

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

856



FROM: Economic Development Agency

SUBMITTAL DATE:
January 21, 2010

SUBJECT: First Amendment to Loan Agreement for River Canyon Apartments in Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to HOME Loan Agreement for the Use of HOME funds with Cathedral Family Housing Partners, L.P.;
2. Approve the attached Subordination Agreement with Wells Fargo Bank National Association, California Community Reinvestment Corporation, and Redevelopment Agency of the City of Cathedral City;
3. Authorize the Chairman of the Board to sign the attached First Amendment to HOME Loan Agreement and Deed of Trust, and Subordination Agreement ("Agreements"); and

(Continued)

RF

Robert Field, Assistant County Executive Officer/EDA
by Emilio Ramirez, Assistant Director EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 1,250,000	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: HOME Investment Partnerships Act Grant 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*
Jennifer L. Sargent

County Executive Office Signature

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.17-3/31/09; 3.11-10/23/08; 3.29-7/01/08

District: 4

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.28

FORM APPROVED COUNTY COUNSEL
BY: *Tiffany N. North* 1/21/10

Departmental Concurrence

RECOMMENDED MOTION: (Continued)

4. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Agreements, including signing subsequent essential and relevant documents.

BACKGROUND:

On March 31, 2009, the Board of Supervisors approved a Loan Agreement for the use of HOME funds with Cathedral Family Housing Partners, L.P., a California limited partnership (OWNER) whose Managing General Partner is Southern California Housing Development Corporation of The Inland Empire, for the development and construction of a 60-unit multi-family apartment complex (Project). The Agreement called for a loan of \$750,000 with a 1% interest payable in 55 years.

The Project has since experienced a funding shortfall due to the severe decline in tax credit equity pricing. The Project received a federal tax credit award in September 10, 2009. At the time of the tax credit application submission the OWNER anticipated a favorable tax credit equity pricing. Since then, the tax credit pricing has declined significantly and the OWNER is able to generate a much smaller equity and thus resulting in a financing gap for the Project. Additionally, the Project is no longer receiving a \$354,000 loan from the Federal Home Loan Affordable Housing Program (AHP). To help cover the funding gap, the OWNER is contributing \$1,270,000 of its developer fee to cover the gap and has requested an additional \$500,000 in HOME funds. The original HOME Loan amount for the River Canyon Apts. of \$750,000 would then be amended to \$1,250,000. The current development cost of the project is now at \$15,526,287. The Project is securing its final construction loan and will break ground by March 2010.

Wells Fargo Bank will be the construction lender for the Project. The permanent lender after completion and lease up of the units will be the California Community Reinvestment Corporation (CCRC), a California nonprofit public benefit corporation. The County's loan will be in the third position behind the loan by Wells Fargo Bank, CCRC and the Redevelopment Agency for the city of Cathedral City (Agency). The attached Subordination Agreement is required to be executed signifying the County's loan subordinate position to the Wells Fargo Bank, CCRC and Agency loan.

The Board has approved to amend the project activity in the 2009/2010 One Year Action Plan.

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

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE 6103

2 RECORDING REQUESTED BY AND
3 WHEN RECORDED MAIL TO:

4 County of Riverside
5 Economic Development Agency
6 1325 Spruce Street, Suite 400
Riverside, CA 92501
Attn: Juan Garcia

7 SPACE ABOVE THIS LINE FOR RECORDERS USE

8 **FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF**
9 **HOME FUNDS, PROMISSORY NOTE, AND DEED OF TRUST**
10 **WITH ASSIGNMENT OF RENTS**

11 This First Amendment to the Loan Agreement for the Use of HOME Funds,
12 Promissory Note and Deed of Trust with Assignment of Rents (the "First Amendment") is
13 made and entered into as of the ____ day of _____, 2010, by and between the
14 COUNTY OF RIVERSIDE ("COUNTY"), and Cathedral Family Housing Partners, L.P., a
15 California limited partnership ("OWNER"), whose Managing General Partner is Southern
16 California Housing Development Corporation of the Inland Empire, a California nonprofit
17 public benefit corporation.

18 WITNESSETH:

19 WHEREAS, the COUNTY and the OWNER entered into a HOME loan agreement for
20 the use of HOME funds (the "HOME Loan Agreement") dated March 31, 2009; and

21 WHEREAS, pursuant to the HOME Loan Agreement, OWNER proposed to develop
22 sixty (60) affordable rental housing units for low income families including one (1) manager's
23 unit (the "Project") on certain identified sites of approximately 4.5 acres situated between
24 Corregidor Drive and Vaquero Road, north of Victoria Drive in the City of Cathedral City
25 with Assessor's Parcel Numbers of 673-140-010, 673-140-011, 673-140-012, 673-140-013,
26 and 673-140-017 as more particularly described in the attached Exhibit A;

27 WHEREAS, under the terms and conditions of the HOME Loan Agreement, the
28 COUNTY has agreed to loan OWNER HOME funds in the original principal amount of
\$750,000 (the "HOME Loan") for construction and permanent financing. The HOME Loan is

1 evidenced by a promissory note (the "HOME Note") and secured by a deed of trust with
2 assignment of rents dated March 31, 2009 (the "Home Deed of Trust"). The HOME Loan
3 Agreement, the HOME Note, the HOME Deed of Trust and any other documents evidencing
4 or securing the HOME Loan shall collectively be referred to herein as the "County HOME
5 Documents";

6 WHEREAS, the Project has since experienced a funding shortfall due to the severe
7 decline in tax credit equity pricing;

8 WHEREAS, the Project is no longer receiving a \$354,000 loan from the Federal Home
9 Loan Affordable Housing Program ("AHP");

10 WHEREAS, the OWNER desires to borrow an additional \$500,000 from the COUNTY
11 and the COUNTY is willing to grant such request;

12 WHEREAS, by providing the additional \$500,000, the Project can move forward and the
13 COUNTY's supply of affordable housing shall increase.

14 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual
15 covenants and conditions hereinafter set forth, COUNTY and OWNER do hereby agree as
16 follows:

17 1. The principal amount of the HOME Loan shall be increased by Five Hundred Thousand
18 Dollars (\$500,000) and shall be a total of One Million Two Hundred Fifty Thousand
19 Dollars (\$1,250,000);

20 2. Section 1 of the HOME Loan Agreement is deleted and replace in its entirety with the
21 following:

22 "PURPOSE. The COUNTY has agreed to lend up to One Million Two Hundred Fifty
23 Thousand Dollars (\$1,250,000) of HOME Funds to the OWNER upon the terms and
24 conditions set forth herein (the "HOME Loan"). Subject to Section 51 hereof, Project
25 Financing Contingency, OWNER promises and agrees to undertake and assist with the
26 HOME activities by utilizing such HOME funds, as specifically identified in Exhibit
27 "A", which is attached hereto and by this reference incorporated herein."

28 3. Section 2(d) of the HOME Loan Agreement is deleted from the HOME Loan

1 Agreement.

2 4. Section 4(d) (1) and (2) of the HOME Loan Agreement are deleted and replace in their
3 entirety with the following:

4 “Repayment. The Note shall provide the following:

5 1) That the HOME Loan will accrue simple interest at a rate of one percent
6 (1.00%) per annum, except in the case of default as hereinafter provided, and
7 shall be repaid on an annual basis from the Project’s Residual Receipts as
8 defined herein;

9 2) The Note shall be repaid according to the following:

10 i) Thirty-eight and eleven hundredths percent (38.11%) of the
11 Project’s Residual Receipts shall be used towards the payment
12 of the RDA loan; and

13 ii) Eleven and eighty-nine hundredths percent (11.89%) of the
14 Project’s Residual Receipts shall be used towards the payment
15 of the HOME Loan; and

16 iii) The remaining fifty percent (50%) of the Project’s Residual
17 Receipts will be paid to OWNER.”

18 5. Section 4(e) of the HOME Loan Agreement is deleted and replace in its entirety with the
19 following:

20 “Security. The HOME Loan shall be secured by a deed of trust recorded against
21 the Project (the “HOME Deed of Trust”). The HOME Deed of Trust to be
22 recorded is shown in Exhibit “B” which is attached hereto and by this reference
23 incorporated herein. The COUNTY hereby agrees that the HOME Deed of Trust
24 and the terms of this Agreement shall be subordinated to: 1) a construction deed
25 of trust in favor of Wells Fargo Bank; 2) a permanent financing deed of trust in
26 favor of California Community Reinvestment Corporation; and 3) and a deed of
27 trust with assignment of rents in favor of the Redevelopment Agency of the City
28 of Cathedral City (collectively, the “Senior Loans”). In addition, the COUNTY

1 agrees to execute any and all documents necessary to effectuate subordination
2 concerning this loan, and construction loans, and any future refinancing upon
3 OWNER'S request and COUNTY consent shall not be unreasonably withheld or
4 delayed."

- 5 6. Section 18 of the HOME Loan Agreement is deleted and replace in its entirety with the
6 following:

7 INCOME TARGETING REQUIREMENTS. OWNER will set aside eleven (11) units of
8 the Project to be designated as floating Low HOME-assisted units, as defined under 24
9 CFR 92.252(j). Five units (2 – 2 Bedroom, and 3 – 3 Bedroom) shall be limited to
10 households whose incomes do not exceed fifty percent (50%) of the median family
11 income for the County of Riverside, adjusted by family size at the time of occupancy.
12 Six units (2 – 2 Bedroom, 4 – 3 Bedroom) shall be limited to households whose
13 incomes do not exceed thirty percent (30%) of the median family income for the
14 County of Riverside, adjusted by family size at the time of occupancy."

- 15 7. Section 51 of the HOME Loan Agreement is deleted and replace in its entirety with the
16 following:

17 "PROJECT FINANCING CONTINGENCY. This Agreement is expressly conditioned
18 upon OWNER's receipt, on or prior to March 30, 2010 of such binding loan
19 commitments for new loans as may be required by OWNER to finance the Project, on
20 terms and conditions acceptable to OWNER, in its sole discretion, including, without
21 limitation, the following: (a) RDA financing, (b) any conventional construction and/or
22 permanent financing, including without limitation, a construction and permanent loan
23 from an institutional construction lender (the "Senior Lien Holder"), and (c) a binding
24 reservation of federal low income housing tax credits pursuant to Section 42 of the
25 Internal Revenue Code of 1986, as amended (collectively, the "Project Financing").
26 Either the COUNTY or the OWNER may elect to terminate this Agreement with 10
27 days written notice to the other party if the OWNER fails to acquire the project
28 financing as required by this Section 51. Upon such termination, this Agreement shall be

1 null and void, and:

- 2 a. If OWNER elects to terminate this Agreement, OWNER shall be released and
3 discharged by COUNTY from its obligations under this Agreement; or
4 b. If COUNTY elects to terminate this Agreement, COUNTY shall be released and
5 discharged by OWNER from its obligations under this Agreement.

6 At that time all cost incurred by each party on the Project will be assumed
7 respectively.”

- 8 8. Exhibit “A” of the COUNTY HOME Loan Agreement is hereby replaced with the
9 revised Exhibit “A” of this First Amendment, which is attached hereto and by this
10 reference incorporated herein.
- 11 9. The COUNTY shall reconvey the deed of trust with assignment of rents dated March
12 31, 2009, and replace it with the attached deed of trust, Exhibit “B” and “B-1”.
- 13 10. Exhibit “B-2” of the COUNTY HOME Loan Agreement is hereby replaced with the
14 revised Exhibit “B-2” of this First Amendment, which is attached hereto and by this
15 reference incorporated herein.
- 16 11. This First Amendment and HOME Loan Agreement set forth and contain the entire
17 understanding and agreement of the parties hereto. There are no oral or written
18 representations, understandings, or ancillary covenants, undertakings or agreements,
19 which are not contained or expressly referred to within this First Amendment and
20 HOME Loan Agreement.
- 21 12. Each of the attachments and exhibits attached hereto are incorporated herein by this
22 reference.
- 23 13. Except as modified and amended by this First Amendment all other terms and conditions
24 of the HOME Loan Agreement remain unmodified and in full force and effect.
- 25 14. This First Amendment may be signed by the different parties hereto in counterparts,
26 each of which shall be an original but all of which together shall constitute one and the
27 same agreement.
- 28 15. The effective date of this First Amendment is the date the parties execute the First

1 Amendment. If the parties execute the First Amendment on more than one date, then the
2 last date the First Amendment is executed by a party shall be the effective date.

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4 (SIGNATURES ON NEXT PAGE)

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1 IN WITNESS WHEREOF, the COUNTY and OWNER have executed this Agreement as of
2 the date first above written.

3
4
5 COUNTY OF RIVERSIDE

OWNER
CATHEDRAL FAMILY HOUSING PARTNERS,
L.P., a California limited partnership

6
7
8 By: _____
MARION ASHLEY
9 Chairman, Board of Supervisors

By: Southern California Housing Development
Corporation of the Inland Empire
a California nonprofit public benefit corporation,
its Managing General Partner

10
11
12 By: _____
13 Richard J. Whittingham, Chief Financial Officer

14 APPROVED AS TO FORM:

15 PAMELA J. WALLS
16 COUNTY Counsel

17
18 By: _____
19 Deputy Tiffany N. North

20
21 ATTEST:
22 KECIA HARPER-IHEM
23 Clerk of the Board

24 By: _____
25 Deputy

26
27 (All signatures on this page need to be notarized)
28

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of San Bernardino) ss.

On January 22, 2010, before me, Hilda Hernandez, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Richard J. Whittingham
Names(s) of Signer(s)

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.

Hilda Hernandez
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Dated Number of Pages:

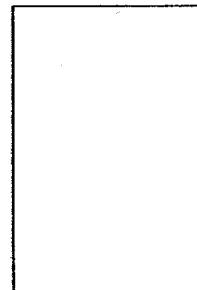
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Right Thumbprint of Signer

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney in Fact
Co-Trustee
Guardian or Conservator
Other:
Signer is Representing:



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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 _____

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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 _____

Place Notary Seal Above

Signature of Notary Public

EXHIBIT "A"

OWNER: Cathedral Family Housing Partners, L.P., a California limited partnership

Address: c/o Southern California Housing Development Corporation of the Inland Empire
9065 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730

Project Title: River Canyon Apartments

Location: The project site is approximately 4.55 acres and situated between Corregidor Drive and Vaquero Road, north of Victoria Drive in the City of Cathedral City.

The Assessor Parcel Numbers are 673-140-010, 673-140-011, 673-140-012, 673-140-013, and 673-140-017.

Description:

OWNER will utilize \$1,250,000 in HOME funds for the development and construction of a 60-unit multifamily housing complex in Cathedral City in Eastern Riverside County. The project consists of 41 two-bedroom units, and 18 three-bedroom units. One additional three-bedroom unit will be set-aside for an on-site manager unit. The units will be located in nine (9) two-story, wood frame, stucco buildings. The two-bedroom units are approximately 900 square feet, and the three-bedroom units are approximately 1,100 square feet. All units will be equipped with a refrigerator, dishwasher, combination range/oven, garbage disposal, and central heating/cooling. The residents of River Canyon Apartments will have access to a swimming pool, BBQ picnic area, a tot-lot and open recreation areas.

The Project will include a community building of approximately 1,500 square feet with a kitchen, restrooms, laundry facilities, a computer lab room, and a manager office. **No HOME funds will be allowed to be used for the construction of this community building.**

A total of eleven units shall be designated as floating COUNTY assisted units. Five units (2 – 2 Bedroom, 3 – 3 Bedroom) shall be limited to households whose incomes do not exceed fifty percent (50%) of Riverside County median family income. Six units (2 – 2 Bedroom, and 4 – 3 Bedroom) shall be limited to households whose incomes do not exceed thirty percent (30%) of Riverside County median family income. The HOME units shall be restricted for a period of at least 55 years from the issuance of Certificate of Occupancy.

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCEL 1: (673-140-010)

PARCEL 1, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 1, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 1A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 1.

PARCEL 2: (673-140-011)

PARCEL 2, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 2, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 2A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 2.

PARCEL 3: (673-140-012)

PARCEL 3, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "K") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 3, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 3A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 3.

PARCEL 4: (673-140-013)

PARCEL 4, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 4, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 4A:

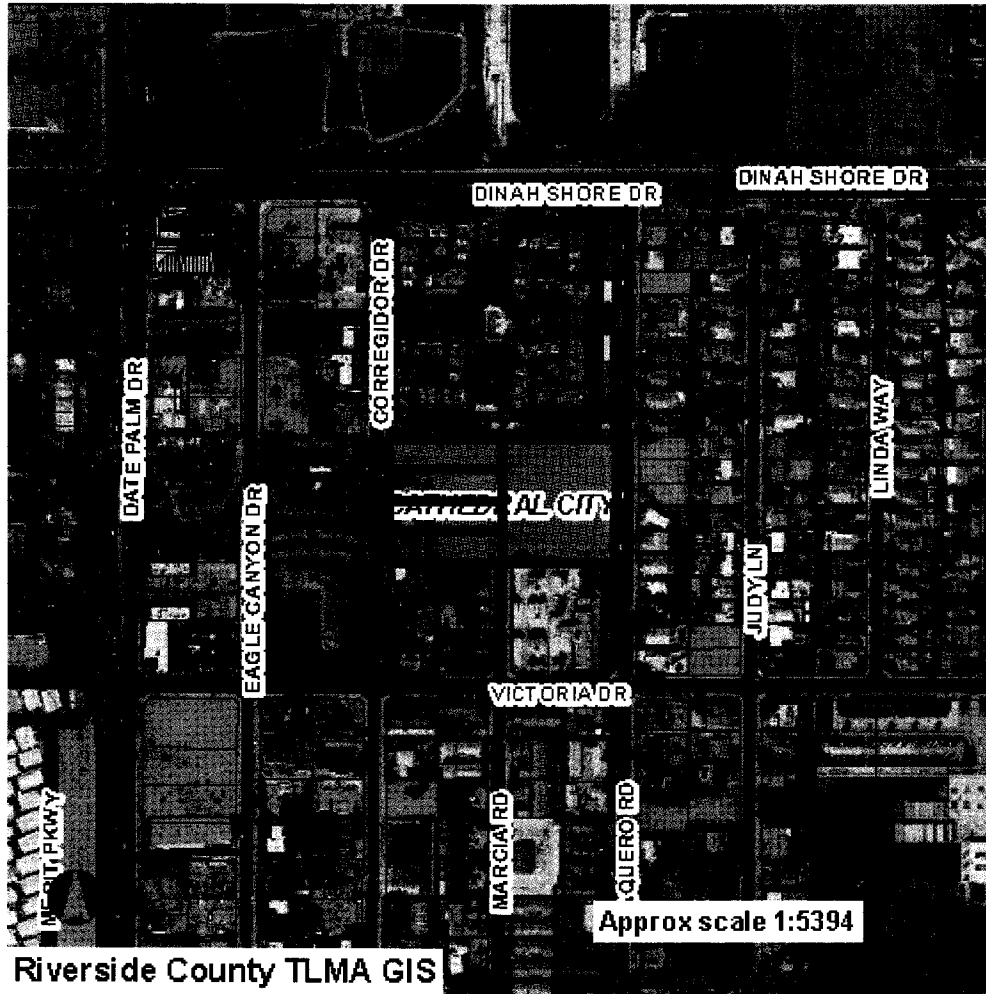
AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 4.

PARCEL 5: (APN: 673-140-017)

THE NORTHEAST QUARTER OF LOT 26 OF PLUMLEY & SON SUBDIVISION, AS SHOWN BY MAP ON FILE IN BOOK 10 PAGE 94 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

APN's : 673-140-010, 673-140-011, 673-140-012, 673-140-013, 673-140-017



Project Permanent Sources and Uses of Fund:

Sources:

The Redevelopment Agency of the	
City of Cathedral City Loan 55 Yrs @ 2%	\$ 4,006,162
Conventional Construction Loan	\$ 1,446,595
Deferred Developer Fee	\$ 235,000
Limited Partner Tax Credit Equity	\$ 7,318,530
Developer Equity	\$ 1,270,000
County of Riverside HOME Loan 55 Yrs @ 1%	\$ <u>1,250,000</u>
Total Sources	\$ 15,526,287

Uses:

New construction (includes site work, common area bldgs and structures)	\$ 6,561,668
Contractor's Overhead & Profit & Gen'l Req.	\$ 998,941
General Liability Insurance	\$ 172,068
Permanent Financing costs	\$ 38,932
Construction Contingency (Hard and Soft)	\$ 275,678
Architectural & Engineering Cost	\$ 547,707
Construction Interest & Fees	\$ 853,312
Reserves	\$ 138,094
Land Development Impact and Permit Processing Fees	\$ 1,323,276
Other Fees, Marketing & Furnishings	\$ 302,599
TCAC Fees	\$ 71,206
Legal Fees	\$ 60,000
Developer's Overhead & Profit	\$ 1,400,000
Land & Acquisition Cost	\$ <u>2,782,806</u>
Total Uses	\$ 15,526,287

The OWNER will obtain a reservation of Federal/State tax credit award from the California Tax Credit Allocation Committee.

HOME Match:

Matching funds in a minimum amount of twenty-five percent (25%) of the total HOME allocation (\$1,250,000) are required. The HOME match in the amount of \$312,500 will be satisfied from the below-market interest loan from the Redevelopment Agency of the City of Cathedral City Set-Aside Funds.

OWNER shall submit to the COUNTY copies of the final funding commitment, copies of all executed agreements, final Certified Public Accountant's construction cost certification, and proof that the funds were disbursed for this project.

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. TCAC Award	September 10, 2009
2. Permanent Financing Commitment	February 4, 2010
3. Building Permit	February 1, 2010
4. Begin Construction	February 1, 2010
5. Marketing & Affirmative Action	September 1, 2009
6. Lease Agreement, Proposed Rents, and Utilities	January 30, 2011
7. Certificate of Occupancy	April 1, 2011
8. Occupancy of HOME units	July 1, 2011
9. Submission of Final actual project costs and Sources and Uses of Funds	October 1, 2011
10. Submission of income & ethnic characteristics report	October 1, 2011

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for RHDC and General Contractor (GC)	OWNER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the COUNTY additionally insured.
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Semi-Annually– Sept 30th & March 31st
4. Section 504 Architect Certification	Beginning of Construction – initial letter End of Construction – final letter
5. HOME Match Contribution	Beginning of Construction
6. Project Site Photos	Bimonthly, due by the 5 th of each month
7. Notice of Completion	End of Construction
8. Certificate of Occupancy	End of Construction
9. Tenant Checklist Reporting	Close of Project; and Semi-Annually– Sept 30th & March 31st
10. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Project
11. Project Completion Report	Close of Project
12. Final Development Cost - Sources and Uses	Close of Project
13. Final Cost Certification by CPA	Close of Project and Audits Completed
14. Final 15/30 Year Cash Flow Projection	Close of Project
15. Affirmative Fair Housing Marketing Plan, HUD form 935.2A	Marketing Stage
16. Management Plan	Marketing Stage
17. Tenant Selection Policy	Marketing Stage
18. Copy of Lease Agreement	Marketing Stage
19. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
20. Project Operating Budget	Annual submission
21. Audited Yearly Income Expense Report for the Project	Annual submission

EXHIBIT "B"

EXEMPT RECORDING FEE CODE 6103
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Riverside County
Economic Development Agency
1325 Spruce St., Suite 400
Riverside, CA 92507
ATTN: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST is made on this _____ day of _____, 2010. The grantor is Cathedral Family Housing Partners, L.P., a California Limited Partnership ("Borrower" or "OWNER"), and whose address is 9065 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730. The trustee is RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY ("Trustee"). The lender is the COUNTY OF RIVERSIDE ("COUNTY" or "Lender"), a public agency, organized and existing under the laws of the State of California, and whose address is 1325 Spruce St. Suite 400, Riverside, CA 92507. Pursuant to the terms of the HOME Loan Agreement, dated March 31, 2009, as amended by the First Amendment dated as of _____, Borrower owes Lender the principal sum of One Million Two Hundred Fifty Thousand and No/100 Dollars (U.S. \$1,250,000.00) (the "HOME Loan"). This debt is evidenced by Borrower's Note dated _____ ("Note"). Capitalized terms not defined herein shall have the meaning ascribed to them in the HOME Loan Agreement.

The Note shall provide the following: (1) That the HOME Loan will accrue simple interest at a rate of one percent (1.00%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual basis from the Project's Residual Receipts as defined herein; (2) The Note shall be repaid as defined herein: i) Thirty-eight and eleven hundredths percent (38.11%) of the Project's Residual Receipts shall be used towards the payment of the loan from the Redevelopment Agency of the City of Cathedral City ("RDA Loan"); ii) Eleven and eighty-nine hundredths percent (11.89%) of the Project's Residual Receipts towards the payment of the HOME Loan; and iv) The remaining fifty percent (50%) of the Project's Residual Receipts will be paid to OWNER. (3) The HOME Loan shall be subordinated to a construction loan and permanent first mortgage, and the RDA Loan (collectively, the "Senior Lien Holder"). Available residual receipts shall be determined based on a review of certified financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days of the close of each quarter of the project fiscal year. In addition, the annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year. All outstanding principal along with accrued interest shall be due upon the first to occur of (i) July 1, 2067 or (ii) fifty-five (55) years from the issuance of the first Certificate of Occupancy for the Project. The first payment shall be due on July 1, 2012, to the extent of available Residual Receipts, as set forth above; and (4) Project Residual Receipts are defined as gross receipts, not including interest on required reserve accounts, less the following: i) auditing and accounting fees; ii) property management fee not to exceed \$40 per unit per month, increased annually by an amount equal to the increase in the Consumer Price Index (CPI); iii) an Investor Annual Review Fee not to exceed \$5,000; iv) operating expenses; v) reserves; vi) deferred developer's fee; vii)

an administrative general partner monitoring fee, which shall be in the initial amount of \$25,000 and increased annually by an amount equivalent to the rise in the Consume Price Index; viii) a Limited Partnership asset management fee not to exceed \$2,500 per year; and ix) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by the COUNTY (collectively, the "Senior Debt").

The Borrower and its partners, officers, directors, employees, and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the HOME Loan or the performance of the Borrower's obligations under the HOME documents. The sole recourse of the COUNTY with respect to payment of the principal of, or interest on, the HOME Loan, shall be to the Project. No money judgment (or execution on a money judgment) entered in any action (whether legal or equitable) on the HOME documents shall be enforced personally against the Borrower or its partners, officers, directors, employees, and agents, but shall be enforced only against the Project and such other property as may from time to time be hypothecated in connection with the Borrower's obligations under the HOME documents. This non-recourse provision does not limit or impair the enforcement against all such security for the HOME Loan of all the rights and remedies of the COUNTY, nor does it impair the right of the COUNTY to assert the unpaid principal amount of the HOME Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this non-recourse provision does not relieve the Borrower of personal liability for damage to or loss suffered by the County as a result of any of the following (i) fraud or willful misrepresentation; (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the HOME Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the HOME Deed of Trust; (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 (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income arising with respect to the Project received by the Borrower after the COUNTY has properly exercised its rights under the HOME Deed of Trust to receive such income upon an Event of Default (as defined under the HOME Deed of Trust).

The HOME Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the "HOME Program").

Pursuant to the HOME Loan Agreement, the term of the HOME Loan shall be fifty-five (55) years from the issuance of the first Certificate of Occupancy for the Project.

This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest as provided in the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest as provided in the Note, advanced under Section 8 to protect the security of this Deed of Trust; and (c) the performance of Borrower's covenants and agreements under this Deed of Trust and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, subject to the rights of the Senior Lien Holder under the deeds of trust held by the Senior Lien Holder, all of Borrower's right, title and

interest in and to the property located in Riverside County, California. The legal description of the property is further described in **Exhibit "B-1"** attached hereto;

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the fee interest of the Property and, except for the Wells Fargo Bank Loan Deed of Trust ("First Deed of Trust"), and the Deed of Trust in favor of the Redevelopment Agency of the City of Cathedral City ("Second Deed of Trust") and other encumbrances of record acceptable to the Senior Lien Holder, the Property is or will be unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

THIS DEED OF TRUST combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges due under the Note.

2. Taxes and Insurance. Subject to Borrower's right to claim a welfare exemption under California Revenue and Taxation Code Section 214(g), Borrower shall pay at least ten 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.

a. Should Borrower fail to make any payment or to do any act herein provided, then Lender or Trustee, but without obligation so to do and upon written notice to or demand upon Borrower and without releasing Borrower 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, Lender 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 Lender 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.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Sections 1 and 2 shall be applied: first, to amounts payable under Section 2; second, to interest due; third, to principal due; and last, to any late charges due under the Note.

4. Prior Deeds of Trust; Charge; Liens. The Borrower shall perform all of the Borrower's obligations under the First Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods. Borrower shall pay these obligations in the manner provided in Section 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

a. Except for the liens permitted by the Lender, Borrower shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Borrower: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Deed of Trust. Except for the lien of the First Deed of Trust, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within 30 day of the giving of notice.

5. Subordination. This Deed of Trust shall be recorded in third position behind: a first deed of trust held by Wells Fargo Bank and then the permanent by California Community Reinvestment Corporation, and a second deed of trust in favor of the Redevelopment Agency of the city of Cathedral City for the RDA Loan. COUNTY hereby agrees to execute any and all documents necessary to effectuate such subordination. Borrower shall request Lender approval of any additional subordination and Lender consent shall not be unreasonably withheld.

6. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the HOME Loan Agreement. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Section 8.

a. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Deed of Trust. All original policies of insurance required pursuant to the First Deed of Trust shall be held by either Wells Fargo Bank or California Community Reinvestment Corporation; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. Borrower shall promptly give to Lender certificates of insurance showing the coverage is in full force and effect and that COUNTY is named as additional insured. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

b. Unless Lender and Borrower otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Borrower determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Borrower determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

c. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under Section 23 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Lender's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the Senior Deeds of Trust.

7. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Lender's security interest. Borrower may cure such a default and reinstate, as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Deed of Trust or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Borrower's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Borrower shall comply with all provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

a. The Borrower acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing" within the meaning of the HOME Program. The use and occupancy restrictions may limit the Borrower's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Lender to the remedies provided in Section 23 hereof.

8. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may

significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to any applicable grace periods or cure periods, Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Deed of Trust (including sums secured by the First Deed of Trust), appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this Section 8, Lender does not have to do so.

a. Any amounts disbursed by Lender under this Section 8 shall become additional debt of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

b. Prior to taking any actions under this Section 8, however, Lender shall notify the Senior Lien Holder of such default in the manner provided in Section 23 of this Deed of Trust, and shall provide the Senior Lien Holder with the opportunity to cure any such default under this Deed of Trust. All amounts advanced by the Senior Lien Holder to cure a default hereunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the Deed of Trust held by such Senior Lien Holder. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Deed of Trust.

9. Not used

10. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

11. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the Senior Deeds of Trust.

a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due. Notwithstanding the

foregoing, so long as the value of Lender's lien is not impaired, any condemnation proceeds may be used by Borrower for repair and/or restoration of the project.

b. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

c. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Sections 1 and 2 or change the amount of such payments.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Except in connection with any successor in interest approved by Lender, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest, subject to the extent of the nonrecourse of the alote secured hereby of page 2 of the instrument. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

13. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Section 18. Borrower's covenants and agreements shall be joint and several.

14. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be promptly refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

15. Notices. Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Borrower's mailing address stated herein or any other address Borrower designates by notice to Lender. All such notices to Borrower shall also be provided to the investment limited partner. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Borrower. Any

notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

16. Governing Law; Severability. This Deed of Trust shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

17. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Deed of Trust.

18. Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the trustee under the First Deed of Trust or the Second Deed of Trust or the Third Deed of Trust or a transfer or encumbrance of limited partner interests as is customarily made in connection with the syndication and sale of tax credits, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of the HOME Program) Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Lender's approval of a transfer of a limited partnership interest in the Borrower or of a conveyance of an easement interest in the Property for utility purposes.

a. If Lender exercises this Option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

b. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. The Borrower's limited partners shall have the same right to cure as Senior Lien Holder.

c. The Borrower and the Lender agree that whenever the Note or this Deed of Trust gives the Lender the right to approve or consent with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the deeds of trust held by the Senior Lien Holder, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

d. Notwithstanding anything to the contrary contained herein, the transfer of the limited partner interest to the Investment Limited Partner or the assignment of that interest to a limited liability company or limited partnership in which the Investment Limited Partner or an affiliate is the managing member or general partner, respectively, shall not constitute a prohibited transfer under this Deed of Trust.

19. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Borrower, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 15 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

21. No Assignment. Until the loan secured by the First Deed of Trust has been satisfied in full, the Lender and the Borrower agree that the Note and the Deed of Trust will not be assigned without the Senior Lien Holder's prior written consent.

22. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses, construction, and to maintenance of the Property.

a. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the

Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action.

b. As used in this Section 22, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 22, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

23. Acceleration; Remedies. Lender shall give notice to Borrower, the Investor Limited Partner, and the Senior Lien Holder prior to acceleration following Borrower's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 60 days from the date the notice is given to Borrower and the Investor Limited Partner (and with respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior Lien Holder), by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured by the Borrower on or before the date specified in the notice, and the Senior Lien Holder or the Investor Limited Partner have not exercised their right to cure the default, but subject to any non-recourse provisions then in effect, then Lender at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder and the Investor Limited Partner at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Lender invokes the power of sale, Lender or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Borrower, the Investor Limited Partner, the Senior Lien Holder and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

24. Release. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower. Borrower shall pay any recordation costs.

25. Substitute Trustee. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

26. Modification of First Deed of Trust Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces, or modifies any provisions of the loan documents relating to or concerning the First Deed of Trust and the Second Deed of Trust, including any provisions requiring the payment of money.

27. Prohibition against tenancy under foreclosure. Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Lender acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.

28. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Borrower pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness. Any proposed General Partner replacement shall have the qualifications and financial responsibility as reasonably determined by the County necessary and adequate to fulfill the obligations undertaken in the HOME Loan Agreement, as amended.

29. Removal, Demolition or Alteration of Personal Property and Fixtures. Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Trustee. Borrower may remove and dispose of, free from the lien of this HOME Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Borrower shall be deemed to have subjected such replacement personal property and fixtures to the lien of this HOME Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.”

(SIGNATURES ON NEXT PAGE)

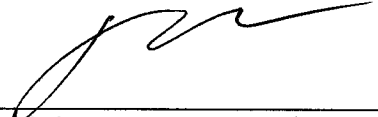
BY SIGNING BELOW, the Borrower and the Lender accept and agree to the terms and covenants contained in this Deed of Trust.

Date: January 22, 2010

BORROWER:

CATHEDRAL FAMILY HOUSING PARTNERS, L.P.,
a California limited partnership

By: Southern California Housing Development Corporation of the Inland Empire,
a California nonprofit public benefit corporation
its Managing General Partner

By: 
Richard J. Whittingham, Chief Financial Officer

(SIGNATURES CONTINUE ON NEXT PAGE)

ALL SIGNATURES MUST BE NOTARIZED

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of San Bernardino) ss.

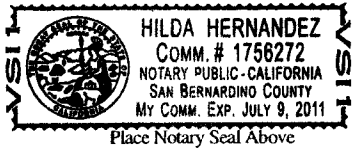
On January 22, 2010, before me, Hilda Hernandez, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Richard J. Whittingham
Names(s) of Signer(s)

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.
Hilda Hernandez
Signature of Notary Public



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Dated Number of Pages:

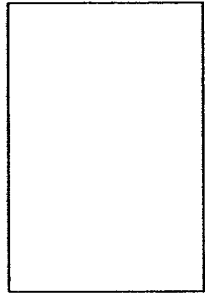
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Right Thumbprint of Signer

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney in Fact
Co-Trustee
Guardian or Conservator
Other:
Signer is Representing:



LENDER:

COUNTY OF RIVERSIDE

By: _____
MARION ASHLEY
Chairman, Board of Supervisors

APPROVED AS TO FORM:
PAMELA J. WALLS
County Counsel

By:  _____
Deputy Tiffany N. North

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ALL SIGNATURES MUST BE NOTARIZED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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 _____

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature _____
Signature of Notary Public

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCEL 1: (673-140-010)

PARCEL 1, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 1, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 1A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 1.

PARCEL 2: (673-140-011)

PARCEL 2, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 2, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 2A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 2.

PARCEL 3: (673-140-012)

PARCEL 3, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE,

(LOT "K") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 3, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 3A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 3.

PARCEL 4: (673-140-013)

PARCEL 4, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 4, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 4A:

AN NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 4.

PARCEL 5: (APN: 673-140-017)

THE NORTHEAST QUARTER OF LOT 26 OF PLUMLEY & SON SUBDIVISION, AS SHOWN BY MAP ON FILE IN BOOK 10 PAGE 94 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

EXHIBIT "B-2"

PROMISSORY NOTE

\$1,250,000

Riverside, CA

In installments as hereafter stated, for value received, Cathedral Family Housing Partners, L.P., a California Limited Partnership ("Borrower" or "OWNER") promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 1325 Spruce St. Suite 400, Riverside, CA 92507, the sum of One Million Two Hundred Fifty Thousand and No/100 Dollars (U.S. \$1,250,000.00) with simple interest on the unpaid principal amount, at the rate of one percent (1.00%) per annum (the "HOME Loan"), interest and principal payable as follows:

The Note shall provide the following: (1) That the HOME Loan will accrue simple interest at a rate of one percent (1.00%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual basis from the Project's Residual Receipts as defined herein; (2) The Note shall be repaid as defined herein: i) Thirty-eight and eleven hundredths percent (38.11%) of the Project's Residual Receipts shall be used towards the payment of the loan from the Redevelopment Agency of the City of Cathedral City ("RDA Loan"); ii) Eleven and eighty-nine hundredths percent (11.89%) of the Project's Residual Receipts towards the payment of the HOME Loan; and iv) The remaining fifty percent (50%) of the Project's Residual Receipts will be paid to OWNER. (3) The HOME Loan shall be subordinated to a construction loan, a permanent first mortgage, the second deed of trust securing the RDA Loan. Available residual receipts shall be determined based on a review of certified financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days of the close of each quarter of the project fiscal year. In addition, the annual audited financial statements shall be submitted within one hundred twenty (120) days following the close of the project fiscal year. All outstanding principal along with accrued interest shall be due upon the first to occur of (i) July 1, 2067 or (ii) fifty-five (55) years from the issuance of the first Certificate of Occupancy for the Project. The first payment shall be due on July 1, 2012, to the extent of available Residual Receipts, as set forth above; and (4) Project Residual Receipts are defined as gross receipts, not including interest on required reserve accounts, less the following: i) auditing and accounting fees; ii) property management fee not to exceed \$40 per unit per month, increased annually by an amount equal to the increase in the Consumer Price Index (CPI); iii) an Investor Annual Review Fee not to exceed \$5,000; iv) operating expenses; v) reserves; vi) deferred developer's fee; vii) an administrative general partner monitoring fee, which shall be in the initial amount of \$25,000 and increased annually by an amount equivalent to the rise in the Consume Price Index; viii) a Limited Partnership asset management fee not to exceed \$2,500 per year; and ix) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by the COUNTY (collectively, the "Senior Debt").

This note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium.

Pursuant to the HOME Loan Agreement, the term of the HOME Loan shall be fifty-five (55) years from the issuance of the first Certificate of Occupancy for the Project.

In any action commenced to enforce the obligation of the Borrower to pay principal and interest under the Note, the obligations hereunder shall be non-recourse to the Borrower and the

judgment shall not be enforceable personally against the Borrower, Borrower's partners, or the Borrower's assets, and the recourse of the County for the collection of such amounts shall be limited to actions against the Property described in the Deed of Trust executed by the Borrower to secure the Note and the rents, profits, issues, products, and income from the Property.

Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the Deed of Trust, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.

The Borrower and its partners, officers, directors, employees, and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the HOME Loan or the performance of the Borrower's obligations under the HOME documents. The sole recourse of the COUNTY with respect to payment of the principal of, or interest on, the HOME Loan, shall be to the Project. No money judgment (or execution on a money judgment) entered in any action (whether legal or equitable) on the HOME documents shall be enforced personally against the Borrower or its partners, officers, directors, employees, and agents, but shall be enforced only against the Project and such other property as may from time to time be hypothecated in connection with the Borrower's obligations under the HOME documents. This non-recourse provision does not limit or impair the enforcement against all such security for the HOME Loan of all the rights and remedies of the COUNTY, nor does it impair the right of the COUNTY to assert the unpaid principal amount of the HOME Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this non-recourse provision does not relieve the Borrower of personal liability for damage to or loss suffered by the County as a result of any of the following (i) fraud or willful misrepresentation; (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the HOME Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the HOME Deed of Trust; (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 (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income arising with respect to the Project received by the Borrower after the COUNTY has properly exercised its rights under the HOME Deed of Trust to receive such income upon an Event of Default (as defined under the HOME Deed of Trust).

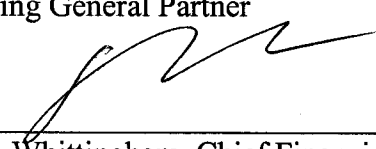
(SIGNATURE ON NEXT PAGE)

DATE: January 22, 2010

BORROWER:

CATHEDRAL FAMILY HOUSING PARTNERS, L.P.,
a California limited partnership

By: Southern California Housing Development Corporation of the Inland Empire,
a California nonprofit public benefit corporation
its Managing General Partner

By: 
Richard J. Whittingham, Chief Financial Officer

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of San Bernardino) ss.

On January 22, 2010, before me, Hilda Hernandez, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Richard J. Whittingham
Names(s) of Signer(s)

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.

Hilda Hernandez
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Dated Number of Pages:

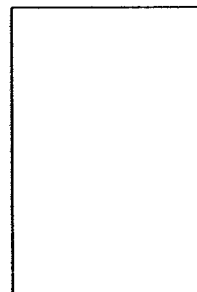
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Right Thumbprint of Signer

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney in Fact
Co-Trustee
Guardian or Conservator
Other:
Signer is Representing:



RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Wells Fargo Bank, N.A.
MAC E2818-181
707 Wilshire Blvd., 18th Floor
Los Angeles, CA 90071
Attn: Sandra Smith-Martin
Loan No.: 1001842

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT OR INSTRUMENTS.

THIS SUBORDINATION AGREEMENT ("**Agreement**") is made as of February __, 2010, by and among CATHEDRAL FAMILY HOUSING PARTNERS, L.P., a California limited partnership ("**Borrower**"), CALIFORNIA COMMUNITY REINVESTMENT CORPORATION, a California nonprofit public benefit corporation ("**CCRC**"), REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY, a public body, corporate and politic ("**Agency**"), COUNTY OF RIVERSIDE, a public body, corporate and politic ("**County**"), CITY OF CATHEDRAL CITY, a municipal corporation ("**City**"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("**Bank**").

RECITALS

A. Bank has agreed to make a loan to Borrower in the committed principal amount of up to \$6,206,932.00 (the "**Bank Loan**"). The Bank Loan is being made pursuant to a Construction/Permanent Loan Agreement executed by Borrower and Bank, dated as of February __, 2010 (the "**Bank Loan Agreement**"). Borrower's obligations for repayment of the Bank Loan are evidenced by that certain Promissory Note in the original principal amount of \$6,206,932.00, made by Borrower to the order of Bank and dated as of February __, 2010 (the "**Bank Note**"). Borrower's obligations under the Bank Loan Agreement and Bank Note are secured by, among other things, that certain Construction and Permanent Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of February __, 2010 (the "**Bank Deed of Trust**") executed by Borrower, as trustor, for the benefit of Bank, as beneficiary, and recorded in the Official Records of Riverside County, California (the "**Official Records**") as Instrument No. _____. The Bank Deed of Trust encumbers the Property, as that term is defined in Recital E, below. The Bank Loan Agreement, the Bank Note, the Bank Deed of Trust, and all other documents evidencing or otherwise relating to the Bank Loan are collectively referred to herein as "**Bank Loan Documents**."

B. Pursuant to that certain Loan Purchase Agreement dated as of even date herewith (the "**Loan Purchase Agreement**") by and among the Borrower, Bank and CCRC. CCRC has agreed, subject to the terms and conditions set forth therein, including inter alia completion of construction and lease-up of the units on the Property and reduction of the outstanding principal amount of the Bank Loan to an amount not greater than \$1,228,200.00, to purchase the Bank Loan from Bank. The Bank Loan, after such purchase by CCRC, is referred to herein as the "**CCRC Loan**". In connection with such purchase, Bank shall assign to CCRC all of its rights under the Bank Loan Agreement, Bank Deed of Trust and Bank Note. The date upon which such purchase becomes effective is referred to herein as the "**Conversion Date**." Following the Conversion Date, as used in this Agreement, (i) the term "Bank" shall mean CCRC, (ii) the term "Bank Loan Agreement" shall mean the CCRC Loan Agreement, (iii) the term "Bank Loan" shall mean the CCRC Loan, and (iv) the term "Bank Loan Documents" shall include the

CCRC Loan Agreement, the Bank Note, the Bank Deed of Trust, together with all the other "**Loan Documents**" as defined in the CCRC Loan Agreement.

C. Agency and Borrower entered into an Owner Participation Agreement dated as of September 21, 2007 and recorded in the Official Records on October 8, 2009 as Instrument No. 2009-0521883, as amended by that certain First Amendment to Owner Participation Agreement dated _____, 2010 and recorded in the Official Records as Instrument No. _____ (as amended, the "**OPA**"), pursuant to which Agency agreed, among other things, to provide a loan to Borrower in the committed principal amount of \$4,006,162 (the "**Agency Loan**"). Borrower's obligations for repayment of the Agency Loan are evidenced by that certain Promissory Note Secured by Deed of Trust in the original principal amount of \$4,006,162, made by Borrower to the order of Agency and dated as of _____, 2010 (the "**Agency Note**"). Borrower's obligations under the Agency Note are secured by, among other things, that certain Deed of Trust with Assignment of Rents dated as of _____, 2010 (the "**Agency Deed of Trust**") encumbering the Property, executed by Borrower, as trustor, for the benefit of Agency, as beneficiary, and recorded in the Official Records as Instrument No. _____. In connection with the Agency Loan and the OPA, Borrower has also executed two declarations of restrictions with respect to the Property, for the benefit of Agency: that certain Declaration of Redevelopment Covenants dated as of _____, 2010 and recorded as Instrument No. _____ in the Official Records and that certain Declaration of Affordability Covenants dated as of _____, 2010 and recorded as Instrument No. _____ (collectively, the "**Agency Covenants**"). The OPA, the Agency Note, the Agency Deed of Trust, the Agency Covenants and all other documents evidencing or otherwise relating to the Agency Loan are collectively referred to herein as "**Agency Loan Documents**."

D. City and Borrower also entered into that certain Agreement for Density Bonus and Incentive by and between the City of Cathedral City and Cathedral Family Housing Partners, L.P. dated July 9, 2008 and recorded in the Official Records on September 23, 2009 as Instrument No. 2009-0493459 (the "**Density Bonus Agreement**"), which imposes certain affordability restrictions (as set forth in Section 3 thereof) on the Property, as more fully described therein.

E. County proposes to make a loan to Borrower in the committed principal amount of up to \$1,250,000 (the "**County HOME Loan**"). The County HOME Loan is being made pursuant to a Loan Agreement for the Use of HOME Funds executed by Borrower and County, dated as of March 31, 2009, as amended by that certain First Amendment to Loan Agreement for the Use of Home Funds, Promissory Note, and Deed of Trust with Assignment of Rents, ("**First Amendment**") dated _____, 2010 (as amended, the "**County Loan Agreement**"). Borrower's obligations for repayment of the County HOME Loan are evidenced by that certain Promissory Note in the original principal amount of \$750,000, made by Borrower to the order of County and dated as of April 13, 2009, as amended by the First Amendment (as amended, the "**County Note**"). Borrower's obligations under the County Loan Agreement and County Note are secured by that certain Deed of Trust with Assignment of Rents dated as of _____, 2010, executed by Borrower, as trustor, for the benefit of County, as beneficiary, to be recorded substantially concurrently herewith in the Official Records (the "**County Deed of Trust**"). The County Deed of Trust will encumber the Property. The County Loan Agreement, the County Note, the County Deed of Trust and all other documents evidencing or otherwise relating to the County HOME Loan are collectively referred to herein as the "**County Loan Documents**."

F. CCRC, Bank, Agency, City and County shall be referred to collectively in this Agreement as "**Lenders**", and each individually as a "**Lender**." The Bank Loan, the Agency Loan and the County Loan shall be referred to collectively in this Agreement as the "**Loans**", and each individually as a "**Loan**". The Loans are being made to Borrower to finance the construction of a multifamily residential project (the "**Improvements**") on Borrower's fee interest in that certain real property (such fee interest being referred to herein as the "**Property**") in the City of Cathedral City, County of Riverside, State of California, which is legally described on Exhibit A attached hereto.

G. The Lenders have agreed and required, as a condition of making their respective Loans, that the order of priority of their respective encumbrances on the Property shall be as follows: (1) the

Bank Deed of Trust, (2) the affordability restrictions set forth in Section 3 of the Density Bonus Agreement, (3) the Agency Deed of Trust and the Agency Covenants, and (4) the County Deed of Trust and the restrictions in the County Loan Agreement. That order of priority of liens and encumbrances is referred to in this Agreement as the "**Order of Lien Priority**". Each of County and Agency has agreed and consented to the subordination of its interests in accordance with the Order of Lien Priority.

H. The Lenders agree that it is to their mutual benefit that each Lender make its respective Loan to Borrower. County, Agency, and Borrower are willing to specifically and unconditionally subordinate the County Documents and the Agency Documents, respectively, to achieve and maintain the Order of Lien Priority.

I. Each Lender is referred to in this Agreement as a "**Junior Lender**" in relation to the Lender(s) whose liens or encumbrances are senior to its lien in the Order of Lien Priority, and as a "**Senior Lender**" in relation to the Lender(s) whose liens or encumbrances are junior to its lien in the Order of Lien Priority.

J. Senior Lender would not make its Loan but for the subordination of each Junior Lender's documents pursuant to this Agreement.

AGREEMENT

THEREFORE, in consideration of the mutual benefits accruing to the Lenders and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lenders hereby agree as follows:

1. Subordination. Each Lender agrees to subordinate its right, title and interest under its respective operative documents to the rights of the Lenders whose liens or encumbrances are senior to its lien in the applicable Order of Lien Priority, as set forth in the Recitals hereto, which are incorporated as operative provisions hereof, and as set forth in paragraph 2 below. The respective operative documents of each Junior Lender, and the indebtedness and the liens created thereunder, are and shall continue to be expressly subject and subordinate to (a) the liens created by the respective Senior Lender's operative documents; (b) all the terms, covenants and conditions contained in the respective Senior Lender's operative documents, and any extensions, replacements, consolidations, modifications and supplements thereto, including without limitation any obligatory advances under the Senior Lender's operative documents (provided such advances are incurred under any of the express provisions of the Senior Lender's operative documents); and (c) any amounts advanced or incurred, including costs and expenses, which in the sole judgment of the Senior Lenders, are to protect such Senior Lender's security interest or its value under such Senior Lender's operative documents, and which are secured by the Senior Lender's operative documents. The modifications, consolidations, replacements and supplements herein referred to shall not be deemed to include any modification, consolidation, replacement or supplement which expands the rights of the holder of the Senior Lender's operative documents to advance additional indebtedness beyond those rights provided in the Senior Lender's operative documents as they exist as of the date hereof. Notwithstanding the foregoing, Senior Lender agrees that it will not make any amendment to the terms of the documents or obligations secured by the Bank Deed of Trust which has the effect of increasing the amount secured thereby or the interest due thereunder, or change the timing of payment thereof without the prior written consent of the Agency, which consent may be withheld or granted in the Agency's sole but reasonable discretion.

2. Scope. In accordance with the Order of Lien Priority, (a) the affordability restrictions set forth in Section 3 of the Density Bonus Agreement, the Agency Deed of Trust, the Agency Covenants and the other Agency Loan Documents shall be junior and subordinate to the Bank Deed of Trust and the other Bank Loan Documents, and (b) the County Deed of Trust and the other County Loan Documents shall be junior and subordinate to the Bank Deed of Trust and the other Bank Loan Documents and to the affordability restrictions set forth in Section 3 of the Density Bonus Agreement, the Agency Deed of Trust, the Agency Covenants and the other Agency Loan Documents.

3. Reliance. Each Lender would not make its Loan without this Agreement.

4. Entire Agreement. This Agreement shall be the whole and only agreement with regard to the priority and subordination of (i) the affordability restrictions set forth in Section 3 of the Density Bonus Agreement, the Agency Loan Documents and the County Loan Documents to the Bank Loan Documents, (ii) the County Loan Documents to the affordability restrictions set forth in Section 3 of the Density Bonus Agreement and the Agency Loan Documents, and shall supersede and cancel, but only insofar as would affect the priority among the loans and documents referred to herein above, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in any of such loans and documents which provide for the subordination of the lien or charge thereof to another loan or loans, document or documents, deed or deeds of trust or to a mortgage or mortgages.

5. Consents. Junior Lenders and Senior Lenders respectively declare, agree and acknowledge that:

(a) Each Junior Lender consents to and approves (i) all provisions of each Senior Lender's documents, including all provisions of any recorded regulatory agreements, if applicable, submitted to each Junior Lender prior to the execution of this Agreement; (ii) all other agreements between Borrower and each Senior Lender for the disbursement of the proceeds of each senior Loan, as submitted to each Junior Lender prior to the execution of this Agreement; and

(b) Each Junior Lender intentionally and unconditionally waives, relinquishes and subordinates, as to each Senior Lender, the lien or charge of the instruments securing its Loan, in favor of the prior lien or charges upon the Property and Improvements as referred to in this Agreement in favor of each Senior Lender in the Order of Lien Priority, and understands that in reliance upon, and in consideration of, such waiver, relinquishment and subordination, specific loans and advances are being and will be made, and specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

6. Rights Upon Default. Notwithstanding anything to the contrary contained in this Agreement, each Senior Lender hereby agrees as follows:

(a) Upon the occurrence of an event of default under a Senior Lender's operative documents, such Senior Lender shall promptly notify each Junior Lender at the addresses set forth below of the occurrence of such event of default, which notification shall be provided to each Junior Lender contemporaneously with the delivery to Borrower of any notice of default under such Senior Lender's operative documents;

(b) Each Junior Lender shall have the right (i) to receive any notices of default under each Senior Lender's operative documents, and (ii) to cure any default by the Borrower under such Senior Lender's operative documents within ninety (90) days after its receipt of such notice of default under such Senior Lender's operative documents;

(c) After a default under a Senior Lender's operative documents but prior to a foreclosure sale or deed in lieu of assignment of the Property and Improvements thereunder, if a Junior Lender cures the default on a timely basis within the cure periods which apply to the

Borrower pursuant to such Senior Lender's operative documents, such Senior Lender will not exercise any right it may have to accelerate such Senior Lender's note by reason of the default so cured. This paragraph 6(c) shall not be deemed to prohibit any Senior Lender from accelerating Senior Lender's note by reason of a later uncured default; and

(d) If a Junior Lender forecloses its deed of trust or accepts a conveyance of the Property in lieu of such foreclosure, Senior Lender shall have the right to declare a default under "due-on-sale" provisions (if any) contained in its loan documents and (if the Senior Lender's loan documents contain "due-on-sale" provisions) accelerate the indebtedness secured thereby and implement remedies thereunder, unless Senior Lender approves of the transfer of the Property to the purchaser at foreclosure of the Junior Lender's deed of trust or the recipient of a conveyance of the Property in lieu of such foreclosure, which approval may be granted, conditioned or withheld in Senior Lender's sole discretion.

7. Subrogation. Neither Junior Lender nor their respective successors and assigns, shall acquire by subrogation, contract or otherwise any lien upon any other estate, right or interest in the Property or Improvements (including without limitation any which may arise in respect to real estate taxes, assessments or other governmental charges) which is or may be prior in right to any Senior Lender's deed of trust or other documents, or any extension, consolidation, modification or supplement thereto, unless within sixty (60) days following written notice of such intention by such Junior Lender, or its successors or assigns, the then holder of each Senior Lender's deed of trust or security instrument shall fail or refuse to purchase or acquire by subrogation or otherwise such prior lien, estate, right or interest, or shall fail within such period to commence and thereafter proceed diligently to purchase or acquire the same.

8. Insurance and Condemnation Proceeds. The determination as to whether proceeds of policies of insurance covering the Property or awards from proceedings in eminent domain may be released for application to costs of restoration of the Property and Improvements shall be made by the senior-most Lender in the Order of Lien Priority. If not so applied, the proceeds of all policies of insurance covering the Property or Improvements or any awards from proceedings in eminent domain or condemnation relating to the Property shall be applied toward each Loan in the Order of Lien Priority until such Loan is paid in full. In the event that, following any such application and disposition of the insurance proceeds, condemnation award or other compensation, resulting in full repayment of all indebtedness secured by a Senior Lender's loan documents, any balance remains, and the applicable Senior Lender has no further obligation to disburse any portion of its Loan, then such excess shall be made payable to the Junior Lender next in line in the Order of Lien Priority until the excess insurance proceeds are exhausted.

9. Restoration. If a Senior Lender shall at any time release to Borrower any insurance proceeds or condemnation award for the purpose of restoration of the Property or Improvements, such release shall not be deemed to be an additional advance under such Senior Lender's loan documents nor shall they otherwise be deemed to be in violation of any restriction upon any amount permitted to be secured by such Senior Lender's security instrument.

10. Further Assurances. So long as a Senior Lender's security instrument shall remain a lien upon the Property or Improvements or any part thereof, each Junior Lender and their respective successors or assigns, shall execute, acknowledge and deliver, upon such Senior Lender's demand, at any time or times, any and all further subordinations, agreements or other instruments in recordable form reasonably sufficient for that purpose or that such Senior Lender, its successors or assigns may hereafter reasonably require for carrying out the purpose and intent of this Agreement, so long as such further instruments do not contain provisions inconsistent with the terms and conditions of the Junior Lender's documents.

11. Confirmation. Each Junior Lender hereby confirms to and agrees with each Senior Lender, and each Senior Lender hereby confirms to and agrees with each Junior Lender, as to the following:

(a) Such Lender has delivered to each other Lender, true and complete copies of its documents, and such documents have not been amended, modified or supplemented in any way.

(b) There are no defaults (or conditions or events which, with notice or the passage of time or both, would constitute a default), known to such Lender as of the date hereof, by Borrower under its obligations set forth in such Lender's documents.

(c) Such Lender shall deliver to each other Lender, at the address indicated in Section 13 below, copies of any notices of default delivered to Borrower in connection with each respective Lender's documents.

12. Notices. All notices of any kind which any party hereto may be required or may desire to serve on the others shall be deemed served upon personal delivery, or, if mailed, upon the first to occur of receipt or the expiration of 72 hours after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Bank:	Wells Fargo Bank, N.A. 707 Wilshire Blvd., 18 th Floor Los Angeles, CA 90071 Attn: Sandra Smith-Martin Loan No.: 1001842
After Conversion:	California Community Reinvestment Corporation 225 W. Broadway, Suite 120 Glendale, CA 91204 Attn: President
If to County:	County of Riverside Economic Development Agency 1325 Spruce Street, Suite 400 Riverside, CA 92507 Attention: Deputy Director
If to Agency:	Redevelopment Agency of the City of Cathedral City 68-700 Avenida Lalo Guerrero Cathedral City, CA 92234 Attention: Executive Director
With a copy to:	Green, de Bortnowsky & Quintanilla, LLP 23801 Calabasas Rd., Ste. 1015 Calabasas, CA 91302 Attention: Charles R. Green
If to City:	City of Cathedral City 68-700 Avenida Lalo Guerrero Cathedral City, CA 92234 Attention: City Manager
If to Borrower:	Cathedral Family Housing Partners, L.P. 9065 Haven Avenue, Suite 100 Rancho Cucamonga, CA 91730 Attention: Chief Financial Officer
With a copy to:	Edward A. Hopson 655A North Mountain Avenue Upland, CA 91786

And a copy to: Wachovia Affordable Housing Community Development Corporation
One Wachovia Center
301 South College Street
MAC D1053-170
Charlotte, North Carolina
Attention: Director of Tax Credit Asset Management

with a copy to:

Wells Fargo Bank, N.A.
MAC X2401-06T
1 Home Campus, 6th Floor
Des Moines, IA 50328-0001
Attention: Joel Hjelmaas, Counsel

13. Modification and Release. Each Senior Lender may, without affecting the subordination of the loan documents of any Junior Lender: (a) release or compromise any obligation of any nature with respect to such Senior Lender's loan documents; (b) release its security interest in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of such Senior Lender's promissory note; (c) retain or obtain a security interest in any property to secure payment of such Senior Lender's promissory note; or (d) modify, amend, defer, extend, consolidate or supplement any of the original or subsequent loan documents of such Senior Lender; provided, however, that such Senior Lender shall not increase the principal amount of its promissory note without the prior written consent of any Junior Lender.

14. Priority of Payments. In the event of any judicial or nonjudicial sale of the Property or any of the collateral securing any Senior Lender's loan, or any portion thereof, pursuant to such Senior Lender's loan documents, or of any liquidation or dissolution of Borrower, or of any execution sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or similar proceeding relating to Borrower or any portion of its property, all amounts due under such Senior Lender's loan documents shall first be paid in full according to the Order of Lien Priority before any payment is made upon or in respect of the obligations under any Junior Lender's loan documents.

15. Application of Sections. The provisions of Sections 13 and 14 above are solely for the purpose of defining the relative rights of Senior Lender on the one hand, and Junior Lender on the other hand, against Borrower and its property and nothing herein shall impair, as between (i) Borrower and Senior Lender and (ii) Borrower and Junior Lender, the obligations of Borrower under its agreements with each Lender.

16. Event of Default. The parties acknowledge that any default under Junior Lender's loan documents (other than defaults that are timely cured by Borrower or waived by Junior Lender) shall constitute a default under Senior Lender's loan documents and any default under Senior Lender's loan documents (other than defaults that are timely cured by Borrower or waived by Senior Lender) shall constitute a default under Junior Lender's loan documents.

17. Counterparts. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute one original Agreement.

NOTICE: THIS AGREEMENT CONTAINS PROVISIONS WHICH ALLOW THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN LOANS WHICH MAY BE OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT OR INSTRUMENTS AND THE PROCEEDS OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

BORROWER:

CATHEDRAL FAMILY HOUSING PARTNERS, L.P.
a California limited partnership

By: Southern California Housing Development Corporation of The Inland Empire
a California nonprofit public benefit corporation
General Partner

By: _____
Richard J. Whittingham
Chief Financial Officer

BANK:

WELLS FARGO BANK, NATIONAL ASSOCIATION
a national banking association

By: _____
Name: _____
Title: _____

CCRC:

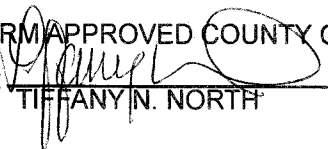
CALIFORNIA COMMUNITY REINVESTMENT CORPORATION
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

COUNTY:

COUNTY OF RIVERSIDE

By: _____
Name: _____
Title: _____

FORM APPROVED COUNTY COUNSEL
BY:  _____ DATE: 1/29/10

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY

By: _____
Name: _____
Title: _____

CITY:

CITY OF CATHEDRAL CITY

By: _____
Name: _____
Title: _____

APPROVED AS TO CONTENT:

Donald Bradley, City Manager

ATTEST:

Pat Hammers, City Clerk

APPROVED AS TO FORM:

Charles R. Green, City Attorney

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a 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 _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a 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 _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a 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 _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a 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 _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a 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 _____

EXHIBIT A

DESCRIPTION OF PROPERTY

All that certain real property located in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCEL 1: (673-140-010-0)

PARCEL 1, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 1, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 1A:

A NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 1.

PARCEL 2: (673-140-011-1)

PARCEL 2, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 2, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 2A:

A NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 2.

PARCEL 3: (673-140-012-2)

PARCEL 3, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 3, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 3A:

A NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 3.

PARCEL 4: (673-140-013-3)

PARCEL 4, AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 41, PAGE 59 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; TOGETHER WITH THAT PORTION OF CORREGIDOR DRIVE, (LOT "A") 30 FEET WIDE, LYING ADJACENT TO, AND WESTERLY OF, THE WESTERLY PROLONGATION OF THE NORTH AND SOUTH LINE OF PARCEL 4, AS SHOWN ON SAID RECORD OF SURVEY.

PARCEL 4A:

A NON-EXCLUSIVE EASEMENT FOR EGRESS AND INGRESS OVER THE WEST 30 FEET OF SAID RECORD OF SURVEY, AND SHOWN AS CORREGIDOR DRIVE (LOT "A"),

EXCEPT THAT PORTION INCLUDED WITHIN PARCEL 4.

PARCEL 5: (APN: 673-140-017-7)

THE NORTHEAST QUARTER OF LOT 26 OF PLUMLEY & SON SUBDIVISION, AS SHOWN BY MAP ON FILE IN BOOK 10 PAGE 94 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.