

CORONA HOUSING AUTHORITY AND CITY OF CORONA

**AMENDMENT NO. 3A TO DISPOSITION AND DEVELOPMENT AGREEMENT
WITH LAB HOLDING, LLC
(AUTHORITY SOUTH MALL PROPERTY – REST AREA, LLC)**

1. PARTIES AND DATE.

This Amendment No. 3A to Disposition and Development Agreement with LAB Holding, LLC (Corona Mall Property) (“**Amendment No. 3A**”) is dated for reference purposes as of the 19th day of July, 2023, and is being entered into by and among REST AREA, LLC, a California limited liability company (“**Developer**”), the CITY OF CORONA, a California municipal corporation (“**City**”), and the CITY OF CORONA HOUSING AUTHORITY, a public body, corporate and politic (“**Authority**”) with respect to the Authority South Mall Property only. Developer, City, and Authority are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**” throughout this Amendment No. 3A.

2. RECITALS.

2.1 Disposition and Development Agreement. City, Authority and Developer’s predecessor in interest, LAB Holding, LLC, a California limited liability company (“**LAB Holding**”), previously entered into that certain Disposition and Development Agreement with LAB Holding, LLC (Corona Mall Property) (“**Development Agreement**”) dated May 17, 2017, that certain First Amendment to Disposition and Development Agreement with Lab Holding, LLC (Corona Mall Property) (“**First Amendment**”) dated May 15, 2019, and that certain Amendment No. 2A to Disposition and Development Agreement with LAB Holding, LLC (Corona Mall Property) (“**Amendment No. 2A**”) dated August 19, 2020. For purposes of this Amendment No. 3A, the Development Agreement, the First Amendment, and Amendment No. 2A shall be collectively referred to as the “**DDA**”. Public notice of the DDA was provided by recordation of that certain Memorandum of Agreement Containing Covenants Affecting Real Property on June 4, 2019 as Document No. 2019-0200094.

2.2 Assignment and Assumption Agreement. Pursuant to that certain Partial Assignment and Assumption of Disposition and Development Agreement with Lab Holding, LLC dated August 20, 2019 and recorded in Official Records of Riverside County, California on October 3, 2019 as Instrument No. 2019-0396883, LAB Holding assigned to Developer and Developer assumed all of LAB Holding’s rights, duties and obligations under the DDA to the extent they apply to the Authority South Mall Property.

2.3 Amendment. The Parties desire to enter into this Amendment No. 3A to permit the Parties to modify the terms of the Authority South Mall Property Promissory Note without amending the DDA.

3. TERMS.

3.1 Effective Date of Amendment No. 3A. This Amendment No. 3A shall be effective as of the date, following all legally required notices and hearings, that this Amendment No. 3A has been approved by City's and Authority's governing body and signed by all Parties.

3.2 Defined Terms. Except as may be expressly set forth in this Amendment No. 3A to the contrary, all terms with initial capital letters used herein but not otherwise defined shall have the respective meanings set forth in the DDA.

3.3 Amendment. Section 3.3.2 of the DDA is hereby deleted in its entirety and replaced with the following:

“Authority Financing of Authority South Mall Property Purchase Price. Authority shall finance the Authority South Mall Property Purchase Price, less the Authority South Mall Property Deposit provided for in Section 3.2, in the total amount of Eight Hundred One Thousand Dollars (\$801,000) (“**Authority South Mall Property Financed Amount**”), which shall be evidenced by a Promissory Note in substantially the same form attached hereto as **Exhibit “G”** and incorporated herein by this reference (“**Authority South Mall Property Promissory Note**”) and the Deed of Trust in substantially the same form attached hereto as **Exhibit “H”** and incorporated herein by reference (“**Authority South Mall Property Deed of Trust**”). The terms of the Authority South Mall Property Promissory Note and Authority South Mall Property Deed of Trust may be modified or amended by an instrument in writing executed by the Parties hereto without amending or modifying this Agreement shall include the principal of the Authority South Mall Property Financed Amount and interest at two and one half percent (2.5%) per annum, which, in light of current market conditions, the Authority has determined to be a reasonable rate of return. As provided in the Authority South Mall Property Promissory Note, Developer shall make interest only monthly payments in the amount of One Thousand Six Hundred Sixty Eight Dollars and 75/100 (\$1,668.75) for a period of twenty four (24) months commencing on the first date of the thirty-seventh (37th) month following the Closing Date with one (1) final “balloon” payment in the amount of Eight Hundred One Thousand Dollars (\$801,000) plus accrued interest in the amount of Sixty Thousand Seventy Five Dollars (\$60,075), both due and payable in the sixtieth (60th) month.”

3.4 Entire Agreement. The DDA, as modified by this Amendment No. 3A, including all of the exhibits thereto, constitutes the entire agreement between and among the Parties pertaining to the subject matters addressed therein. Except as expressly set forth in this Amendment No. 3A, all of provisions set forth in the DDA are unmodified and remain in full force and effect.

3.5 Counterparts. This Amendment No. 3A may be executed in counterparts. The City Manager of City and Executive Director of Authority are hereby authorized and directed to execute this Amendment No. 3A on behalf of City and Authority, respectively, and to take all necessary actions to implement and enforce the same.

[SIGNATURES ON NEXT THREE (3) PAGES]

CITY' S SIGNATURE PAGE

**AMENDMENT NO. 3A TO DISPOSITION AND DEVELOPMENT AGREEMENT
WITH LAB HOLDING, LLC
(AUTHORITY SOUTH MALL PROPERTY – REST AREA, LLC)**

CITY OF CORONA

a California municipal corporation

By: _____
Jacob Ellis
City Manager

Date: _____

Attest:

By: _____
Sylvia Edwards
City Clerk

Approved as to Form:

By: _____
Dean Derleth
City Attorney

AUTHORITY' S SIGNATURE PAGE

**AMENDMENT NO. 3A TO DISPOSITION AND DEVELOPMENT AGREEMENT
WITH LAB HOLDING, LLC
(AUTHORITY SOUTH MALL PROPERTY – REST AREA, LLC)**

CITY OF CORONA HOUSING AUTHORITY
a public body, corporate and politic,
organized under the laws of the State of California

By: _____
Jacob Ellis
Executive Director

Date: _____

Attest:

By: _____
Sylvia Edwards
Authority Secretary

Approved as to Form:

By: _____
Dean Derleth
General Counsel

DEVELOPER' S SIGNATURE PAGE

**AMENDMENT NO. 3A TO DISPOSITION AND DEVELOPMENT AGREEMENT
WITH LAB HOLDING, LLC
(AUTHORITY SOUTH MALL PROPERTY – REST AREA, LLC)**

REST AREA, LLC

a California limited liability company

By: _____
Shaheen Sadeghi
Managing Member

Date: _____

Approved as to Form:

By: _____
William H. Ihrke
Rutan & Tucker LLP
Legal Counsel