor of City (the "**City Note**");
- (iii) Grant Deed recorded in the Official Records on October 28, 1994, as Instrument No. 94-0636733 (the "**Grant Deed**"), which serves as the affordable housing regulatory agreement for the Property; and
- (iv) Deed of Trust with Assignment of Rents, dated, and recorded in the Official Records, on or about the same date hereof (the "**New City Deed of Trust**").

1. Amendment and Restatement of RDA Note and City Note. This Amended and Restated Note collectively combines, amends, restates, and fully replaces, in their entirety, each of the City Note and RDA Note. From and after the date hereof, each of the RDA Note and City Note shall be deemed void and of no further force or effect.

2. Definitions.

**“Assignment”** shall mean any voluntary or involuntary conveyance, disposition, assignment, encumbrance, sublease, sale or transfer of the Property, including, without limitation, any transfer by Borrower of all or any portion of its rights under or interest in the Project or the Property, any unpermitted change of ownership or control of Borrower, any foreclosure of Borrower’s interest in the Project or the Property, whether by judicial proceedings, or by virtue of any power contained in a deed of trust, indenture or other instrument creating a lien against the Project or the Property, or any assignment of Borrower’s estate in the Project or the Property through, or in lieu of, foreclosure or other appropriate and bona fide proceedings in the nature thereof.

**“Combined City Loan”** shall mean the sum of (i) the original principal amount of the City Loan, and (ii) the original principal amount of the RDA Loan, which is Five Hundred Forty Thousand Dollars (\$540,000).

**“Existing Accrued Interest”** shall mean the collective amount of interest that, as of the date of this Amended and Restated Note, has accrued on the loans evidenced by the RDA Note and City Note, which collective amount is One Million Three Hundred Twenty-One Thousand Forty-Three Dollars and Forty-Two Cents (\$1,321,043.42).

**“Term”** shall mean the period commencing on the execution hereof, and terminating on the date the final payment due hereunder has been paid.

**“Total Outstanding City Loan Amount”** shall mean the outstanding balance (principal and interest) collectively owed under the City Note and RDA Note, which is One Million Eight Hundred Sixty-One Thousand Forty-Three Dollars and Thirty-One Cents (\$1,861,043.31).

3. Interest and Repayment.

3.1 Basic Interest Rate. Except (i) as otherwise provided in this Amended and Restated Note, only the portion of the Total Outstanding City Loan Amount that is comprised of the Combined City Loan shall accrue interest under this Amended and Restated Note, and (ii) as provided in section 3.4 below, the unpaid principal balance of the Combined City Loan shall bear interest at the simple rate of three percent (3%) per year (the **“Basic Interest Rate”**).

3.2 Payment Dates and Amounts.

(a) Principal and Interest Payments. With the exception of the first payment due hereunder, which shall be due on April 15, 2026, all payments on this Amended and Restated Note shall be payable annually on December 31 of each year



during the Term. Subject to the terms of this Amended and Restated Note, each payment due hereunder shall be in the amount of Thirty Thousand Dollars (\$30,000). The repayment schedule attached hereto and incorporated herein as Exhibit "A" reflects the foregoing repayment terms.

(b) Interest First. All payments shall be applied first to accrued interest and thereafter to principal.

3.3 Maturity Date. The outstanding principal balance of the Combined City Loan together with any outstanding interest due thereon and any other sums payable under this Amended and Restated Note shall be due and payable in full on the date the Term terminates (the "**Maturity Date**"). Notwithstanding anything to the contrary in this Amended and Restated Note, Borrower may prepay all or any portion of the outstanding balance due hereunder without penalty.

3.4 Default Rate. Any amounts (including but not limited to amounts of principal and interest on the Combined City Loan and any Existing Accrued Interest that becomes due and payable under this Amended and Restated Note) which Borrower does not pay when otherwise due under the terms of this Amended and Restated Note, shall bear interest at the rate of the lesser of ten percent (10%) or the maximum rate allowed per law per annum ("**Default Rate**"), simple interest, from the date which is ten (10) days after such amount would otherwise be due until the date paid.

3.5 Incremental Forgiveness of Existing Accrued Interest. Provided Borrower remains in compliance with the terms of this Amended and Restated Note, the DDA, the Grant Deed, and the New City Deed of Trust, then on an annual basis, at such time as Borrower makes each annual payment due on the Combined City Loan under this Amended and Restated Note, a portion of the Existing Accrued Interest, in the amount of Forty-Eight Thousand Nine Hundred Twenty-Seven Dollars and Fifty-Three Cents (\$48,927.53), shall be forgiven. Notwithstanding anything to the contrary in this Amended and Restated Note, if City accelerates repayment under this Amended and Restated Note, any portion of the Existing Accrued Interest that as of the date of such acceleration has not been forgiven shall be immediately due and payable.

#### 4. Acceleration.

The entire outstanding principal balance of this Amended and Restated Note, together with any outstanding interest and other amounts payable hereunder, including, without limitation, any portion of the Existing Accrued Interest that at such time has not been forgiven, shall, at the election of City and upon notice to Borrower thereof, become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower, if:

(a) Notwithstanding the payment terms set forth in Section 3 above, upon the occurrence of any "**Event of Default**" as set forth in Section 10 below; or

(b) Borrower effects an Assignment or otherwise sells or transfers the Property, including, without limitation, lease (other than leases of individual Units to

residential tenants in the ordinary course of business in compliance with the Grant Deed), exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale or transfer which under federal law would not, by itself, permit the Borrower to exercise a due on sale or due on encumbrance clause; or

(c) Borrower obtains a loan, the repayment of which is secured by the Property.

5. Prepayment; Application of Payments.

At any time during the Term, Borrower may prepay all or a portion of the unpaid principal amount of the City Combined Loan and accrued interest and any other sums outstanding without penalty. All payments, including any prepayments or funds received upon acceleration pursuant to Section 4 above, shall be applied first toward any outstanding costs of collection or other amounts (excluding Combined City Loan principal or interest thereon) due under this Amended and Restated Note or under the DDA or Grant Deed, or under the New City Deed of Trust, then toward outstanding interest accrued at the Default Rate, if any, then toward outstanding interest accrued at the Basic Interest Rate, if any, and finally toward the remaining principal balance under this Amended and Restated Note.

6. Security and Source of Payment.

Borrower's obligations under this Amended and Restated Note, the DDA and the Grant Deed shall be secured by the New City Deed of Trust.

The City Combined Loan (and any Existing Accrued Interest that becomes due and payable under this Amended and Restated Note) shall constitute a nonrecourse obligation of Borrower, and neither Borrower nor any partner, member, or shareholder thereof shall have any personal liability for repayment.

However, nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for this Amended and Restated Note of all the rights and remedies of the City, or (b) be deemed in any way to impair the right of the City to assert the unpaid principal amount of this Amended and Restated Note as a demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on this Amended and Restated Note; nothing contained herein is intended to relieve the Borrower and, if Borrower is a partnership, limited liability company, or corporation, any general partner, member, or shareholder of Borrower of liability for damages caused to City as a result of (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the real property described in the City Combined Loan documents that are payable or applicable prior to any foreclosure under the New City Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the retention of any rental income or other income arising with respect to the Project collected by Borrower after an Event of Default to the

full extent of the rental income or other income retained and collected by Borrower after the giving of any such notice, and not used to pay operating expenses of the Project; (iv) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project; and (v) breach of any environmental covenant or representation made by the Borrower relating to the Project.

7. Obligation of Borrower Unconditional.

The obligation of Borrower to repay the City Combined Loan and all accrued interest thereon shall be absolute and unconditional, and until such time as all of the outstanding principal of and interest on this Amended and Restated Note shall have been fully paid, Borrower agrees that it will not terminate or suspend any payment or obligations under this Amended and Restated Note, the DDA, the Grant Deed, or any other document executed hereunder or in connection herewith for any cause, including without limitation, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, or any duty, liability or obligation arising out of or in connection with this Amended and Restated Note, the DDA, the Grant Deed, the New City Deed of Trust or any document executed hereunder or in connection herewith.

8. Compliance with DDA, Grant Deed, and New City Deed of Trust. Borrower shall comply with all of its obligations under the DDA, Grant Deed, and the New City Deed of Trust. Any amounts payable by Borrower under the DDA, Grant Deed, or the New City Deed of Trust (other than amounts also payable hereunder) shall be deemed added to the principal amount of the City Combined Loan payable hereunder.

9. Assignment Prohibited.

This Amended and Restated Note shall not be assignable by Borrower and any purported assignment shall be null and void and shall constitute an “Event of Default” (as defined in Section 10.1 below).

10. Events of Default and Remedies.

10.1 Borrower Events of Default. The occurrence of any of the following shall, after the giving of any notice and expiration of any applicable cure period as described herein, constitute an event of default by Borrower hereunder (“**Event of Default**”):

(a) The failure of Borrower to pay or perform any monetary covenant or obligation under the terms of this Amended and Restated Note without curing such failure within ten (10) days after receipt of written notice of such default from City (or from any party authorized by City to deliver such notice as identified by City in writing to Borrower);

(b) The failure of Borrower to perform any non-monetary covenant or obligation under this Amended and Restated Note without curing such failure within thirty (30) days after receipt of written notice of such default from City (or from any party authorized by City to deliver such notice as identified by City in writing to Borrower) specifying the nature of the event or deficiency giving rise to the default and the action

required to cure such deficiency. Provided, however, that if any default with respect to a non-monetary obligation is such that it cannot be cured within a thirty (30) day period, it shall be deemed cured if Borrower commences the cure within said thirty (30) day period and diligently prosecutes such cure to completion thereafter. Notwithstanding anything herein to the contrary, the herein described notice requirements and cure periods shall not apply to any Event of Default described in Sections 10.1(e) or 10.1(f) below;

(c) The failure of Borrowers to perform any covenant or obligation under the DDA, New City Deed of Trust or Grant Deed, unless the default is cured within the applicable cure period (if any).

(d) The material falsity of any representation or breach of any representation or warranty made by Borrower under the terms of this Amended and Restated Note, the DDA, the Grant Deed or the New City Deed of Trust;

(e) Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (ii) fail to pay or admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated bankrupt or insolvent or (v) commence a voluntary petition that is not withdrawn within ten (10) days of the filing thereof or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

(f) If without the application, approval or consent of Borrower, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, in respect of Borrower, for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of Borrower or of all or any substantial part of Borrower's assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Borrower, in good faith, the same shall (i) result in the entry of an order for relief or any such adjudication or appointment, or (ii) continue undismissed, or pending and unstayed, for any period of ninety (90) consecutive days;

(g) Voluntary cessation of the operation of the Project for a continuous period of more than thirty (30) days or the involuntary cessation of the operation of the Project for a continuous period of more than sixty (60) days; or

(h) An Assignment.

10.2 City Remedies. Upon the occurrence and during the continuance of an Event of Default hereunder, City may, in its sole discretion, take any one or more of the following actions:

(a) By notice to Borrower, except in the case of a an Event of Default by Borrower under Section 10.1(e) or Section 10.1(f) in which event no notice pursuant to this Amended and Restated Note shall be required, declare the entire then unpaid principal

balance of the City Combined Loan immediately due and payable, and the same shall become due and payable without further demand, protest or further notice of any kind, all of which are expressly waived. Upon such declaration, outstanding principal and (to the extent permitted by law) interest, any other sums outstanding in connection with the City Combined Loan, and any Existing Accrued Interest that as of the date of such declaration has not been forgiven shall thereafter bear interest at the Default Rate, payable from the date of such declaration until paid in full;

(b) Subject to the nonrecourse provisions of Section 6 above, take any and all actions and do any and all things which are allowed, permitted or provided by law, in equity or by statute, in the sole discretion of City, to collect the amounts then due and thereafter to become due hereunder, to exercise its rights under the New City Deed of Trust, and to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Amended and Restated Note, the DDA, the Grant Deed, or under any other document executed in connection herewith;

(c) Subject to the nonrecourse provision of Section 6 above, upon the occurrence of an Event of Default which is occasioned by Borrower's failure to pay money, City may, but shall not be obligated to, make such payment. If such payment is made by City, Borrower shall deposit with City, upon written demand therefor, such sum plus interest at the Default Rate. In either case, the Event of Default with respect to which any such payment has been made by City shall not be deemed cured until such repayment (as the case may be) has been made by Borrower. Until repaid, such amounts shall have the security afforded the amounts evidenced by this Amended and Restated Note; or

(d) Subject to the nonrecourse provisions of Section 6 above, upon the occurrence of an Event of Default described in Section 10.1(e) or 10.1(f) hereof, City shall be entitled and empowered by intervention in such proceedings or otherwise to file and prove a claim for the whole amount owing and unpaid on the City Combined Loan and, in the case of commencement of any judicial proceedings, to file such proof of claim and other papers or documents as may be necessary or advisable in the judgment of City and its counsel to protect the interests of City and to collect and receive any monies or other property in satisfaction of its claim.

10.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to City is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Amended and Restated Note or now existing at law or in equity or by statute; and may be exercised in such number, at such times and in such order as City may determine in its sole discretion. No delay or omission to exercise any right or power upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by City. In order to entitle City to exercise any right or remedy reserved to it under this Amended and Restated Note, no notice shall be required except as expressly provided herein.

11. Agreement to Pay Attorneys' Fees and Expenses.

In the event that City brings any action or files any proceeding in connection with the enforcement of its rights under this Amended and Restated Note or the New City Deed of Trust, as a consequence of any breach by Borrower of its obligations hereunder or thereunder, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and out-of-pocket expenditures paid by the losing party. The attorneys' fees so recovered shall include fees for prosecuting or defending any appeal and shall be awarded for any supplemental proceedings until the final judgment is satisfied in full. In addition to the foregoing award of attorneys' fees, the prevailing party in any lawsuit on this Amended and Restated Note or the New City Deed of Trust shall also be entitled to its reasonable attorneys' fees incurred in any post judgment proceedings to collect or enforce the judgment. In addition to the foregoing, Borrower agrees to pay or reimburse City, upon demand by City, for all costs incurred by City in connection with enforcement of this Amended and Restated Note or the New City Deed of Trust, including without limitation, reasonable attorneys' fees and costs, if there shall be filed by or against Borrower any proceedings under any federal or state bankruptcy or insolvency laws, whether City is a creditor in such proceedings or otherwise.

12. Notices.

All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Amended and Restated Note shall be in writing and shall be given by personal delivery, first class mail certified or registered, return receipt requested, or reputable overnight delivery service that provides a receipt with the time and date of delivery and addressed as follows:

To City	City of Fullerton 303 West Commonwealth Avenue Fullerton, CA 92832 Attn: City Manager
With a copy to:	Rutan & Tucker, LLP 18575 Jamboree Road, 9 <sup>th</sup> Floor Irvine, CA 92612 Attn: Allison LeMoine-Bui, Esq.
To Borrower:	East Fullerton Villas, Ltd. 2140 East Chapman Avenue Fullerton, CA 92631 Attn: Julia Moore, Management Agent
With a copy to:	Stephen P. Janowicz, CPA MST 3010 Saturn Street, Suite 103 Brea, CA 92821

Any Notice shall be deemed received immediately if delivered by hand or by overnight courier, and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

13. Severability.

The invalidity or unenforceability of any one or more provisions of this Amended and Restated Note will in no way affect any other provisions.

14. Interpretation.

Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Amended and Restated Note are for convenience only and do not define or limit any terms or provisions. Time is of the essence in the performance of this Amended and Restated Note by Borrower. Borrower has been represented by counsel in the negotiation of this Amended and Restated Note, and it shall not be interpreted in favor of or against any party on account of relative responsibilities in drafting. Notwithstanding any other provision of this Amended and Restated Note, nothing in this Section 14 or elsewhere in this Amended and Restated Note shall be deemed to require Borrower to pay interest in an amount in excess of any applicable usury law or other legal limitation on interest, and the terms of this Amended and Restated Note shall be interpreted to require in each instance the lesser of (a) the amount stated in this Amended and Restated Note, and (b) the maximum applicable legal limit.

15. No Waiver; Consents.

Any waiver by City must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure by City to take action on account of any default of Borrower. Consent by City to any act or omission by Borrower will not be construed to be a consent to any other or subsequent act or omission or to waive the requirements for City’s consent to be obtained in any future or other instance.

16. Governing Law.

This Amended and Restated Note shall be governed by the internal laws of the State of California without regard to conflict of law principles.

17. Representations and Warranties of Borrower.

Borrower hereby warrants and represents to City that:

17.1 Organization and Standing. Borrower is a California legal entity duly organized, qualified to operate in California and validly existing and in good standing under all applicable laws, and has all requisite power and authority to enter into and perform its obligations under this Amended and Restated Note, the DDA, the New City Deed of Trust, the Grant Deed and all other documents executed in connection herewith.

17.2 Enforceability. This Amended and Restated Note and all other instruments executed previously or to be executed by Borrower in connection with the City Combined

Loan constitute the legal, valid and binding obligation of Borrower, without joinder of any other party.

17.3 Authorization and Consents. The execution, delivery and performance of this Amended and Restated Note and all other instruments executed previously or to be executed in connection herewith is consistent with the operating agreement, partnership agreement and any articles and bylaws governing Borrower and have been duly authorized by all necessary action of Borrower's members, partners, directors, officers and shareholders.

17.4 Due and Valid Execution. This Amended and Restated Note and all other instruments executed previously or to be executed in connection herewith, will, as of the date of their execution, have been duly and validly executed by Borrower.

17.5 Licenses. Borrower has obtained and will maintain all material licenses, permits, consents and approvals required by all applicable governmental authorities to own and operate the Project.

17.6 Litigation and Compliance. To the best of Borrower's knowledge, there are no lawsuits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of Borrower (other than those as have been previously disclosed in writing to City) which could materially impair its ability to perform its obligations under this Amended and Restated Note, nor is Borrower in violation of any laws or ordinances which could materially impair Borrower's ability to perform its obligations under this Amended and Restated Note.

17.7 Default. To Borrower's current actual knowledge, there are no facts now in existence which would, with the giving of notice or the lapse of time, or both, constitute an "**Event of Default**" hereunder, as described in Section 10.

17.8 No Violations. To the best of Borrower's knowledge, the execution and delivery of this Amended and Restated Note, the DDA and all other documents executed previously or executed or given thereunder, and the performances hereunder and thereunder by Borrower, as applicable, will not constitute a breach of or default under any instrument or agreement to which Borrower may be a party nor, to the best of Borrower's knowledge, will the same constitute a breach of or violate any law or governmental regulation.

18. Waiver.

Subject to Section 6, Borrower agrees that it will still be liable for repayment of this Amended and Restated Note, even if the holder hereof does not follow the procedures of presentment, protest, demand, diligence, notice of dishonor and of nonpayment, which requirements are hereby waived. Failure of City or other holder hereof to exercise any right or remedy hereunder shall not constitute a waiver of any future or other default. No acceptance of a past due installment or indulgence granted from time to time shall be construed to be a waiver of, or to preclude the exercise of, the right to insist upon prompt payment thereafter or to impose late charges retroactively or prospectively, or to waiver



or preclude the exercise of, the right to insist upon prompt payment thereafter or to impose late charges retroactively or prospectively, or to waive or preclude the exercise of any other rights which City may have.

[End – Signature Page Follows]

IN WITNESS WHEREOF, Borrower has executed this Amended and Restated Note as of the date and year first above written.

“City”

CITY OF FULLERTON, a California  
municipal corporation

Date: \_\_\_\_\_, 2026

By: \_\_\_\_\_  
Eddie Manfro, City Manager

ATTEST:

\_\_\_\_\_  
Lucinda Williams, City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

\_\_\_\_\_  
Allison LeMoine-Bui  
Special Counsel to the City of Fullerton

[SIGNATURES CONTINUED TO NEXT PAGE]

“Developer”

EAST FULLERTON VILLAS, LTD., a  
California limited partnership

By: Interfaith Housing Development  
Corporation, a California nonprofit public  
benefit corporation, its general partner

Date: \_\_\_\_\_, 2026

By: \_\_\_\_\_  
Molly McClanahan, President

[END OF SIGNATURES]

EXHIBIT "A"

**Combined City Loan Repayment Schedule**

No.	Date	<u>Beginning</u> Balance	Payment	Interest	Principal Pmt	<u>Ending</u> Balance
1	4/15/2026	540,000.00	30,000.00	16,200.00	13,800.00	526,200.00
2	12/31/2027	526,200.00	30,000.00	15,786.00	14,214.00	511,986.00
3	12/31/2028	511,986.00	30,000.00	15,359.58	14,640.42	497,345.58
4	12/31/2029	497,345.58	30,000.00	14,920.37	15,079.63	482,265.95
5	12/31/2030	482,265.95	30,000.00	14,467.98	15,532.02	466,733.93
6	12/31/2031	466,733.93	30,000.00	14,002.02	15,997.98	450,735.94
7	12/31/2032	450,735.94	30,000.00	13,522.08	16,477.92	434,258.02
8	12/31/2033	434,258.02	30,000.00	13,027.74	16,972.26	417,285.76
9	12/31/2034	417,285.76	30,000.00	12,518.57	17,481.43	399,804.34
10	12/31/2035	399,804.34	30,000.00	11,994.13	18,005.87	381,798.47
11	12/31/2036	381,798.47	30,000.00	11,453.95	18,546.05	363,252.42
12	12/31/2037	363,252.42	30,000.00	10,897.57	19,102.43	344,149.99
13	12/31/2038	344,149.99	30,000.00	10,324.50	19,675.50	324,474.49
14	12/31/2039	324,474.49	30,000.00	9,734.23	20,265.77	304,208.73
15	12/31/2040	304,208.73	30,000.00	9,126.26	20,873.74	283,334.99
16	12/31/2041	283,334.99	30,000.00	8,500.05	21,499.95	261,835.04
17	12/31/2042	261,835.04	30,000.00	7,855.05	22,144.95	239,690.09
18	12/31/2043	239,690.09	30,000.00	7,190.70	22,809.30	216,880.79
19	12/31/2044	216,880.79	30,000.00	6,506.42	23,493.58	193,387.22
20	12/31/2045	193,387.22	30,000.00	5,801.62	24,198.38	169,188.83
21	12/31/2046	169,188.83	30,000.00	5,075.66	24,924.34	144,264.50
22	12/31/2047	144,264.50	30,000.00	4,327.93	25,672.07	118,592.43
23	12/31/2048	118,592.43	30,000.00	3,557.77	26,442.23	92,150.20
24	12/31/2049	92,150.20	30,000.00	2,764.51	27,235.49	64,914.71
25	12/31/2050	64,914.71	30,000.00	1,947.44	28,052.56	36,862.15
26	12/31/2051	36,862.15	30,000.00	1,105.86	28,894.14	7,968.02
27	12/31/2052	7,968.02	8,207.06	239.04	7,968.02	-

RECORDING REQUESTED BY:  
AND WHEN RECORDED RETURN TO:

City of Fullerton  
303 W. Commonwealth Avenue  
Fullerton, CA 92832  
Attn: City Clerk

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[Free Recording Requested]  
[Government Code Sections 6103 and 27383]

**DEED OF TRUST  
WITH ASSIGNMENT OF RENTS**

**NOTE:** RIDER ATTACHED TO THIS DEED OF TRUST CONTAINING TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

This DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED HERETO (“**Deed of Trust**”), is made April \_\_, 2026, between EAST FULLERTON VILLAS, LTD., a California limited partnership, herein called TRUSTOR, whose address is 2565 East Chapman Avenue, Suite D, Fullerton, CA 92631, FIRST AMERICAN TITLE COMPANY, a California corporation, herein called TRUSTEE, and CITY OF FULLERTON, a California municipal corporation, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor’s estate, dated on or about the date hereof, in that property in the City of Fullerton, County of Orange, State of California, described in Exhibit “A” (the “Property”),

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of ONE MILLION EIGHT HUNDRED SIXTY-ONE THOUSAND FORTY-THREE DOLLARS and THIRTY-ONE CENTS (\$1,861,043.31), with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set

forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Diego	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	San Diego	7182	18	San Diego	SERIES 5		Book 1964,	Page	
											149774

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

TRUSTOR:

EAST FULLERTON VILLAS, LTD.,  
a California limited partnership

By: Interfaith Housing Development  
Corporation, a California nonprofit public  
benefit corporation, its general partner

Date: \_\_\_\_\_, 2026

By: \_\_\_\_\_  
Molly McClanahan, President

**SEE RIDERS ATTACHED TO THIS DEED OF TRUST**

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, \_\_\_\_\_,  
(insert name and title of the officer)

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.

Signature \_\_\_\_\_

(Seal)



## DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears

to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default (beyond any applicable cure period, and during the continuance of such default), Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter

upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary

hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary means the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD -REQUEST FOR FULL RECONVEYANCE

TO \_\_\_\_\_, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please mail Deed of Trust,

Note    and    Reconveyance    to

\_\_\_\_\_

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FULLERTON IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[Need to verify correct legal. PTR provided by IHDC has a different legal than the vesting deed and the deed by which the RDA granted the property]

## RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS (“**Rider**”) is executed this \_\_\_ day of April, 2026, by EAST FULLERTON VILLAS, LTD., a California limited partnership, herein “Trustor,” in favor of the CITY OF FULLERTON, a California municipal corporation, herein “**Beneficiary**,” the same parties to that certain Deed of Trust With Assignment of Rents, of even date hereto, to which this Rider is attached. This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to (i) that certain Amended and Restated Promissory Note executed by Trustor on or about the date set forth above, the repayment of which by Trustor is secured by this Deed of Trust (“**City Note**”), (ii) that certain Disposition and Development Agreement dated September 20, 1994 among Beneficiary, the former Fullerton Redevelopment Agency (“**RDA**”), and Trustor’s predecessor in interest, as assigned to and assumed by Trustor (the “**Original DDA**”), as amended by that certain Amendment No. 1 to Disposition and Development Agreement entered into currently herewith between Beneficiary and Trustor (collectively, the “**Agreement**”), and (iii) that certain Grant Deed by which the RDA conveyed the “Property” (as defined below) to Trustor’s predecessor in interest, which was recorded in the Official Records of Orange County on October 28, 1994, as Instrument No. 94-0636733 (the “**Grant Deed**”), and which serves as the affordable housing regulatory agreement for the Property.

The parties hereto agree:

1. Property. The estate subject to this Deed of Trust is Trustor’s fee estate in the real property legally described in the foregoing Deed of Trust to which this Rider is attached (the “**Property**”).

2. Obligations Secured. Trustor makes this grant and assignment for the purpose of securing the following obligations (“**Secured Obligations**”):

- a. Payment to Beneficiary of all indebtedness at any time owing under the terms of the City Note;
- b. Payment and performance of all obligations of Trustor under this Deed of Trust;
- c. Payment and performance of all obligations of Trustor under the Agreement and the Grant Deed.
- d. Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and

- e. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

3. Obligations. The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. Incorporation. All terms of the City Note, Agreement, and Grant Deed, and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. Mortgagee-in-Possession. Neither the assignment of rents set forth in this Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

6. No Cure. In the event Beneficiary collects and receives any rents under this Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default, except if and to the extent the same are sufficient to cure all monetary defaults and no other defaults then exist.

7. Possession Upon Default. Upon the occurrence of and during the continuation of a default, Beneficiary, after having given notice and the applicable cure periods having expired with the default having not been cured (hereinafter, a “**default**”), may, at its option, without any action on its part being required and without in any way waiving such default, take possession of the Property in accordance with applicable law and have, hold, manage, lease and operate the same, on such terms and for such period of time as Beneficiary may deem proper, and may collect and receive all rents and profits, with full power to make, from time to time, all commercially reasonable alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary, and to apply such rents and profits to the payment of (a) the cost of all such alterations, renovations, repairs and replacements, and all costs and expenses incident to taking and retaining possession of the Property, and the management and operation thereof, and keeping the same properly insured; (b) all taxes, charges, claims, assessments, and any other liens which may be prior in lien or payment of the City Note, and premiums for insurance, with interest on all such items; and (c) the indebtedness secured hereby, together with all costs and attorney’s fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Any amounts received by Beneficiary or its agents in the performance of any acts prohibited by the terms of this assignment, including, but not limited to, any amounts received in connection with any cancellation, modification or



amendment of any lease prohibited by the terms of this assignment and any rents and profits received by Trustor after the occurrence of a default shall be held by Trustor as trustee for Beneficiary and all such amounts shall be accounted for to Beneficiary and shall not be commingled with other funds of the Trustor. Any person receiving any portion of such trust funds shall receive the same in trust for Beneficiary as if such person had actual or constructive notice that such funds were impressed with a trust in accordance therewith.

8. Receiver. In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred and not have been cured within any applicable cure period, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the City Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be secured by this Deed of Trust.

9. Notice to Beneficiary. Notices to Beneficiary shall be sent to Beneficiary addressed to:

City of Fullerton  
303 W. Commonwealth Avenue  
Fullerton, CA 92832  
Attn: City Manager  
Reference: East Fullerton Villas Affordable Housing Project

10. Limited Partner Cure Rights. Notwithstanding anything to the contrary set forth herein, Beneficiary shall not exercise any right hereunder without providing the limited partner of Trustor with not less than thirty (30) days prior written notice and right to cure any default giving rise to the exercise of said remedy. Beneficiary agrees that any cure tendered by the limited partner of Trustor shall be accepted or rejected on the same terms and conditions as if tendered directly by Trustor.

[signatures on next page]

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment herein below, to be effective for all purposes as of the day and year first set forth above.

TRUSTOR:

EAST FULLERTON VILLAS, LTD., a  
California limited partnership

By: Interfaith Housing Development  
Corporation, a California nonprofit public  
benefit corporation, its general partner

Date: \_\_\_\_\_, 2026

By: \_\_\_\_\_  
Molly McClanahan, President

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, \_\_\_\_\_,  
(insert name and title of the officer)

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.

Signature \_\_\_\_\_

(Seal)

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, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose  
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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.

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that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)