

423

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

SUBMITTAL DATE:
September 28, 2009

SUBJECT: Amendment to Redevelopment Loan Agreements for Scattered Affordable Housing Projects

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached First Amendment to Promissory Note between the Redevelopment Agency for the County of Riverside and Hemet Vistas I Limited Partnership;
2. Approve the attached Fourth Amendment to Disposition and Development Agreement, Promissory Note and Deed of Trust With Assignment of Rents between the Redevelopment Agency for the County of Riverside and Hemet Vistas II Limited Partnership;
3. Approve the attached First Amendment to Promissory Note between the Redevelopment Agency for the County of Riverside and Hemet Vistas II Limited Partnership;

(Continued)

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low- and Moderate-Income Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Michelle Clack
DATE: 9/28/09
Departmental Concurrence

Policy
 Policy
 Consent
 Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.:

District: 2nd, 3rd

Agenda Number:

4.1

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

4. Approve the attached Fourth Amendment to Loan Agreement, Promissory Note and Deed of Trust With Assignment of Rents between the Redevelopment Agency for the County of Riverside and Mission Larue Limited Partnership;
5. Approve the attached Covenant Agreement between the Redevelopment Agency for the County of Riverside and Hemet Vistas II Limited Partnership;
6. Authorize the Chairman of the Board of Directors to sign the attached Agreements; and
7. Authorize the Executive Director or designee to take all necessary steps to implement these Agreements including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND:

Palm Desert Development Company (PDDC), a California Corporation who is the Administrative General Partner ("AGP") for various Limited Partnerships that have financing agreements with the Redevelopment Agency for the County of Riverside (Agency), is requesting to amend the Agency's loan agreements to allow for a fixed AGP fee.

PDDC, as AGP, is responsible for administration of all conventional loans, soft loans, property/general liability insurance renewals, California Tax Credit Allocation Committee reporting, investor reporting, federal and state tax returns, annual audited financial statements, annual budget preparation, and monthly operating statement/occupancy report review and analysis. PDDC, thus far, has been performing their AGP duties with minimal reimbursement from the respective properties.

Each of the Agency loan agreements contain annual monitoring management fees that are to be paid from available cash flow, after operating expenses, reserves, and debt service. One such fee is an Administrative General Partner Fee ("Fee") payable to the AGP. This Fee is to guarantee that the AGP remains in the partnership throughout the affordability period of the loan and continues to have a vested financial incentive to properly manage the properties. The annual debt payment for the Agency loan is paid from available cash flow prior to this Fee. This priority has virtually eliminated payment of the Fee to the AGP. Amending the above referenced Agency loan agreements will provide a fixed annual Fee of \$50,000 to be paid to the Administrative General Partner.

PDDC has obtained written approvals from all the lenders senior to the Agency loans to amend all the agreements referenced above. Altogether PDDC is requesting to amend four (4) Redevelopment Loan Agreements.

Agency Counsel has reviewed and approved the attached Agreements as to form. Staff recommends that the Board approve the attached documents.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Redevelopment Agency for the
County of Riverside
1325 Spruce Street, Suite 400
Riverside, CA 92507
Attn. Tom Fan

Exempt Recording Fee Code 6103

Space Above This Line For Recorder's Use

FIRST AMENDMENT TO REDEVELOPMENT AGENCY PROMISSORY NOTE
(HEMET VISTAS I)

This First Amendment to Promissory Note and Covenant Agreement (this "First Amendment") is entered into as of _____, 2009 by and between the Redevelopment Agency for the County of Riverside, a public body corporate and politic (the "Agency"), and Hemet Vistas I LIMITED PARTNERSHIP, a California limited partnership (the "Partnership") with reference to the following facts:

RECITALS

A. The Agency and the Partnership entered into that certain promissory note dated as of May 20, 1999 in the amount of Two Hundred Sixty Five Thousand Dollars (\$265,000) (the "Note"), which is secured by a deed of trust with assignment of rents dated May 20, 1999 (the "Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 1999-290100 on June 29, 1999 encumbering certain land in the City of Hemet, California as more particularly described in Exhibit A attached hereto and incorporated herein (the "Site").

B. The County of Riverside (the "County") and the Partnership entered into that certain HOME loan agreement dated February 4, 1997 pursuant to which the Partnership received a loan in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00) (the "County Loan") evidenced by a promissory note, which is secured by a deed of trust with assignment of rents dated April 1, 1997 recorded in the Office of the Recorder of the County of Riverside as Document No. 108877 on April 1, 1997.

C. Palm Desert Development Company, predecessor in interest to Partnership, entered into that certain Disposition and Development Agreement dated November 14, 1995, with the Redevelopment Agency for the County of Riverside ("RDA") recorded in the Office of the Recorder of the County of Riverside as Document No. 183679 on May 17, 1996, as amended by that certain Amendment to Disposition and Development Agreement dated as of May 7, 1996 (the "First Amendment to DDA") recorded in the Office of the Recorder of the County of Riverside as Document No. 183680 on May 17, 1996, as amended by that certain Second Amendment to Disposition and Development Agreement dated as of May 26, 1998 (the "Second Amendment to DDA"), pursuant to which the Partnership received a loan in the amount of Two

Hundred Sixty Five Thousand Dollars (\$265,000) (the "RDA Loan"), evidenced by a promissory note, which is secured by a deed of trust with assignment of rents dated May 20, 1999 (the "RDA Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 1999-290100 on June 29, 1999.

D. The Agency and the Partnership wish to amend to the repayment provisions of the Note.

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Repayment Modification. The second paragraph of the Note is hereby deleted and replaced with the following:

All outstanding principal along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on March 31, 2027. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year. The Agency acknowledges that the source of repayment of the County Loan also comes from fifty percent (50%) of available cash flow that is designated to pay the Loan. The County and the Agency shall instruct Borrower what percentage of the fifty percent (50%) of available cash flow should be paid to the County and what percentage should be paid to the Agency.

2. Governing Law. This First Amendment shall be governed by and construed in accordance with California law.

3. Counterparts. This First Amendment may be executed in counterparts, and each shall constitute an original and all taken together shall constitute one Amendment.

[SIGNATURE PAGE FOLLOWS]

NOW THEREFORE, the parties hereto have executed this Amendment as of the date first set forth above.

PARTNERSHIP:

HEMET VISTAS I LIMITED PARTNERSHIP, a
California limited partnership

By: Palm Desert Development Company, a California corporation, its Administrative
General Partner

By: _____

Name: _____

Its: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

ALL SIGNATURES MUST BE NOTARIZED

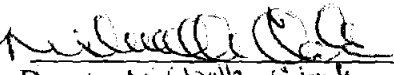
AGENCY:

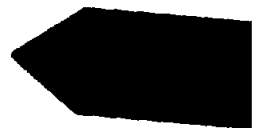
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Jeff Stone,
Chairman, Board of Directors

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By:  9/21/09
Deputy Michelle Clark



ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ALL SIGNATURES MUST BE NOTARIZED

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

THE NORTH HALF OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM THE EASTERLY RECTANGULAR 44 FEET CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED OCTOBER 7, 1965 AS INSTRUMENT NO. 114999, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

Redevelopment Agency for the
County of Riverside
1325 Spruce Street, Suite 400
Riverside, CA 92507
Attn. Tom Fan

Exempt Recording Fee Code 6103

Space Above This Line For Recorder's Use

**FIRST AMENDMENT TO REDEVELOPMENT AGENCY PROMISSORY NOTE
(HEMET VISTAS II)**

This First Amendment to the Redevelopment Agency Promissory Note (this "First Amendment") is entered into as of _____, 2009 by and between the Redevelopment Agency of the County of Riverside, a public body corporate and politic (the "Agency"), and Hemet Vistas II Limited Partnership, a California limited partnership (the "Partnership") with reference to the following facts:

RECITALS

A. The Agency and the Partnership entered into that certain promissory note dated as of December 1, 1999 in the amount of Two Hundred Sixty Five Thousand Dollars (\$265,000) (the "Note") which is secured by a deed of trust with assignment of rents dated November 29, 1999 (the "Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 1999-539186 on December 13, 1999, encumbering certain land in the City of Hemet, California as more particularly described in Exhibit A attached hereto and incorporated herein (the "Site").

B. The Agency and the Partnership wish to amend to the repayment provisions of the Note.

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Repayment Modification. The second paragraph of the Note is hereby deleted and replaced with the following:

All outstanding principal along with accrued interest at the rate of one percent

the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year.

2. Governing Law. This First Amendment shall be governed by and construed in accordance with California law.

3. Counterparts. This First Amendment may be executed in counterparts, and each shall constitute an original and all taken together shall constitute one Amendment.

(SIGNATURES PAGE FOLLOWS)

NOW THEREFORE, the parties hereto have executed this Amendment as of the date first set forth above.

PARTNERSHIP:

HEMET VISTAS II LIMITED PARTNERSHIP, a
California limited partnership

By: Palm Desert Development Company, a
California corporation, its Administrative General Partner

By: _____

Name: _____

Its: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

ALL SIGNATURES MUST BE NOTARIZED

AGENCY:

REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Jeff Stone,
Chairman, Board of Directors



APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By: *[Handwritten Signature]* 7/21/09
Deputy Michele Clark

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ALL SIGNATURES MUST BE NOTARIZED

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 2 AS SHOWN BY PARCEL MAP NO. 28501, ON FILE IN BOOK 194 PAGE(S) 5, 6 AND 7
OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-037-6

<p>RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:</p> <p>Redevelopment Agency for the County of Riverside 1325 Spruce Street, Suite 400 Riverside, CA 92507 Attn. Tom Fan</p>	
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Exempt Recording Fee Code 6103

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**FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT,
PROMISSORY NOTE AND DEED OF TRUST WITH ASSIGNMENT OF RENTS
(Redevelopment Agency)**

FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT, PROMISSORY NOTE AND DEED OF TRUST WITH ASSIGNMENT OF RENTS (this "Amendment") is entered into as of September _____, 2009 by and between the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a California public entity (the "Agency"), and **HEMET VISTAS II LIMITED PARTNERSHIP**, a California limited partnership (the "Partnership").

RECITALS

A. The Agency and Palm Desert Development Company, the predecessor in interest to the Partnership, entered into that certain Disposition and Development Agreement dated as of November 14, 1995 (the "DDA") recorded in the Office of the Recorder of the County of Riverside as Document No. 183679 on May 17, 1996, as amended by that certain Amendment to Disposition and Development Agreement dated as of May 7, 1996 (the "Amendment to DDA") recorded in the Office of the Recorder of the County of Riverside as Document No. 183680 on May 17, 1996, as amended by that certain First Amendment to Disposition and Development Agreement dated as of May 26, 1998 (the "First Amendment to DDA") and as amended by that certain Third Amendment to Disposition and Development Agreement dated as of November 30, 1999 (the "Third Amendment to DDA"), encumbering certain land in the City of Hemet, California, as more particularly described in Exhibit A attached hereto and incorporated herein (the "Site"). The DDA, the Amendment to DDA, the First Amendment to DDA and the Third Amendment to DDA shall be collectively referred to as the "DDA".

B. Pursuant to the Third Amendment to DDA, Section 311.5 was amended to add provision for additional Agency assistance to the Partnership up to a total amount of One Million Five Hundred Fifty Thousand Dollars (\$1,550,000) (the "Additional Assistance"). Pursuant to this Amendment the parties wish to further amend Section 311.5 to modify the repayment provisions related to the Additional Assistance.

C. The Additional Assistance is evidenced by a promissory note (the "Promissory Note") executed by the Partnership in favor of the Agency, which is secured by a deed of trust with assignment of rents dated July 5, 2000 (the "Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 2000-291496 on July 28, 2000.

D. The parties wish to amend the Promissory Note and the Deed of Trust to modify the repayment provisions related to the Additional Assistance.

E. Capitalized terms which are not defined herein shall have the meaning ascribed to them in the Loan Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 311.5 of the DDA is amended to read as follows:

"311.5 Agency Financial Assistance, Phase Two. The Agency shall provide a loan to the Developer in the minimum amount of \$1,200,000.00 to assist with development of Phase Two of the Project. In the event that the financing gap is more than \$1,200,000.00, the Agency's assistance shall be increased to the amount necessary to construct the Project, up to a total loan amount of \$1,550,000.00. All outstanding principal under the loan along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on May 31, 2027. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. The Promissory Note shall be secured by a Deed of Trust to be executed by the Developer and recorded by the Agency in the office of the Riverside County Recorder prior to the disbursement of funds."

2. Promissory Note. The first and second paragraph of the Promissory Note are hereby deleted and replaced with the following:

"In installments as hereafter stated, for value received, Hemet Vistas II, L.P., (hereinafter referred to as "Borrower") promises to pay to the Redevelopment Agency of the County of Riverside, a public body corporate and politic, at 1325 Spruce Street, Riverside, CA 92507, the sum of \$1,550,000, or so much as has been disbursed, with simple interest on the unpaid principal amount, at the rate of one percent (1%) per annum, interest and principal payable as follows:

All outstanding principal along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on May 31, 2027. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year.

3. Deed of Trust. The second paragraph of the Deed of Trust with Assignment of Rents is hereby amended in its entirety to read as follows:

The Note provides for: All outstanding principal along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on May 31, 2027. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year.

4. Governing Law. This Amendment shall be governed by and construed in accordance with California law.

5. Counterparts. This Amendment may be executed in counterparts, and each shall constitute an original and all taken together shall constitute one Amendment.

NOW THEREFORE, the parties hereto have executed this Amendment as of the date first set forth above.

PARTNERSHIP:

HEMET VISTAS II LIMITED PARTNERSHIP, a
California limited partnership

By: Palm Desert Development Company, a
California corporation, its Administrative General Partner

By: _____

Name: _____

Its: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

ALL SIGNATURES MUST BE NOTARIZED

AGENCY:

REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Jeff Stone,
Chairman, Board of Directors

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By: *Michelle Clock* 9/21/07
Deputy Michelle Clock

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ALL SIGNATURES MUST BE NOTARIZED

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)

County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 2 AS SHOWN BY PARCEL MAP NO. 28501, ON FILE IN BOOK 194 PAGE(S) 5, 6 AND 7
OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-037-6

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Redevelopment Agency for the
County of Riverside
1325 Spruce Street, Suite 400
Riverside, CA 92507
Attn. Tom Fan

Space Above This Line For Recorder's Use

**FOURTH AMENDMENT TO LOAN AGREEMENT, PROMISSORY NOTE
AND DEED OF TRUST WITH ASSIGNMENT OF RENTS
(Redevelopment Agency)**

THIS FOURTH AMENDMENT TO LOAN AGREEMENT, PROMISSORY NOTE AND DEED OF TRUST WITH ASSIGNMENT OF RENTS (hereinafter referred to as the "Fourth Amendment") is entered into as of _____, 2009 by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a California public entity (the "Agency"), and MISSION LARUE LIMITED PARTNERSHIP, a California limited partnership (the "Partnership").

RECITALS

A. WHEREAS, the Agency and the Partnership entered into that certain Loan Agreement dated September 24, 2002 (the "Original Loan Agreement ") evidenced by a promissory note (the "Original Promissory Note"), which is secured by a deed of trust with assignment of rents dated September 24, 2002 (the "Original Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 2002-555965 on October 4, 2002, as amended by that certain First Amendment to Loan Agreement, Promissory Note and Deed of Trust with Assignment of Rents dated December 10, 2002 (the "First Amendment"), recorded in the Office of the Recorder of the County of Riverside as Document No. 2003-026766 on January 14, 2003, as amended by that certain Second Amendment to Loan Agreement, Promissory Note and Deed of Trust with Assignment of Rents dated September 9, 2003 (the "Second Amendment") recorded in the Office of the Recorder of the County of Riverside as Document No. 2003-722098 on September 17, 2003, as amended by that certain Third Amendment to Loan Agreement, Promissory Note and Deed of Trust with Assignment of Rents dated July 26, 2005 (the "Third Amendment") recorded in the Office of the Recorder of the County of Riverside as Document No. 0826501 on October 05, 2005, and related documents, encumbering certain land in Rubidoux, California, as more particularly described in Exhibit A attached hereto and incorporated herein (the "Site"). (The Original Loan Agreement, First Amendment, Second Amendment and Third Amendment are hereinafter collectively referred to as the "Loan Agreement").

B. Pursuant to the Loan Agreement the Agency agreed to lend to the Partnership Seven Hundred Fifty Thousand Dollars (\$750,000) (the "Loan"). The Loan Agreement is

evidenced by a promissory note (the "Promissory Note"), which is secured by a deed of trust with assignment of rents (the "Deed of Trust").

The Loan Agreement provides for construction and permanent financing of an affordable rental housing development for independent living seniors in the Jurupa Valley Project Area on certain land in Rubidoux, California, known as the Mission Palms Senior Housing Project (the "Project"); and

C. WHEREAS, the Agency and Partnership desire to revise the Loan Agreement, Promissory Note and Deed of Trust to revise the repayment provisions; and

D. WHEREAS, the County of Riverside (the "County") and the Partnership entered into that certain HOME Loan Agreement dated August 13, 2002, as amended, pursuant to which the Partnership received a loan in the amount of Five Hundred Thousand Dollars (\$500,000) (the "County Loan") evidenced by a promissory note, which is secured by a deed of trust with assignment of rents dated July 8, 2002 and recorded in the Office of the Recorder of the County of Riverside as Document No. 555966 on October 4, 2022;

E. WHEREAS, capitalized terms which are not defined herein shall have the meaning ascribed to them in the Loan Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Promissory Note. The second paragraph of the Promissory Note is hereby deleted and replaced with the following:

All outstanding principal along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on March 31, 2034. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within 45 days following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year. The Agency acknowledges to that the source of repayment of the County loan also comes from fifty percent (50%) of available cash flow that is designated to pay the Loan. The County and the Agency shall instruct

Borrower what percentage of the fifty percent (50%) of available cash flow should be paid to the County and what percentage should be paid to the Agency.

2. Deed of Trust. The second paragraph of the Deed of Trust with Assignment of Rents is hereby amended in its entirety to read as follows:

The Note provides for: **All outstanding principal along with accrued interest at the rate of one percent (1%) interest per annum shall be due and payable on March 31, 2034. Borrower shall make annual payments on July 1 of each year, until such time as the loan is repaid in full. Annual payments shall be due on July 1 of each year, until such time as the loan is repaid in full, and shall be payable from fifty percent (50%) of available cash flow. Available cash flow shall be the cash flow remaining after the payment of operating expenses, reserves, deferred developer's fee, managing general partner fee, special limited partner fee and administrative general partner fee, which administrative general partner fee shall be in the initial amount of \$50,000 (all such fees to increase annually by an amount equivalent to the rise in the Consumer Price Index, or successor index, as provided in Borrower's partnership agreement), and debt service, but prior to distributions to owners, partners and investors. Available cash flow shall be determined based on a review of financial statements for the project. Quarterly financial statements shall be submitted within 45 days following the close of each quarter of the project fiscal year. In addition, annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year. The Agency acknowledges to that the source of repayment of the County loan also comes from fifty percent (50%) of available cash flow that is designated to pay the Loan. The County and the Agency shall instruct Borrower what percentage of the fifty percent (50%) of available cash flow should be paid to the County and what percentage should be paid to the Agency.**

3. Governing Law. This Amendment shall be governed by and construed in accordance with California law.

4. Counterparts. This Amendment may be executed in counterparts, and each shall constitute an original and all taken together shall constitute one Amendment.

(SIGNATURES ON NEXT PAGE)

NOW THEREFORE, the parties hereto have executed this Fourth Amendment to the Loan Agreement, Promissory Note and Deed of Trust with Assignment of Rents as of the date first set forth above.

PARTNERSHIP:

**MISSION LARUE LIMITED PARTNERSHIP, a
California limited partnership**

By: Palm Desert Development Company, a
California corporation, its Administrative General Partner

By: _____

Name: _____

Its: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

ALL SIGNATURES MUST BE NOTARIZED

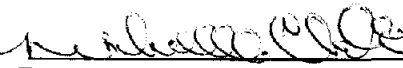
AGENCY:

REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman,
Board of Directors

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By:  9/21/08
Deputy Michelle Clark

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ALL SIGNATURES MUST BE NOTARIZED

State of California)

County of Riverside)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)

County of Riverside)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

Those portions of Lot 1 and 2 in Block 9 of Map of West Riverside, as shown by map on file in Book 9 page 34 of Patents, Records of Riverside County, California, being a portion of Rubidoux Rancho, also shown as Parcels 1 and 2 on Lot Line Adjustment No. RDA/LPM-2001-03 recorded June 12, 2001 as Instrument No. 2001-260651, Official Records of Riverside County, California, described as follows:

COMMENCING at the most westerly corner of said Lot 2;

Thence South 58° 56' 43" East along the southwesterly line of said Lot 2 and along the southwesterly line of Lot 1, a distance of 751.58 feet to the most southerly corner of the northwesterly 1-3/4 acres of said Lot 1;

Thence North 31° 04' 16" East along the southeasterly line of said northwesterly 1-3/4 acres, a distance of 54.00 feet for the TRUE POINT OF BEGINNING, said point being on the most easterly corner of that certain parcel of land conveyed to the State of California by deed recorded April 9, 1941 in Book 497 at pages 326 thereof, Official Records of Riverside County, California;

Thence North 58° 56' 43" West along said northeasterly line of said parcel so conveyed and along the northeasterly line of that parcel of land conveyed to the State of California by deed recorded August 26, 1940 in Book 476 at page 109 thereof and along the northeasterly line of that parcel of land conveyed to the State of California by deed recorded July 16, 1940 in Book 468 at page 553 thereof and along the northeasterly line of that certain parcel of land conveyed to the State of California by deed recorded June 25, 1941 in Book 507 at pages 338 and 339 thereof, all Official Records of Riverside County, California, a distance of 748.58 feet to the most southerly corner of that certain parcel of land conveyed to the County of Riverside by deed recorded March 10, 1972 as Instrument No. 32826, Official Records of Riverside County, California;

Thence North 31° 04' 16" East along the southeasterly line of said parcel so conveyed, a distance of 414.85 feet to a point thereon;

Thence South 58° 08' 29" East, a distance of 97.84 feet;

Thence South 39° 46' 39" East, a distance of 138.54 feet;

Thence South 50° 39' 14" East, a distance of 87.90 feet;

Thence South 40° 16' 30" West, a distance of 17.81 feet;

Thence South 50° 46' 37" West, a distance of 65.48 feet;

Thence South 39° 13' 23" East, a distance of 91.36 feet;

Thence North 64° 10' 41" East, a distance of 7.50 feet;

Thence North 61° 43' 55" East, a distance of 13.54 feet;

Thence North 89° 26' 50" East, a distance of 15.26 feet;

Thence North 48° 54' 03" East, a distance of 213.69 feet;

Thence South 38° 21' 56" East, a distance of 217.38 feet;

Thence South 17° 55' 18" East, a distance of 47.78 feet;

Thence North 84° 59' 08" East, a distance of 51.78 feet;

Thence North 60° 40' 24" East, a distance of 43.06 feet;

Thence South 29° 46' 17" East, a distance of 42.17 feet;

Thence South 59° 39' 55" West, a distance of 12.53 feet;

Thence South 27° 36' 59" East, a distance of 53.33 feet to a point on said southeasterly line of said northwesterly 1-3/4 acres of said Lot 1;

Thence South 31° 04' 16" West along said southeasterly line, a distance of 317.22 feet to the TRUE POINT OF BEGINNING.

Containing 5.98 acres, more or less.

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
Redevelopment Agency for the County
of Riverside
1325 Spruce Street, Suite 400
Riverside, CA 92507
Attn. Juan J. Garcia
NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

SPACE ABOVE THIS LINE FOR RECORDERS USE

COVENANT AGREEMENT

THIS AGREEMENT is made this ____ day of July 2009, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (hereinafter referred to as "AGENCY") and HEMET VISTAS II LIMITED PARTNERSHIP, a California limited partnership, (hereinafter referred to as "PARTNERSHIP"), with respect to the following recitals:

RECITALS

A. On November 27, 1995, AGENCY and PALM DESERT DEVELOPMENT COMPANY entered into that certain Disposition and Development Agreement (the "DDA"), recorded in the Office of the Recorder of the County of Riverside on May 17, 1996 as Document No. 183679, for the development of certain real property in the City of Hemet, California.

B. PALM DESERT DEVELOPMENT COMPANY quit claimed to the PARTNERSHIP the property subject to the DDA on November 29, 1999, recorded in the Office of the Recorder of the County of Riverside on December 13, 1999 as Document No. 199-539185. As successor in interest of PALM DESERT DEVELOPMENT COMPANY, the PARTNERSHIP has assumed the rights and obligations of PALM DESERT DEVELOPMENT COMPANY under the DDA.

C. Pursuant to the DDA, PALM DESERT DEVELOPMENT COMPANY agreed to construct 71 units of affordable rental housing, in which 71 units shall be reserved for persons or households of very low, low or moderate income, as defined in Sections 50093 and 50105 of the California Health and Safety Code, ("Assisted Units") and one on-site manager's unit on the property described in Section (1) Restrictions, below.

D. The property/parcel subject to the DDA and this Covenant Agreement is generally located at the southwest corner of Fruitvale Avenue and State Street in the unincorporated area of the County of Riverside in the community of Hemet. This property is identified as Assessor's Parcel Number 439-060-037-6 ("Property"), and will include all construction and improvements to be included in the project known as the Hemet Vistas II (the "Project"). The subject Property

is described in Exhibit A and is attached hereto and by this reference incorporated herein as "Legal Description of Property".

E. Pursuant to the DDA and this Covenant Agreement, PARTNERSHIP has agreed to restrict the use of the property.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the DDA, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PARTNERSHIP hereby declares as follows with regard to the Project, which declaration shall run with the land for the benefit of the AGENCY as follows:

1. **RESTRICTIONS.** For a period of fifteen (15) years from the date of the first certificate of occupancy permits, for itself and on behalf of its successors and assigns with regard to the Property, the following:

a) **Affordability Definitions:** Affordable housing cost as defined in Section 50053 of the California Health and Safety Code, which dictates that the rent or cost for housing (including a utility allowance) shall not exceed:

i) Very low-income households - thirty percent (30%) times fifty percent (50%) of the area median income adjusted for family size appropriate for the unit.

ii) Lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed sixty percent (60%) of the area median income adjusted for family size, the product of thirty percent (30%) times sixty percent (60%) of the area median income adjusted for family size appropriate for the unit.

b) **Income Restrictions:** PARTNERSHIP agrees to reserve a total of seventy-one (71) units (71 three-bedroom) for very-low and low income households. Such units ("Assisted Units") shall be reserved for sixty percent (60%) income households and /or households with income less than that of a sixty percent (60%) income household. Sixty percent (60%) income households shall be defined as those households earning a maximum of sixty percent (60%) of median income in Riverside County. Not less than forty-five percent (45%) of the Assisted Units shall be reserved for very-low income households whose incomes do not exceed forty-five percent (45%) area median income for the County, adjusted by family size at the time occupancy. Not less than fifty percent (50%) of the Assisted Units shall be reserved for low income households whose incomes do not exceed fifty percent (50%) area median income for the County, adjusted by family size at the time occupancy.

c) **Affordability Period:** PARTNERSHIP agrees that all Assisted Units will remain affordable, as defined in California Redevelopment Law for a period of not less than fifteen (15) years. The fifteen (15) year period shall commence upon the completion of the issuance of the first certificate of occupancy permits for the Project.

1) **MAINTENANCE OF THE IMPROVEMENTS.** PARTNERSHIP, on behalf of itself and its successors, assigns, and each successor in interest to the Property or any part thereof hereby covenants to and shall protect, maintain, and preserve the improvements located on the Property in compliance with all applicable federal and state law and regulations and local ordinances.

2. NONDISCRIMINATION. PARTNERSHIP covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Real Property, nor shall PARTNERSHIP itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the election, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Real Property. The foregoing covenants shall run with the land. PARTNERSHIP shall refrain from restricting the sale of the Real Property on the basis of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or no segregation clauses:

a) **In deeds:** "The Grantee herein covenants by and for himself for herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself nor any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, numbers use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased."

c) **In contracts:** "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

3. MONITORING. Upon the Agency's review of the project's annual compliance report, should there be any areas of non compliance, the project owner or his representative shall be notified in writing. The finding notification letter shall specify a 30 day grace period during which areas of non compliance must be addressed and corrected. Should the owner fail to

respond by the deadline specified in the initial finding letter, a second finding letter shall be issued by the Agency. Failure to resolve all non compliance issues within the required timeframe may result in the following actions: (1) the owner, or his representative, will be required to submit quarterly compliance reports; (2) the property shall undergo additional site inspections, or (3) the owner or his representative shall be required to attend a Monitoring Technical Assistance Workshop. Should the owner fail to resolve all areas of non compliance within the timeframe specified in the second finding letter, a monitoring fee shall be assessed. Additional sanctions may include: (1) an extension of the project's affordability period, or (2) requiring that the property owner to utilize the services of an Agency approved certified property management company.

4. NOTICES. All Notices provided for in this Covenant Agreement shall be deemed when personally delivered, or two (2) days following mailing by certified mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

<u>AGENCY</u>	<u>PARTNERSHIP</u>
Executive Director	President
Redevelopment Agency	c/o Palm Desert Development Company
For the County of Riverside	P.O. Box 3958
1325 Spruce Street, Suite 400	Palm Desert, CA 92261
Riverside, CA 92507	

5. BINDING EFFECT. The rights and obligations of this Covenant Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties.

6. ATTORNEY'S FEES. If any party hereto brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the Court.

7. SEVERABILITY. In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from the agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

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

9. INTERPRETATION AND GOVERNING LAW. This Covenant Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Covenant Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Covenant Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10. AUTHORITY TO EXECUTE. The persons executing this Covenant Agreement on behalf of the parties to this Covenant Agreement hereby warrant and represent that they have the authority to execute this Covenant Agreement and warrant and represent that they have the authority to bind the respective parties to this Covenant Agreement to the performance of its obligations hereunder.

11. ENTIRE AGREEMENT. It is expressly agreed that this Covenant Agreement embodies the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the parties at the time of execution.

12. COUNTERPARTS. This Covenant Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

The foregoing covenants against discrimination or segregation shall continue in effect in perpetuity. The parties hereto have executed this Covenant Agreement as of the date first set forth above.

PARTNERSHIP:

HEMET VISTAS II L.P., a
California limited partnership

By: Palm Desert Development Company, a
California corporation, its Administrative General Partner

By: _____

Name: _____

Its: _____

(All signatures on this page need to be notarized)

AGENCY:

REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

By: _____
Jeff Stone,
Chairman, Board of Directors

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel



By: *Michelle Clock* 9/21/09
Deputy Michelle Clock

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 2 AS SHOWN BY PARCEL MAP NO. 28501, ON FILE IN BOOK 194 PAGE(S) 5, 6 AND 7
OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-037-6

EXHIBIT B

CALIFORNIA HEALTH AND SAFETY CODE
50053, 50079.5, 50105

50053.

(a) For any rental housing development that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department that shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.

(b) For any rental housing development that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:

(1) For extremely low income households the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.

(2) For very low income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(3) For lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(4) For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(c) The department's regulation shall permit alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to regulations adopted under subdivision (f) of Section 50462. The department shall, by regulation, adopt criteria defining and providing for determination of gross income, adjustments for family size appropriate to the unit, and rent for purposes of this section. These regulations may provide alternative criteria, where necessary, to be consistent with pertinent federal statutes and regulations governing federally assisted rental and cooperative housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing developments.

For purposes of this section, "area median income," "adjustments for family size appropriate to the unit," and "moderate-income household" shall have the same meaning as provided in Section 50052.5.

50079.5.

(a) "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

(b) "Lower income households" includes very low income households, as defined in Section 50105, and extremely low income households, as defined in Section 50106. The addition of this subdivision does not constitute a change in, but is declaratory of, existing law.

(c) As used in this section, "area median income" means the median family income of a geographic area of the state.

50105.

(a) "Very low income households" means persons and families whose incomes do not exceed the qualifying limits for very low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. These qualifying limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for very low income households for all geographic areas of the state at 50 percent of area median income, adjusted for family size and revised annually.

(b) "Very low income households" includes extremely low income households, as defined in Section 50106. The addition of this subdivision does not constitute a change in, but is declaratory of, existing law.

(c) As used in this section, "area median income" means the median family income of a geographic area of the state.