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

FROM: Redevelopment Agency

SUBMITTAL DATE:
March 11, 2010

SUBJECT: Public Hearing, Adoption of a Mitigated Negative Declaration and Disposition and Development/Affordable Housing Agreement with Operation Safe House, Inc

RECOMMENDED MOTION: That the Board of Directors:

1. Conduct a joint Public Hearing with the Board of Supervisors per Health and Safety Code 33431 and 33433;
2. Adopt a Mitigated Negative Declaration for Environmental Assessment No. RDA/CEQA-2010-02 based on the findings incorporated in the Initial Study and the conclusion that the Project will not have a significant impact on the environment;
3. Approve the attached Disposition and Development/Affordable Housing Agreement by and between the Redevelopment Agency and Operation Safe House, Inc;
4. Authorize the Chairman of the Board to execute the attached Agreement; and

(Continued)

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,100,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

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

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 3/11/10
Departmental Concurrence

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

Prev. Agn. Ref.: District: 4 Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

4.3

RECOMMENDED MOTION: (Continued)

5. Authorize the Executive Director or designee to take all necessary steps to implement this Agreement, including but not limited to, signing subsequent, necessary and relevant documents.

BACKGROUND:

The Redevelopment Agency for the County of Riverside ("Agency") owns approximately .41 acre parcel with Assessor Parcel number 650-131-018 located in the unincorporated community of Thousand Palms ("Site"). The Site includes a recently abandoned fire station. The Agency wishes to enter into a Disposition and Development/Affordable Housing Agreement ("Agreement") by and between the Agency and Operation Safe House, Inc, a California nonprofit public benefit corporation ("Developer") that will include the purchase of the Site by the Developer from the Agency and the development of sixteen affordable rental housing units that will include one manager's unit, ten parking spaces, lighting, fencing and landscaping ("Project"). Additionally, the Agency will provide a loan of \$1,100,000 for the construction of the Project ("Agency Loan") which will include \$400,000 to be used for predevelopment expenses related to the development of the Site ("Predevelopment Loan").

The Project is an expansion to the existing Operation Safe House of the Desert facility located at 72710 E. Lynn Street, Thousand Palms, which the Developer currently owns and operates. The Project will produce living quarters and the existing campus facility will be utilized to provide the educational and life skill services, training, drug abuse prevention counseling, individual and group counseling, and job seeking assistance to the residents of the Project.

The total Project budget is \$4,464,224. The sources of funds utilized will be a loan from Department Of Housing & Community Development Emergency Housing & Assistance Program Capital Development (EHAP CD) for \$1,000,000, a loan from HUD Homeless Continuum of Care funds for \$365,000, a loan from the Agency for \$1,100,000, a loan from the Federal Home Loan Bank Affordable Housing Program for \$640,000, and a loan from Department of Housing & Community Development Multifamily Housing Program-Supportive Housing for \$1,359,224.

Notice was given pursuant to Section 33431 and 33433 of the California Health and Safety Code of the Agency's intent to sell the Site and the consideration of the Agreement. Additionally, staff prepared an Initial Study to assess the potential environmental effect of the Project. The Initial Study indicated all issues of environmental concern can be adequately mitigated to a level of insignificance. Notice of the Study and proposed Mitigated Negative Declaration has been published in accordance with the California Environmental Quality Act (CEQA).

The proposed Project will serve households that do not exceed fifty percent (50%) area median income for the County adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105.

Agency Counsel has approved the attached Agreement and Mitigated Negative Declaration as to form. Staff recommends that the Board approve the attached documents.

Initial Study and Environmental Checklist
No. RDA/CEQA-2010-02
(California Code of Regulations, Title 14, Division 6, Chapter 3,
Sections 15000 – 15387 and Appendices A – K)

1. **Project Title:**
Operation Safe House

2. **Lead Agency Name and Address:**
Redevelopment Agency for the County of Riverside
44-199 Monroe Street, Suite B
Indio, CA92201

3. **Contact Person and Phone Number:**
Monica Telles, Development Specialist
Phone: (760) 863-2552

4. **Project Location:**
APN# 650-131-018
Address: 72695 La Canada Way
Thousand Palms, CA 92276
County of Riverside

5. **Project Sponsor's Name and Address:**
Redevelopment Agency for the County of Riverside
44-199 Monroe Street, Suite B
Indio, CA 92201

6. **General Plan Designation:**
MDR-Medium Density Residential

7. **Zoning:**
R1-One Family Dwelling

8. **Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary.)**

The Disposition and Development Agreement by and between the Redevelopment Agency for the County of Riverside ("Agency") and Operation Safe House, Inc ("Developer") will convey real property from the Agency to Developer for the development of sixteen (16) affordable rental housing units that will include one (1) managers unit, ten (10) parking spaces including six (6) handicap spaces, lighting, fencing and landscaping ("Project").

The Project will be located in the unincorporated community of Thousand Palms with an address of 72695 La Canada Way, Thousand Palms, California 92276, and APN 650-131-018 ("Site"). To the east of the Site is the Chamber of Commerce, to the west is a small multi-housing complex and a single family dwelling, to the north is a vacant parcel and to the south is the existing Operation Safe House of the Desert campus.

The County of Riverside ("County") currently owns the Site that includes a recently abandoned fire station. The fire station will be demolished by the Agency once the Site has been conveyed from the County to the Agency. The Agency will then convey the Site to the Developer for the construction of the Project.

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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The Project is an expansion to the existing Operation Safe House of the Desert facility located at 72710 E. Lynn Street, Thousand Palms, California, which the Developer currently owns and operates. The Project will produce living quarters and the existing campus facility will be utilized to provide the educational and life skill services, training, drug abuse prevention counseling, individual and group counseling and job seeking assistance to the residents of the Project. The design will consist of a soft 1950's modernism style to complement the existing desert modern architecture of the adjacent Safe House of the Desert Administrative Facility.

Buildings will be primarily two story with one story accents. Landscape will be low water use with no lawn. Planting will accent the architectural massing.

Parking will be tuck-under to be sheltered from weather. Perimeter security will be provided with direct access from this property to the existing Safe House. Site lighting will be carefully detailed to light outdoor areas to ensure a safe environment, but to be at a relatively low level to not disturb neighbors. Lot coverage will be approximately 50% of the site for the buildings, 20% for landscaping and 30% for impervious surface for the parking and walk ways.

9. Surrounding Land Uses and Setting: Briefly Describe the Project's Surroundings:

The subject site is located within a mix of residential and commercial buildings in the area of Thousand Palms, CA. The property to the south consists of the existing emergency youth center for 20 children ages 2 to 18 that include administrative offices. A small multi housing complex is located to the west, an existing chamber of commerce is located to the east and vacant land is located to the north of the subject site.

10. Other Public Agencies Whose Approval is Required (e.g., permits, financing approval, or participation agreement.)

The proposed project will have to be approved by the Board of Directors of the Redevelopment Agency for the County of Riverside, Board of Supervisors for the County of Riverside, and other ministerial departments.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Less than Significant with Mitigation Incorporated" as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture Resources | <input checked="" type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology /Soils |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input checked="" type="checkbox"/> Hydrology / Water Quality | <input type="checkbox"/> Land Use / Planning |
| <input type="checkbox"/> Mineral Resources | <input checked="" type="checkbox"/> Noise | <input type="checkbox"/> Population / Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the Project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the Project MAY have a significant effect on the environment, and an ENVIRONMENTAL

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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IMPACT REPORT is required.

- I find that the Project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the Project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the Proposed Project, nothing further is required.

Signature

Date

Monica Telles
Printed Name

Redevelopment Agency for the County of Riverside
For

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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whether such effects were addressed by mitigation measures based on the earlier analysis.

- c) **Mitigation Measures.** For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures, which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) **Supporting Information Sources:** A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significance

I. AESTHETICS -- Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Have a substantial adverse effect on a scenic vista? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially degrade the existing visual character or quality of the site and its surroundings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

Potentially Significant Impact **Less Than Significant with Mitigation Incorporation** **Less Than Significant Impact** **No Impact**

Findings of Fact:

- a) There are no designated scenic vistas or significant natural features within or around the vicinity of the Site.
- b) There will be no damages to scenic resources, including, but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway as there are no designated state scenic highways within the vicinity of the Site nor is it next to a scenic highway.
- c) The Site does not contain resources or unique features such as mature trees or rock outcroppings, and will not degrade the existing visual character. Instead it will improve the visual character of the area.
- d) The Project will not create a new source of substantial light or glare, which would adversely affect day or night time views in the area. There is an existing fire station on the project site that currently creates a larger impact than the proposed project.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County Geographic Information System (Riverside County GIS)
Riverside County General Plan (Riverside County GP)

II. **AGRICULTURE RESOURCES:** In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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Findings of Fact:

- a) The Project will not cause the conversion of any Prime Farmland, Unique Farmland or Farmland of Statewide Importance to non-agricultural use. In general, the Site has been fully developed and currently used as an existing fire station site.
- b) The Project will not conflict with any existing zoning for agricultural use and is not under a Williamson Act contract.
- c) The Project will not cause changes in the existing environment that could result in conversion of Farmland to non-agricultural uses.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GIS
Riverside County GP

III. **AIR QUALITY:** Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- | | | | | |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Expose sensitive receptors to substantial pollutant concentrations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Create objectionable odors affecting a substantial number of people? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

<p>Potentially Significant Impact</p>	<p>Less Than Significant with Mitigation Incorporation</p>	<p>Less Than Significant Impact</p>	<p>No Impact</p>
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Findings of Fact:

- a) The Project is not expected to conflict with or obstruct implementation of the applicable air quality plan.
- b) The Project is not expected to violate any air quality standard or contribute substantially to an existing projected air quality violation.
- c) The Project could temporarily create blow sand and fugitive dust. This can be a maintenance concern because blow sand and fugitive dust act as an abrasive on metal, glass and wood surfaces. It is expected that during construction minimal grading will be required but may create a slight increase in airborne particular matter.
- d) The Project is not expected to expose sensitive receptor to substantial pollutant concentrations.
- e) The Project is not expected to create objectionable odors as a result of the development and operation of the Project.

Mitigation: During construction all disturbed areas shall be stabilized to prevent windborne particulate pollution. Compliance with South Coast Air Quality Management District (SCAQMD) 2002 Coachella Valley PM-10 State Implementation Plan and Riverside County dust control regulations, restricting grading to areas designated on the Project Site disturbance plan and compliance with Riverside County Ordinance No. 457.

Monitoring: Monitoring provided by Riverside County Building and Safety Department.

Source(s): SCAQMD's Coachella Valley PM State Implementation Plan
Riverside County Ordinance 457

IV. BIOLOGICAL RESOURCES -- Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <p>a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <p>d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery</p> | | | | |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Findings of Fact:

- a) The Site will not pose a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, polices, regulation or by the California Department of Fish and Game or Us Fish and Wildlife Services. The site is located outside the Coachella Valley Multiple Species Habitat Conservation Plan
- b) No riparian habitat exists on the Site or near the surrounding area. Urbanization has replaced native vegetation with non-native grasses, hedges, and trees. Existing vegetation serves as habitat for local common species that will likely be relocated subsequent to implementation of the Project. Implementation of the Project will not affect any riparian habitat or other sensitive habitats. The site is located outside the Coachella Valley Multiple Species Habitat Conservation Plan.
- c) There are no water elements or wetland habitats on the Site or within the surrounding area. Implementation and operation of the Project will not affect wetland habitats that may exist upstream or downstream of the proposal. The site is located outside the Coachella Valley Multiple Species Habitat Conservation Plan.
- d) The Project site is not designated nor considered potentially valuable as wildlife dispersals, migration corridors, or a wildlife nursery site as it is entirely surrounded by urban built up land. The site is located outside the Coachella Valley Multiple Species Habitat Conservation Plan
- e) No local preservation or conservation plans or policies have been identified as applicable to the Site. The site is located outside the Coachella Valley Multiple Species Habitat Conservation Plan
- f) The Site is not within a habitat, natural community, or other approved local, regional, or state habitat conservation plan.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County's Multi-Species Habitat Conservation Plan

V. CULTURAL RESOURCES -- Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Findings of Fact:

- a) There are no unique or historical resources known to exist on the Site.
- b) There is no evidence suggesting the Site will be a source of or contain any potentially significant archeological resources. Furthermore, previous construction has already disturbed the ground soil.
- c) There is no evidence suggesting the Site will directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.
- d) It is unlikely the Site will contain any human remains, including those interred outside of formal cemeteries in view of previous construction.

Mitigation: None required

Monitoring: None required

Source(s): Riverside County EIR
 Riverside County GIS
 Riverside County GP

VI. GEOLOGY AND SOILS -- Would the project:

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ii) Strong seismic ground shaking? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| iii) Seismic-related ground failure, including liquefaction? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| iv) Landslides? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in substantial soil erosion or the loss of topsoil? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Findings of Fact:

- a(i) The San Andreas fault line is located approximately 2 miles from the project location. The Coachella segment of the San Andres fault is the least likely to fail in the next 30 years (22% likelihood of rupturing).
- a(ii) The Project Site is located within Seismic Zone 4. Strong ground shaking is the geologic hazard that has the greatest potential to severely impact the Project Site. Structures build on the project site will be constructed in accordance with the 2001 Uniform Building Code. Structural development will include foundations, slab-on-grade, retaining walls, mitigation of soil corrosivity on concrete, seismic design criteria and pavement constructed per recommendations detailed in the geotechnical report.
- a(iii) Typically in this area, the soils encountered at points of exploration can include liquefaction vulnerable sands. However, groundwater is generally found to be in excess of 100 feet from the area and liquefaction is typically limited to the upper 50 feet of the subsurface soils. It is not expected that liquefaction would be an issue.
- a(iv) The Site is not affected by landslides or rock falls since the Site is leveled and not adjacent to any cliffs, boulders, or slopes.
- b) During construction, there is no potential for substantial soil erosion or the loss of topsoil.
- c) The Site is not known to be located on a geologic unit or soil that is unstable as it has been subjected to previous construction.
- d) The Site is not characterized by any expansive soils that would be considered environmentally significant. The potential for encountering previously unidentified expansive solids is considered unlikely given previous construction.
- e) The Project will not have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems. The existing facility is currently connected to public water and sewer.

Mitigation: The Site will be subject to ground movement in the event of a major earthquake with less than a significant impact. The County of Riverside will review and approve of all plans associated with the Project. The facilities will be constructed to meet and or exceed the most current seismic criteria set forth by the Uniform Building Code. The proposed facilities will be designed and built to ensure the structural integrity of the structure and allow the occupants to safely evacuate the structure in the event of an earthquake. Adherence to State and local seismic standards in the design and construction of structure on the Site will ensure that the potential impacts due to seismic events are less than significant impacts.

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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Monitoring: Riverside County Transportation Land Management Agency will confirm that the buildings are constructed to local building codes.

Source(s): Riverside County EIR
 Riverside County GIS
 Riverside County GP
 San Andreas Fault Map

VII. HAZARDS AND HAZARDOUS MATERIALS--
 Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h) Expose people or structures to a significant risk of loss, injury or death involving wild land fires, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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Findings of Fact:

- a) The Project will not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials
- b) The project will not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.
- c) The Project will not include elements or aspects that will create or otherwise emit any health hazard or potential health hazard.
- d) The Site is not located on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.
- e) The Site is not located within an airport influence area boundary otherwise affected by airport issues.
- f) The Site is not located within the vicinity of a private airstrip.
- g) The Project will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.
- h) The Site is not adjacent or within wildland fires.

Mitigation: None required.

Monitoring: None required

Source(s): Riverside County GIS
Riverside County GP

VIII. HYDROLOGY AND WATER QUALITY --

Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Violate any water quality standards or waste discharge requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner, | | | | |

ISSUES

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Place within 100-year flood hazard area structures, which would impede or redirect flood flows?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Findings of Fact:

- a) The Project is not expected to violate any water quality standards or waste discharge requirements
- b) The Project is not expected to substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.
- c) There are no open bodies of water or drainage patterns currently existing on the Site.
- d) There are no significant natural watercourses existing on the Site or within the vicinity.
- e) The Project will not create or contribute runoff water, which would exceed the capacity of existing and planned storm water drainage systems.
- f) The Project will not substantially degrade wastewater quality as it will utilize existing sewer and storm water collection and disposal facilities.
- g) The Project Site is subject to shallow flooding and is designated at Zone OA, depth three feet on Federal Insurance Rate Maps. The Project will place housing on the 100 year flood hazard area, as mapped on a Federal Flood Hazard Boundary, Flood Insurance Rate Map, or other flood hazard delineation map. However, structures will be protected through project design. Additionally, all plans will be submitted and subject to approval by the Coachella Valley Water District and the Transportation Land Management Agency.
- h) Please see item g above,
- i) The Project is not expected to expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.
- j) The Site is not located near any bodies of water or water storage facility that would be considered susceptible to inundation.

Mitigation: The Project will be consistent with the Riverside County GP policies and will be submitted to the Coachella Valley Water District for review to ensure there is not a significant depletion of groundwater resources. Any runoff water will be conveyed via manmade drainage structures, ultimately draining to offsite natural watersheds with little or no impact on quantities of offsite surface waters.

Monitoring: Coachella Valley Water District, Riverside County Transportation Land Management Agency

Source(s): Riverside County EIR
 Riverside County GIS
 Riverside County GP

IX. LAND USE AND PLANNING -- Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Physically divide an established community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Conflict with any applicable habitat conservation plan | | | | |

ISSUES

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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or natural community conservation plan?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Findings of Fact:

- a) The Proposed Project is not expected to physically divide an established community, it is an extension of an existing shelter currently operating successfully.
- b) The Project Site will not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project. The proposed project will be developed in compliance with County Zoning and General Plan regulations.
- c) There are no existing or proposed conservation plans that would affect the Site.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GIS
Riverside County GP

X. MINERAL RESOURCES -- Would the project:

- a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?
- b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Findings of Fact:

- a) There are no known mineral resources on the Site that would be of value to the region and the residents of the State.
- b) The Site is not designated as a mineral resource zone nor does it contain potential mineral resources.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GP

XI. NOISE. -- Would the project result in:

- a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
- b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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- c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
- d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?
- e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
- f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

ISSUES

<p>Potentially Significant Impact</p>	<p>Less Than Significant with Mitigation Incorporation</p>	<p>Less Than Significant Impact</p>	<p>No Impact</p>
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Findings of Fact:

- a) Due to its size, the Project is not anticipated to generate noise levels in excess of that allowed by existing County ordinances, in compliance with the Riverside County GP, nor to impact any sensitive noise receptors.
- b) The Project will not include elements or aspects considered to be sources of ground borne noise or vibration because no blasting or use of explosives will be needed or used.
- c) There will be no substantial permanent increase in ambient noise levels with the Project. Under the General Plan, residential land uses will have exterior noise contour of 60Dba or less.
- d) Noise increases from the Project will be generated during demolition, grading and construction activities. These activities will be short term and will be subject to the construction activity restrictions applied by the Riverside County Building and Safety Department on all such projects (days and hours of operation, equipment maintenance, etc.). These temporary increases in noise levels from Project construction activity are expected to be less than significant with mitigation incorporation. Furthermore, prior to the recent relocation of the fire station there was an audible siren range as well as other routine sounds such as radios and bells.
- e) The Site is not located within an adopted airport land use area.
- f) The Site is not located within the vicinity of a private airstrip.

Mitigation: Construction of the Project will not likely increase noise levels beyond those currently present, however, the developer will be required to comply with the provisions of *Ordinance No. 457.98* regulating construction activities as follows:

- 1-The project contractor shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers consistent with manufacturer's standards.
- 2-The project contractor shall place all stationary construction equipment so that emitted noise is directed away from sensitive receptors to the west of the site.
- 3-The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise-sensitive receptors to the west of the site during all project construction.
- 4-All construction, maintenance, or demolition activities within the County's boundary shall be limited to the hours of 6:00 a.m. to 8:00 p.m., Monday through Saturday, and from 10:00 a.m. to 6:00 p.m. on Sundays and federal holidays.

Monitoring: Riverside County Transportation Land Management Agency, Riverside County Environmental Health

Source(s): Noise Impact Analysis by LSA Associates, Inc. 12/2008
 Riverside County GIS
 Riverside County GP

XII. POPULATION AND HOUSING -- Would the project:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Findings of Fact:

a) A substantial population growth in the area is not expected as a result of the Project. The Site was previously used as fire station and provided six beds for firemen. The proposed Project will provide a total of 16 units that will include 6 permanent supportive housing units, 9 transitional living units and 1 manager unit. Therefore, the Project will not produce a substantial increase in population growth.

b) The proposed project will not displace any existing housing or necessitate the construction of replacement housing elsewhere. A larger facility has been constructed to accommodate the smaller fire station and staff.

c) Please refer to Item b) above.

Mitigation: None Required.

Monitoring: None required.

Source(s):

XIII. PUBLIC SERVICES

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Parks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Other public facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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Findings of Fact:

a) The Proposed Project is not expected to create a substantial impact on government facilities or the need for new or physically altered governmental facilities in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services.

Fire) The Proposed Project is not expected to create a substantial impact on fire service. The Proposed Project will provide the majority of its services and temporary housing to youth.

Police) The Proposed Project is not expected to create a substantial impact on police protection. The Proposed Project is not expected to contribute to an increase in population.

Schools) The Proposed Project is not expected to create a substantial impact on school capacity. The Proposed Project is not expected to contribute to an increase in population.

Parks) The Proposed Project will not result in a substantial increase in population generating the need for additional neighborhood parks.

Other public facilities) Any impacts created by the Proposed Project will be addressed and mitigated through conditions of approval as deemed appropriate by the responsible reviewing agencies.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GP

XIV. RECREATON

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	-------------------------------------

b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Findings of Fact:

a) The Project is not expected to add a substantial population growth to the area.

b) The proposed Project is an extension of an existing transitional housing facility. As such, the existing campus will offer educational and life skill services, training, drug abuse prevention counseling and other counseling opportunities.

Mitigation: None required.

Monitoring: None required.

Source(s):

XV. TRANSPORTATION/TRAFFIC -- Would the project:

ISSUES

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause an increase in traffic, which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

ISSUES

Potentially Significant Impact **Less Than Significant with Mitigation Incorporation** **Less Than Significant Impact** **No Impact**

Findings of Fact:

- a) It is expected that the less than significant increase in population will contribute to a slight increase in traffic however, the public streets will accommodate the additional traffic created by the Project. Ample parking will also be developed.
- b) The Project is not expected to exceed a level of service established by the County congestion management plan.
- c) There will be no direct or indirect effect on air traffic patterns.
- d) The Project will be designed in compliance with all local, state, and federal safety standards. The Site is not adjacent to any potential incompatible uses.
- e) The Project will be designed in compliance with all local, state, and federal code requirements.
- f) The Project will include provision of parking in compliance with code requirements.
- g) There is no conflict with adopted transportation.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GP

XVI. UTILITIES AND SERVICE SYSTEMS --

Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Comply with federal, state, and local statutes and regulations related to solid waste? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Findings of Fact:

- a) The Project shall not exceed wastewater requirements of the Regional Water Quality Control Board.
- b) Existing utilities and service systems are considered adequate to serve the Project.
- c) The Project will not require the construction of new water or wastewater treatments facilities or expansion of existing facilities.
- d) The Project will be required to comply with all applicable statutes, ordinances, and regulations.
- e) The Project will not result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments.
- f) The landfill that will serve the Project is considered to have the capacity to accommodate the Project's waste disposal needs. The amount of solid waste associated with the Project is very small when compared against the build-out of the General Plan.
- g) The Project will be required to comply with all applicable statutes, ordinances, and regulations.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County GP

XVII. MANDATORY FINDINGS OF SIGNIFICANCE

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

ISSUES

Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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current projects, and the effects of probable future projects)?

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Findings of Fact:

a) There are no known significant biological or cultural resources on the Site; therefore, the Project will have less than a significant impact on the quality of biological resources, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.

b) No significant or potentially significant long-term environmental effects of the Project have been identified.

c) As supported by the preceding environmental evaluation, the Project will not result in substantial adverse effects on human beings.

Mitigation: None required.

Monitoring: None required.

Source(s): Riverside County EIR
Riverside County GP

XVIII. EARLIER ANALYSES

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case a discussion should identify the following on attached sheets:

- a) Earlier analyses used. Identify earlier analyses and state where they are available for review.
- b) Impacts adequately addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

MITIGATED NEGATIVE DECLARATION

Project Title:
Operation Safe House

EA Number:
RDA/CEQA-2010-02

Project Applicant:
Redevelopment Agency for the County of Riverside

Telephone Number:
(760) 863-2552

Project Location:

The property is located in the unincorporated community of Thousand Palms with an address of 72695 La Canada Way, Thousand Palms, California 92276 and APN 650-131-018.

Project Description:

The Project will be located in the unincorporated community of Thousand Palms with an address of 72695 La Canada Way, Thousand Palms, California 92276, and APN 650-131-018 ("Site"). The Project is an expansion to the existing Operation Safe House of the Desert facility located at 72710 E. Lynn Street, Thousand Palms, California, which the Developer currently owns and operates. The Project will produce living quarters and the existing campus facility will be utilized to provide the educational and life skill services, training, drug abuse prevention counseling, individual and group counseling and job seeking assistance to the residents of the Project. The design will consist of a soft 1950's modernism style to complement the existing desert modern architecture of the adjacent Safe House of the Desert Administrative Facility.

Buildings will be primarily two story with one story accents. Landscape will be low water use with no lawn. Planting will accent the architectural massing. Parking will be tuck-under to be sheltered from weather. Perimeter security will be provided with direct access from this property to the existing Safe House. Site lighting will be carefully detailed to light outdoor areas to ensure a safe environment, but to be at a relatively low level to not disturb neighbors. Lot coverage will be approximately 50% of the site for the buildings, 20% for landscaping and 30% for impervious surface for the parking and walk ways

FINDING

The Redevelopment Agency for the County of Riverside has reviewed the above project in accordance with the California Environmental Quality Act (CEQA), and has determined that an Environmental Impact Report need not be prepared because:

- { } The proposed project will not have a significant effect on the environment.
- {X} Although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in the Initial Study have been added to the project and are hereby made part of this Mitigated Negative Declaration.

This determination is based upon an Initial Study. The Initial Study is available for review during normal business hours (8:00 a.m. to 5:00 p.m. Monday thru Friday) at the Riverside County Economic Development Agency, 44-199 Monroe Street, Suite B, Indio, CA 92201 Telephone (760) 863-2552.

Prepared By: _____
Monica Telles, Development Specialist

Date: _____

NOTICE

The public is invited to comment on the Mitigated Negative Declaration. All written comments regarding the Mitigated Negative Declaration must be received by no later than **4pm on March 22, 2010** at the Economic Development Agency. Thereafter, comments can be submitted to the Clerk of the Board of the Directors prior to or during public hearing at **9am on March 23, 2010**. The appropriateness and adoption of the Mitigated Negative Declaration is considered at the time of project approval in light of comments received.

Adopted by: _____
Marion Ashley, Chairman Board of Directors

Date: _____

- { } County of Riverside Board of Supervisors
- {X} Board of Directors of the Redevelopment Agency for the County of Riverside

NOTICE OF DETERMINATION

TO:

— Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM:

Redevelopment Agency for the County of
Riverside
44-199 Monroe Street, Suite B
Indio, CA 92201

X

County Clerk
County of Riverside
2724 Gateway Drive
Riverside, CA 92507
Central Mail Stop #1420

Subject:

Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Operation Safe House (RDA/CEQA-2010-02)

<u>N/A</u>	<u>Monica Telles</u>	<u>(760) 863-2552</u>
State Clearinghouse No. (If submitted to Clearinghouse)	Lead Agency Contact Person	Area Code/Telephone

Project Location (include county):

The property is located in the unincorporated community of Thousand Palms with an address of 72695 La Canada Way, Thousand Palms, California 92276, and APN 650-131-018

Project Description:

The Project is an expansion to the existing Operation Safe House of the Desert facility located at 72710 E. Lynn Street, Thousand Palms, California, which the Developer currently owns and operates. The Project will produce living quarters and the existing campus facility will be utilized to provide the educational and life skill services, training, drug abuse prevention counseling, individual and group counseling and job seeking assistance to the residents of the Project. The design will consist of a soft 1950's modernism style to complement the existing desert modern architecture of the adjacent Safe House of the Desert Administrative Facility.

Buildings will be primarily two story with one story accents. Landscape will be low water use with no lawn. Planting will accent the architectural massing. Parking will be tuck-under to be sheltered from weather. Perimeter security will be provided with direct access from this property to the existing Safe House. Site lighting will be carefully detailed to light outdoor areas to ensure a safe environment, but to be at a relatively low level to not disturb neighbors. Lot coverage will be approximately 50% of the site for the buildings, 20% for landscaping and 30% for impervious surface for the parking and walk ways

This is to advise that the Board of Directors of the Redevelopment Agency for the County of Riverside has approved the described Project with approval effective on March 23, 2010 and has made the following determinations regarding the above described project:

1. The project [will will not] have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to provisions of CEQA.
3. A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
4. Mitigation measures [were were not] made a condition of the approval of the project.
5. A Statement of Overriding Considerations [was was not] adopted for this project.

This is to certify that the [Negative Declaration Mitigated Negative Declaration Final EIR] with comments and responses and record of project approval is available to the General Public at the:

Riverside County Economic Development Agency, 44-199 Monroe Street, Suite B, Indio CA 92201

Marion Ashley, Chairman Board of Directors

Date

**DISPOSITION AND DEVELOPMENT/AFFORDABLE
HOUSING AGREEMENT**

by and between

**REDEVELOPMENT AGENCY FOR THE COUNTY OF
RIVERSIDE**

and

**OPERATION SAFE HOUSE, INC,
a California nonprofit public benefit corporation**

DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT

THIS DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT (the "Agreement"), dated as of _____, 2010, is entered into by and between the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic ("Agency"), and **OPERATION SAFE HOUSE, INC**, a California nonprofit public benefit corporation ("Developer").

RECITALS

A. Agency is a California redevelopment agency acting under the California Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law").

B. The Agency owns and has possession of certain parcel of real property **located at 72695 La Canada Way, Thousand Palms in the unincorporated Riverside County**, totaling approximately .41 acres, more or less and more particularly described in the "Site Map," which is attached hereto as Attachment No. 1 (the "Site"). There is currently an existing vacant fire station that will be demolished by the Agency so that a clean parcel is delivered to the Developer. The purposes of the Agency in entering into this Agreement include encouraging the development of affordable housing available to persons and families of low and moderate income, constituting qualifying "Very Low Income Households" and "Lower Income Households," as defined herein.

C. Developer proposes developing and constructing 16 supportive rental housing units, including a manager's unit (the "Housing Project") on the Site for rent to qualifying Very Low Income Households. Developer wishes to acquire the Site from the Agency to implement such purpose.

D. In order to facilitate the development and operations of the Housing Project by Developer, and subject to and conditioned upon satisfaction of the terms of this Agreement, the parties desire for the Agency to convey the Site to Developer on the terms and conditions as set forth in this Agreement. Additionally, the parties desire for the Agency to make a loan to Developer (the "Agency Loan") from the Agency's Low and Very Low Income Housing Fund (the "LMIHF"), which has been established by the Agency pursuant to Health and Safety Code Sections 33334.2 and 33334.3 for the purpose of increasing, improving and preserving the community's supply of housing for low and moderate income persons at affordable rent. The Agency Loan will be used by Developer to assist with the cost of developing the Housing Project.

E. It is the intent of the parties to maximize the leverage of LMIHF funds by making every effort to secure sources of non-local financing for the Housing Project. Accordingly, the anticipated method of financing for the development of the Site includes funds from the following sources: (1) a loan from Department Of Housing & Community Development Emergency Housing & Assistance Program Capital Development (EHAP CD) for One Million Dollars (\$1,000,000); (2) a loan from HUD Homeless Continuum of Care funds for Three Hundred Sixty Five Thousand Dollars (\$ 365,000); (3) a loan from Department of Housing & Community Development Multifamily Housing Program-Supportive Housing for One Million Three Hundred Fifty Nine Two Hundred

Twenty Four Dollars (\$1,359,224); (4) , a loan from the Federal Home Loan Bank Affordable Housing Program for Six Hundred Forty Thousand Dollars (\$640,000); and (5) a loan from the Agency for One Million One Hundred Thousand Dollars (\$1,100,000)

F. The Developer's acquisition of the Site and development and operation of the Housing Project pursuant to the provisions of this Agreement, and the fulfillment generally of the provisions of this Agreement, are in the vital and best interests of the Agency and of the health, safety and welfare of the residents of the County of Riverside (the "County") and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements which govern the Agency. The income and rent restrictions provided for hereunder are intended to satisfy the requirements of Health and Safety Code Sections 50079.5 and 50105.

G. This Agreement is in the vital and best interest of the County of Riverside, California, and the health, safety and welfare of its residents.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Defined Terms.** As used in this Agreement (and in all other Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

"**Affiliate**" means (i) any party directly or indirectly controlling, controlled by or under common control with another party, (ii) any party owning or controlling 10% or more of the outstanding voting securities of such other party, (iii) any officer, director or partner of such party, or (iv) if such other party is an officer, director or partner, any company for which such party acts in any such capacity.

"**Affordable Rent**" means rent (including a reasonable utility allowance) (i) for a Very Low Income Household which does not exceed the product of 30% times 50% of the area median income for Riverside County, adjusted for household size appropriate for the unit. The manner Affordable Rent is to be determined is further set forth in the Method of Calculation.

"**Agency**" means the Redevelopment Agency for the County of Riverside, a public body, corporate and politic, exercising governmental functions and powers and organized under the Redevelopment law, and any assignee of or successor to its rights, powers and responsibilities.

"**Agency Conditions Precedent**" is set forth in Section 3.1.

"**Agency Deed**" means a deed in the form of Attachment No. 6 to this Agreement.

"**Agency Deed of Trust**" means Attachment No. 13 to this Agreement.

"**Agency Escrow**" is described in Section 2.2.

"**Agency Loan**" means the loan from the Agency to the Developer, in the amount and made pursuant to the terms and conditions described in this Agreement.

“Agency Loan Documents” means this Agreement, the Agency Promissory Note, the Agency Deed of Trust, the Regulatory Agreement, the Agency Notice of Affordability and any other document or instrument required to satisfy the executory provisions of this Agreement.

“Agency Note” means Attachment No. 12 to this Agreement.

“Agency Regulatory Agreement” means the Regulatory Agreement to be executed by Developer in favor of Agency, attached hereto as Attachment No. 5.

“Agency’s Title Policy” means the ALTA lender’s policy of title insurance to be issued to the Agency by the Title Company pursuant to Section 2.4 hereof.

“AHA” Disposition and Development/Affordable Housing Agreement by and between the Agency and the Developer

“AHP Loan” means a grant or loan awarded to Developer for the project by the Federal Home Loan Bank under the Federal Home Loan Bank Affordable Housing Program.

“AHP Deed of Trust” means the deed of trust securing the AHP Loan.

“AHP Lender” means the financial institution providing the funding for the AHP Loan.

“Applicable Interest Rate” means zero percent (0%) simple interest per annum or the highest non-usurious rate that may be charged by a redevelopment agency in accordance with all applicable laws.

“Approved Construction and/or Permanent Lender” means one or more of Bank of America, Citibank, Wells Fargo Bank, Rabobank or another mutually acceptable institutional lender.

“Area” means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

“Audited Financial Statement” means an audited financial statement, including without limitation a profit and loss statement, generated by a third party certified public accountant acceptable to the Agency in its reasonable discretion, showing, for the previous Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Residual Receipts. Depreciation and non-cash items shall not be included.

“Basic Concept Drawings” is defined in Section 4.2.1 hereof.

“Building Permit” means the building permit(s) issued by the County and required for the Improvements.

“Capital Replacement Reserve” is defined in Section 5.13 of this Agreement.

“Certificate of Completion” means Attachment No. 10 to this Agreement.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Developer or its property manager on behalf of the Developer with the Agency, which Certificate shall be substantially in the form attached hereto as Attachment No. 4.

“Closing Date” means the date the Agency Deed is recorded.

“Completion” means the date that construction of the Housing Project is completed and evidenced by a certificate of occupancy issued by the Riverside County Transportation Land Management Agency.

“Condition of Title” is defined in Section 2.3 hereof.

“Construction Lender” means an institutional lender acceptable to the Agency which loans Developer a Construction Loan to finance a portion of the Development Costs incurred by Developer to construct the Housing Project.

“Construction Loan” means the construction loan to be made by the Construction Lender.

“Conversion Date” means the date that construction of the Improvements has been completed and all of the other conditions precedent in order for the Permanent Lender to fund the Permanent Loan have been satisfied.

“Conveyance” means the conveyance of the Site by recordation of the Agency Deed.

“County” means the County of Riverside, a political subdivision of the State of California.

“Date of Agreement” the date first written above.

“Debt Service” means required debt service payments for the Primary Construction Loan and/or the Primary Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder.

“Default” is defined in Section 7.1 hereof.

“Description of Predevelopment Expenses” means Attachment No. 16 to this Agreement.

“Developer” means **Operation Safe House, Inc.**, a California nonprofit public benefit corporation, or any permitted assignee or nominee as hereafter approved in writing by the Agency.

“Developer’s Policy” is defined in Section 2.4.

“Development” means the new 16 supportive rental housing units, including a managers unit and associated improvements as required by this Agreement to be: (i) developed by the Developer upon the Site, with related offsite improvements, as more particularly described in the Scope of Development, and (ii) operated in conformity with the Agency Deed and the Agency Regulatory Agreement.

“Development Costs” means all costs which are actually incurred by Developer for the acquisition of the Site and the financing, development and construction of the Improvements.

“Effective Date” means the date the parties execute this Agreement. If the parties execute the Agreement on more than one date, then the last date the Agreement is executed by a party shall be the effective date.

“Entitlements” means and include any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act (including and subject to all mitigation measures), tentative and final tract maps, variances, site plans, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any governmental agency in order to commence and complete the construction of the Improvements and occupancy and operation of the Housing Project.

“Escrow Holder” means the holder of the Escrow for the conveyance of the Site by the Agency to the Developer and the recordation of the Agency Regulatory Agreement, which shall be an escrow holder mutually acceptable to the Agency and the Developer.

“Event of Default” has the meaning set forth in Section 7.1.

“Executive Director” means the Executive Director of the Agency or designee or delegate.

“Housing Project” means the financing, planning and construction of the Improvements and the use and operation of the Site thereafter, as provided in this Agreement.

“Improvements” means all of the improvements described in the Scope of Development.

“Income Verification” means Attachment No. 11 to this Agreement.

“Inspection Deadline” means the ninetieth (90th) day following the Date of Agreement.

“Investor Limited Partner” means the entity that will purchase the Tax Credit.

“Legal Description of the Site” means Attachment No. 2 to this Agreement.

“Lower Income Household” means a household whose annual household income does not exceed sixty percent (60%) of the area median income for Riverside County, adjusted for applicable household size, computed in accordance with Health & Safety Code Section 50093, or any successor statute, and the regulations promulgated pursuant thereto.

“Median Income” means Median Income for the Area (namely, Riverside County), as set forth by regulation of the California Department of Housing and Community Development pursuant to Health and Safety Code Sections 50079.5 and 50105.

“Method of Calculation” means Attachment No. 7 to this Agreement.

“Notice” means a notice in the form prescribed by Section 8.2 hereof.

“Notice of Restriction” means Attachment No. 14 to this Agreement.

“Operating Reserve” is defined in Section 5.14 of this Agreement.

“Permanent Lender” means the institutional lender approved by the Agency who, at the completion of the Housing Project loans the Developer a Permanent Loan for the Housing Project.

“Permanent Loan” means the loan made by the Permanent Lender at the Conversion Date.

“Permitted Senior Lien” means collectively, the deeds of trust securing the Primary Construction Loan and the Primary Permanent Loan.

“Permitted Transfer” means any Transfer that is approved by the Agency or expressly permitted by the terms of this Agreement.

“Primary Construction Loan” means the mortgage loans obtained by the Developer from a bank, savings and loan association, or other similar financial institution for financing the development (but not the operation) of the Project pursuant to this Agreement.

“Primary Permanent Loan” means the mortgage loan obtained by the Developer from a bank, savings and loan association, or other similar financial institution in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan or in an amount in excess of such outstanding balance.

“Principals” means Kathy McAdara, Executive Director.

“Project Documents” means, collectively, this Agreement, the Agency Regulatory Agreement, the Agency Deed, all other Attachments to this Agreement, and any other agreement, document, or instrument that Agency requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

“Purchase Price” means the sum of One Dollar (\$1.00).

“Recordable Documents” means the following: (i) the Agency Regulatory Agreement and (ii) such other instruments as shall be approved by Agency (upon consultation with Agency’s legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof).

“Redevelopment Plan” is defined in Section 1.5 hereof.

“Related Entity” means a Principal or an entity in which any interest is held by the Developer or one or more of the Principals.

“Request for Notice of Default” means Attachment No. 8.

“Required Affordable Units” means fifteen (15) of the units required to be developed on the Site under this Agreement or such greater number to the extent provided by Section 5.2.1 hereof.

“Required Covenant Period” means a period of fifty-five (55) years, commencing as of the issuance of a final certificate of occupancy for all of the Units, and continuing until the fifty-fifth (55th) anniversary thereof.

“Residual Receipts Report” means a report to be provided annually by the Developer to the Agency as more particularly provided in the Agency Note.

“Schedule of Performance” means Attachment No. 3 to this Agreement. The Schedule of Performance sets forth the dates by which Agency and Developer are to perform certain obligations under this Agreement.

“Scope of Development” means Attachment No. 9 to this Agreement.

“Household” means a household where the person or persons who intend to reside in the unit.

“Site” means that real property depicted on the Site Map and described with greater particularity by the Legal Description of the Site.

“Site Map” means Attachment No. 1 to this Agreement.

“Title Company” shall be a title insurer mutually acceptable to the Agency and the Developer.

“Transfer” means:

(i) the sale, agreement to sell, transfer or conveyance of the Site, the Housing Project, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment sale contract or similar instrument affecting all or a portion of the Site or Housing Project, or the lease of all or substantially all of the Site or Housing Project, except as provided in subparagraph (iii) (E), below.

(ii) “Transfer” shall also include the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of any interest in Developer, or any conversion of Developer to an entity form other than that of Developer at the time of execution of this Agreement, except that a cumulative change in ownership interest of the managing general partner of the Developer of forty nine percent (49%) or less and any transfer by the administrative general partner of the Developer shall not be deemed a “Transfer” for purposes of this Agreement.

(iii) notwithstanding paragraphs (i) and (ii) above, “Transfer” shall not include any of the following Permitted Transfers:

(A) a conveyance of title to the Site to the beneficiary of a senior deed of trust, if any, and/or the Agency Deed of Trust in connection with a foreclosure, a deed in lieu of foreclosure or similar conversion of such loan.

(B) (1) Subject to subparagraph (B)(2), below, a conveyance of the Site or Housing Project to a limited partnership in which the managing member is Developer, Developer’s general partner, or a permitted assignee of Developer or a sale back from such partnership to Developer or such general partner, or the substitution of such general partner as directed by the Investor Limited Partner in accordance with the terms of the Limited Partnership Agreement.

(2) Notwithstanding any provision to the contrary contained herein, any event described in subparagraph (B)(1) shall not be deemed to be a Permitted Transfer unless the Agency Executive Director or designee reasonably determines, which determination shall not be unreasonably withheld, that Developer’s general partner remains, or another entity reasonably

acceptable to the Agency Executive Director (which shall not be unreasonably withheld) becomes, the controlling and managing member of the Developer.

(C) The leasing for occupancy of all or any part of the Site or Housing Project in accordance with this Agreement.

(D) The inclusion of equity participation by Developer by transfer or addition of limited partners to the Developer or similar mechanism.

(E) The pledge by the general partner of the Tax Credit Limited Partner to the Investor Limited Partner of the general partner's interest in the Developer, as security for the performance of all of such general partner's obligations under the Limited Partnership Agreement.

(F) The sale, transfer or pledge of any limited partnership interest in the Developer or of any partnership interest in the Investor Limited Partner.

(G) The appointment by the Investor Limited Partner, in accordance with the Limited Partnership Agreement, of an additional or substitute general partner that is an Affiliate of the Investor Limited Partner or, if not an Affiliate of the Investor Limited Partner, is reasonably acceptable to the Agency.

(H) Any dilution of the general partner's interest in the Developer in accordance with the Limited Partnership Agreement.

"Unit" means each of the sixteen (16) supportive housing units required to be developed by the Developer under this Agreement.

"Very Low Income Households" means households earning not greater than fifty percent (50%) of Median Income for the Area pursuant to Health and Safety Code Section 50105.

"Year" means the period commencing as of the Closing Date and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Required Covenant Period.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Project Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation."

1.4 Exhibits Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1.5 The Redevelopment Plan. The Redevelopment Plan for the Desert Communities Project Area (the "Redevelopment Project") was first approved by Ordinance No. 638 adopted by the Board of Supervisors of the County on December 23, 1986, and has been subsequently amended. The project area of the Redevelopment Project is referred to herein as the "Project Area".

The use of the Site for affordable housing purposes under this Agreement is of benefit to the Project Area. This Agreement is made pursuant to the Redevelopment Plan. The Developer has reviewed the Redevelopment Plan and agrees to perform under this Agreement in conformity with the Redevelopment Plan and this Agreement.

1.6 Representations and Warranties.

1.6.1 Agency Representations. Agency represents and warrants to Developer as follows:

(a) Authority. Agency is a public body, corporate and politic, existing pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000), which has been authorized to transact business pursuant to action of the County. Agency has full right, power and lawful authority to convey the Site as provided herein and the execution, performance, and delivery of this Agreement by Agency has been fully authorized by all requisite actions on the part of Agency. The parties who have executed this Agreement on behalf of Agency are authorized to bind Agency by their signatures hereto.

(b) Litigation. To the best of Agency's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. To the best of Agency's knowledge, Agency's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Agency is a party or by which it is bound.

(d) No Agency Bankruptcy. Agency is not the subject of a bankruptcy proceeding.

Until the Closing Date, Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.6.1 not to be true as of the Closing Date, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by Agency hereunder, but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Site. If Developer elects to accept the conveyance of the Site and possession of the Site following disclosure of such information, Agency's representations and warranties contained herein shall be deemed to have been made as of the Closing Date, subject to such exception(s). If, following the disclosure of such information, Developer elects to not accept the conveyance of the Site and possession of the Site, then this Agreement shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.6.1 shall survive the Closing Date.

1.6.2 Developer Representations. Developer represents and warrants to Agency as follows:

(a) Authority. Developer is a duly organized nonprofit public benefit corporation within and in good standing under the laws of the State of California. Developer has full right, power and lawful authority to lease and accept title to and possession of the Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of the Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) Litigation. To the best of Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Developer, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. To the best of Developer's knowledge, Developer's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. Developer is not the subject of a bankruptcy proceeding.

(e) Developer Experience; Sophisticated Party. The managing general partner, administrative general partner and their affiliated entities are sophisticated parties, with substantial experience in the acquisition, rehabilitation, development, financing, obtaining financing for, marketing, and operation of affordable housing projects and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Developer is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the Development and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(f) Due Authorization and Execution. Developer has duly authorized the execution of this Agreement, the Agency Regulatory Agreement, the Agency Note, the Agency Deed of Trust. Developer is ready, willing and able to execute the Agency Regulatory Agreement, the Agency Note, the Agency Deed of Trust, and all documents necessary to effectuate the Conveyance of the Site. Concurrently with the execution of this Agreement by Agency or within three (3) calendar days thereafter, Developer shall execute and deposit with the Agency (to be held pending satisfaction of the Agency Conditions Precedent as set forth in Section 3.1 hereunder) the Agency Regulatory Agreement, the Agency Note, the Agency Deed of Trust, and all documents necessary to effectuate the Agency Regulatory Agreement hereunder.

Until the Closing Date, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.6.2 not to be true as of the Closing Date, immediately give written notice of such fact or condition to Agency. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder, but shall constitute an exception which Agency shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Site. If Agency elects to proceed with the conveyance of the Site following disclosure of such information, Developer's representations and

warranties contained herein shall be deemed to have been made as of the Closing Date, subject to such exception(s). If, following the disclosure of such information, Agency elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 1.6.2 shall survive the Conveyance of the Site.

2. DISPOSITION OF THE SITE

2.1 Conveyance of the Site. Subject to the satisfaction of those conditions set forth in Sections 3.1 and 3.2 hereof, the Agency is prepared to convey the Site to the Developer in consideration of payment by Developer of the Purchase Price and the performance by Developer under all terms and conditions of this Agreement.

The Developer warrants and represents that it has undertaken and completed at its expense an investigation of the Site, including without limitation condition of title, surface and subsurface conditions, and the suitability of the Site for the Improvements required pursuant to this Agreement. The Developer has selected the Site and has determined that it is suitable for all development and uses as provided for pursuant to this Agreement. Prior to the Date of Agreement, the Agency has provided to the Developer a preliminary title report by the Title Company. Developer has reviewed the condition of title to the Site and the condition of the Site (as more fully set forth in Section 2.3 of this Agreement), and all such matters are satisfactory to the Developer.

In consideration of the Agency entering into this Agreement and conveying the Site, the Developer shall develop the Improvements and comply with and cause the use of the Site to conform to the Agency Regulatory Agreement.

2.2 Escrow. The parties shall open an escrow (the "Agency Escrow") with the Escrow Holder, by the time established therefor in the Schedule of Performance for the Conveyance, and the recordation and delivery of documents described in Section 2.1. The Agency and the Developer agree to execute such escrow instructions as may be reasonably required to implement this Section 2.2. The obligation of the Agency to deliver the Agency Deed, as well as the Agency Note, the Agency Deed of Trust, the Agency Regulatory Agreement, to escrow or to proceed with the Conveyance is contingent upon the satisfaction of the "Conditions," as set forth in Section 3.1 of this Agreement.

2.2.1 Costs of Escrow. The Agency and the Developer shall pay their respective portions of the premium for the Title Policy as set forth in Section 2.4 hereof, the Agency shall pay for the documentary transfer taxes, if any, due with respect to the conveyance of the Site by the Agency to the Developer, and the Developer and Agency each agree to pay one-half of all other usual fees, charges, and costs which arise from Escrow.

2.2.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Developer and the Agency, and the Escrow Holder to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close this Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and the Agency will cancel its own policies after the Conveyance of the Site. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or

National Bank doing business in the State of California. All disbursements shall be made by check from such account.

If in the opinion of either party it is necessary or convenient in order to accomplish the Conveyance, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Conveyance shall take place when the Agency Conditions Precedent have been satisfied. Escrow Holder is instructed to release Agency's escrow closing and Developer's escrow closing statements to the respective parties.

2.2.3 Authority of Escrow Holder. Escrow Holder is authorized to, and shall:

(a) Pay and charge the Developer and Agency for their respective shares of the premium of the Developer's Policy as set forth in Section 2.4 and any amount necessary to place title in the condition necessary to satisfy Section 2.3 of this Agreement.

(b) Pay and charge the Developer and Agency for their respective shares of any escrow fees, charges, and costs payable under Section 2.2.1 of this Agreement.

(c) Pay and charge the Developer for any endorsements to the Developer's Policy which are requested by the Developer.

(d) Disburse funds, record and deliver the Recordable Documents in the order set forth in Section 2.2.6 below.

(e) Do such other actions as necessary to fulfill its obligations under this Agreement.

(f) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

2.2.4 Closing. The Conveyance of the Site and delivery of documents related shall close ("Closing") within thirty (30) days of the parties' satisfaction of all of Conditions Precedent, but in no event later than the last day established therefor in the Schedule of Performance. The "Closing" means the time and day that each of the Agency Note is executed and held by Escrow Holder for delivery to Agency and all of the Agency Deed, the Agency Regulatory Agreement, and the Agency Deed of Trust have been recorded by the Riverside County Recorder. The "Closing Date" means the day on which the Closing occurs.

2.2.5 Termination. If Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Holder shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised

within said five (5) day period, Escrow Holder is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. The Developer, however, shall have the sole option to withdraw any money deposited by it with respect to the Closing less the Developer's share of costs of Escrow. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Holder shall proceed with the Closing as soon as possible. At the election of the Agency, default by the Developer under this Agreement shall constitute a default under this Agreement.

2.2.6 Closing Procedure. Escrow Holder shall close Escrow for the Conveyance of the Site as follows:

Record the following documents in this order: (i) the Agency Deed; (ii) the Agency Regulatory Agreement; (iii) a deed of trust in favor of the construction lender; (iv) the Agency Deed of Trust; (v) the Notice of Restriction; and (viii) such other instruments, if any, as shall be approved by Agency (upon consultation with Agency's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof), with instructions for the Recorder of Riverside County, California to deliver to the Agency the Agency Regulatory Agreement, the Agency Deed of Trust, and a certified copy of each to the Developer; the Agency Deed shall be delivered to the Developer with a certified copy thereof to be delivered to the Agency. The order of recordation shall be subject to revision upon approval of the Agency. The Escrow Holder shall also deliver the Agency Note to Agency;

(a) Instruct the Title Company to deliver the Developer's Policy to the Developer, with a copy to the Agency;

(b) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(c) Deliver the FIRPTA Certificate, if any, to the Developer;

(d) Deliver documents as set forth in Section 2.2.3 hereof; and

(e) Forward to both the Developer and the Agency a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

2.3 Review of Title. The Agency has caused the Title Company to deliver to the Developer a standard preliminary title report (the "Report") with respect to the Site, and the Agency will endeavor to cause the Title Company to provide to Developer legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Report, within fifteen (15) days from the date of this Agreement. The Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that the Developer shall approve the following Exceptions as of the Closing Date:

(a) The Redevelopment Plan.

(b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).

(c) The provisions of the Agency Regulatory Agreement, the Agency Deed, the Notice of Restriction and the Agency Deed of Trust.

(d) Any incidental easements or other matters affecting title which do not materially impact the Developer's use of the Site as described in the Scope of Development.

The Developer shall have thirty (30) days from the date of its receipt of the Report to give written notice to Agency and Escrow Holder of the Developer's approval or disapproval of any of such Exceptions. The Developer's failure to give written disapproval of the Report within such time limit shall be deemed approval of the Report. If the Developer notifies Agency of its disapproval of any Exceptions in the Report, the Agency shall have ten (10) days from the receipt of written notice of disapproval by the Developer to give written notice to Developer whether or not it will undertake the removal of any disapproved Exceptions by the Closing Date. If the Agency elects to remove such Exceptions, it shall diligently proceed to effect the removal of such Exceptions no later than the Closing Date. If Agency fails to or does not elect to remove any of the disapproved Exceptions within that period, the Developer shall have ten (10) days after the expiration of such ten (10) day period to either give the Agency written notice that the Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the Agency written notice that the Developer elects to terminate this Agreement. The Exceptions to title approved by the Developer as provided herein shall hereinafter be referred to as the "Condition of Title." The Developer shall have the right to approve or disapprove any additional and previously unreported Exceptions reported by the Title Company after the Developer has approved the Condition of Title for the Site (which are not created by the Developer).

2.4 Title Insurance. Concurrently with recordation of the Agency Deed there shall be issued to the Developer one CLTA owner's policy of title insurance (the "Developer's Policy"), in the liability amount of the fair market value of the Site, together with such endorsements as are reasonably requested by the Developer, issued by the Title Company insuring that the title to the Site is vested in the Developer in the condition required by Section 2.3 of this Agreement. The Title Company shall provide the Agency with a copy of the Developer's Policy. The Agency shall pay that portion of the premium for the Developer's Policy equal to the cost of a CLTA standard coverage owner's title policy which the amount of coverage based upon the fair market value of the Site. Any additional costs, including the cost of an ALTA policy or any endorsements requested by the Developer, shall be borne by the Developer.

Concurrently with the recordation of the Agency Deed and the Agency Deed of Trust there shall be issued to the Agency one ALTA lender's policy of title insurance (the "Agency Policy") in the liability amount of the Agency Note, together with such endorsements as are reasonably requested by the Agency, issued by the Title Company insuring the Agency Deed of Trust in the priority required by Section 2.2.6 of this Agreement, subject also to a lien securing the Construction Loan for the Housing Project. Upon request therefor, the Title Company shall provide the Developer with a copy of the Agency Policy. All costs for the Agency Policy shall be borne by the Agency.

2.5 Inspections, Approvals and Studies. Commencing upon the date of this Agreement and continuing until the Inspection Deadline, Developer shall have the right to enter, physically survey, inspect and map the Site; conduct soils and physical engineering, percolation, geological and

other tests; perform economic, market feasibility, land use studies; and determine that the Housing Project is economically feasible (collectively referred to as the "Inspections"). Following the Inspection Deadline and continuing to the Closing Date, the Developer shall continue to have access to the Site. Developer shall have the right to approve or disapprove the Inspections by written notice given at any time prior to the Closing. If Developer disapproves the Inspections, the Developer shall have the right to terminate this Agreement in accordance with Section 7.3 hereof. Developer shall have the right to pursue all necessary or proper Entitlements, including, but not limited to, zone changes, land use approvals, site plan approvals and Plan approvals for the Housing Project during the time that Escrow is opened, consistent with the provisions of this Agreement.

2.6 Physical and Environmental Condition of the Site.

2.6.1 Land Condition; Exceptions. Except as set forth herein, the Site shall be conveyed to the Developer as a cleared vacant lot, with no warranty, express or implied, by the Agency as to the condition of any existing improvements, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances, and it shall be the sole responsibility of the Developer at its expense to investigate and determine the physical and environmental conditions. If as of the Inspection Deadline the physical or environmental condition is not in all respects entirely suitable for the use or uses to which the Site will be put, the Developer may terminate this Agreement pursuant to Section 7.3 hereof unless the Agency and the Developer otherwise agree in writing.

2.6.2 Physical and Environmental Investigation and Testing of Site. The Developer shall have the right, at its sole cost and expense, subject to the requirements of the Purchase Agreement, to engage its own consultants to make such investigations of the Site as the Developer deems necessary, soils, geotechnical and other testing of the Site, and the Agency shall promptly be provided a copy of all reports and test results provided to the Developer. It is contemplated that a closure letter will be available prior to Closing. The Developer shall reasonably approve or disapprove of the physical condition of the Site on or before the Inspection Deadline. The Developer's failure to deliver written Notice of its approval within such time limit shall be deemed approval of the physical and environmental condition of the Site.

2.6.3 Developer Precautions After Closing. Upon the Closing, the Developer shall take all necessary but reasonable precautions to prevent the release into the environment of any Hazardous Materials in, on or under the Site, except as may be provided otherwise by applicable Governmental Requirements. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials introduced by the Developer or after the Closing Date. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials introduced by the Developer or after the Closing Date. In the event the Developer receives notice concerning the presence of Hazardous Materials at the Site, Developer shall promptly deliver a copy of such notice to the Agency.

2.6.4 Developer Hold Harmless and Indemnification. The Developer shall indemnify and hold harmless the Agency, the County of Riverside its Agencies, Districts, Special Districts and Departments and their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives ("Indemnified Parties") from any liability whatsoever, based or asserted upon any services of Developer, its officers, employees,

subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Developer, its officers, agents, employees, subcontractors, agents or representatives of its obligations under this Agreement. Developer shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnified Parties in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Agency; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Agency as set forth herein.

Developer's obligation hereunder shall be satisfied when Developer has provided to Agency the appropriate form of dismissal or other resolution of the applicable dispute or action relieving the Indemnified Parties from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless the Indemnified Parties herein from third party claims.

3. CONDITION TO CLOSING

3.1 Agency Conditions Precedent. The Agency shall not execute the Agency Deed or proceed with the Closing as provided pursuant to this Agreement, unless all of the following conditions precedent (the "Agency Conditions Precedent") have been fully satisfied, as determined in good faith by the Agency (which condition, if it requires action by Developer, shall also be a covenant of Developer):

(a) Payment of Purchase Price. The Developer shall have deposited the Purchase Price in escrow or shall have deposited the executed Agency Note with the Escrow Holder to deliver to Agency following the Closing with instructions to the Escrow Holder to deliver the Purchase Price to the Agency concurrent with the recordation of the Agency Deed.

(b) Recording of Certain Documents. Each of the Agency Regulatory Agreement, the Agency Deed and the Agency Deed of Trust has been executed by the Developer (where such documents so provide) and is ready to be recorded.

(c) Evidence of Financing. Developer shall have provided written proof acceptable to Agency that the Developer has sufficient internal funds and/or has obtained a loan or financing, subject to customary conditions and Agency has approved such evidence of financing, in accordance with Sections 4.15 and 4.15.1.1 hereof; such financing sources shall be ready to close and proceeds shall be available to Developer upon the Closing. Developer shall have obtained approval by the Agency of a Financing Plan. In the event Developer obtains a loan or financing for the construction of the Development, such Construction Loan or financing for the Development shall be ready to close, and shall close and shall be immediately available for use in constructing the Improvements.

(d) Construction Contract. Developer shall have provided to the Agency a signed copy of a fixed-price contract between the Developer and the general contractor for the construction of the Development, certified by the Developer to be a true and correct copy thereof, and Agency shall have approved such contractor or contractors, and the construction contract or contracts, pursuant to Section 4.15 hereof. The parties acknowledge that the general contractor is or may be a Related Party with respect to the Developer. However, nothing contained in this subsection (c) shall be deemed to create any responsibility or liability for selection of the contractor(s) of for construction of the Improvements, the Developer being solely responsible for such activities.

(e) Title Insurance. The Title Company shall have committed to issue the Title Policies to the Developer, in accordance with Section 2.4 hereof (subject to payment of the premiums therefor).

(f) Plans Approved. The Developer shall have obtained approval by the Agency and County of the Plans for the Housing Project as set forth in Section 4.2 hereof.

(g) Entitlements. The Developer shall have received all Entitlements and land use approvals required in order to construct the Improvements.

(h) Housing Project Budget. The Housing Project Budget shall have been finalized by the Developer and the Agency.

(i) Insurance. The Developer shall have provided proof of insurance as required by Section 4.5 hereof.

(j) Readiness. The Developer submits evidence that the final working drawings and Plans have been approved by the County so that the Housing Project is "permit ready;" that is, that the only other condition to the issuance of building permits for the construction of Improvements is the payment of fees;

(k) Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct as of the Closing as though made on and as of that date, and Agency shall have received a certificate to that effect signed by an officer of Developer.

(l) No Default. No Event of Default by Developer shall have occurred under this Agreement, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer under this Agreement, and Agency shall have received a certificate to that effect signed by an officer of Developer.

All conditions set forth in Section 3.1, or to Agency's obligations hereunder, are for Agency's benefit only and Agency may waive all or any part of such rights by written notice to Developer and Escrow Holder. If Agency shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Agency's approval, or if any of the conditions set forth in this Agreement are not met within the times called for, Agency may thereafter terminate this Agreement without any further liability on the part of Agency by giving written notice of termination to the Escrow Holder, with a copy to Developer. Escrow Holder shall thereupon, without further consent from Developer, return to each party the documents and funds deposited by them.

3.2 Developer Conditions Precedent. The Developer shall not be obligated to proceed with the Closing as provided pursuant to this Agreement, unless all of the following conditions precedent (the "Developer Conditions Precedent") has been fully satisfied, as determined in good faith by the Agency (which condition, if it requires action by Developer, shall also be a covenant of Developer):

(a) **Recording of Certain Documents.** Each of the Agency Regulatory Agreement, the Agency Deed and the Agency Deed of Trust has been executed by the Agency (where such documents so provide) and is ready to be recorded.

(b) **Title Insurance.** The Title Company shall have committed to issue the Title Policies to the Developer, in accordance with Section 2.4 hereof.

(c) **Housing Project Budget.** The Housing Project Budget shall have been finalized by the Developer and the Agency.

Notwithstanding the foregoing, the Developer, in its discretion, may waive any of the foregoing Developer Conditions Precedent. A waiver of any of the foregoing conditions shall not operate in any way as a waiver of, or estoppel with respect to, any subsequent or other failure to comply with such condition, or to any other condition contained in this Agreement.

4. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING

4.1 Scope of Development. The Developer shall develop the Improvements in accordance with the Scope of Development, and the approved plans, drawings and documents for the Improvements. In the event of any inconsistency between the Scope of Development and the plans for the Improvements which have been approved by the Agency and/or County, the approved Development plans shall control. The Housing Project is intended to serve Households who are Very Low Income Households. The Housing Project shall consist of sixteen (16) supportive housing units including one (1) onsite manager's unit.

4.2 Design Review.

4.2.1 Developer Submissions. Prior to the Date of Agreement, in connection with its application for land use approvals by the County, the Developer has submitted "Basic Concept Drawings" for the Improvements. Before commencement of construction of the Improvements or other works of improvement upon the Site, the Developer shall submit to the County any plans and drawings (collectively, the "Design Development Drawings") which may be required by the County with respect to any permits and entitlements which are required to be obtained to develop the Improvements.. Developer, on or prior to the date set forth in the Schedule of Performance, shall submit to the County such plans for the Improvements as required by the County in order for Developer to obtain building permits for the Improvements. Within thirty (30) days after the County's disapproval or conditional approval of such plans, Developer shall revise the portions of such plans identified by the County as requiring revisions and resubmit the revised plans to the County.

4.2.2 County Review and Approval. The County shall have all rights to review and approve or disapprove all Design Development Drawings and other required submittals in accordance with the County Ordinances, and nothing set forth in this Agreement shall be construed

to constitute the County's approval of any or all of the Design Development Drawings or to limit or affect the County's review and right to approve, approve subject to conditions, or disapprove Design Development Drawings, plans, drawings, applications, or submittals.

4.2.3 Revisions. Any and all change orders or revisions required by the County and its inspectors under the County Ordinances and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by the Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

4.2.4 Defects in Plans. The Agency and the County shall not be responsible either to the Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development Drawings, nor for any delays reasonably caused by the review and approval processes established by this Section 4.2.4.

4.3 Time of Performance; Progress Reports. The Developer shall submit all Design Development Drawings, commence and complete all construction of the Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement. Construction of the Improvements shall be commenced on or before the time established therefor in the Schedule of Performance. Once construction is commenced, it shall continuously and diligently be pursued to completion and shall not be abandoned for more than fifteen (15) days except when due to circumstances described in Section 7.9 hereof. During the course of construction and prior to issuance of the Certificate of Completion, Developer shall provide timely reports of the progress of construction when requested by the Agency. Developer shall complete construction of all of the Improvements on the Site within fourteen (14) months after the first to occur of (i) commencement of construction or (ii) the time established by this Agreement for commencement of construction.

4.4 Cost of Construction. The cost of planning, designing, developing, and constructing the Improvements shall be borne solely by the Developer. All fees imposed by any governmental entity in connection with the subdivision of the Site (except that Agency is to bear the cost of the parcel map for the Site), or the acquisition of the Site, or the development of the Improvements shall be borne by Developer and shall be paid when due by Developer. Prior to Closing, Developer shall have submitted and obtained approval by the Agency of a comprehensive plan of finance for the Housing Project ("Plan of Finance" or Financing Plan") which identifies all sources and uses which sources shall have committed to provide funding in the amounts and at the times identified by Developer.

4.5 Insurance Requirements. Without limiting or diminishing the DEVELOPER'S obligation to indemnify or hold the Agency harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement:

(a) **Workers Compensation Insurance.** If the Developer has employees as defined by the State of California, the Developer shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than

\$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the Agency, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

(b) Commercial General Liability Insurance. Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Developer's performance of its obligations hereunder. Policy shall name the Agency, the County of Riverside and its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

(c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Developer shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the Agency, the County of Riverside and its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured.

(d) Procure and maintain course of construction coverage on the Project in an amount not less than ninety percent (90%) of the replacement value of the Project.

(e) General Insurance Provisions – All Lines

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the AGENCY Risk Manager. If the AGENCY's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The Developer's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of the Agency's Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the Agency, and at the election of the Agency's Risk Manager, Developer's carriers shall either; (a) reduce or eliminate such self-insured retention as respects this Agreement with the Agency, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) Developer shall cause Developer's insurance carrier(s) to furnish the AGENCY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the Agency Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the

insurance carrier(s) that thirty (30) days written notice shall be given to the Agency prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Agency receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Developer shall not commence operations until the Agency has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the Developer's insurance shall be construed as primary insurance, and the Agency's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the Agency reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the Agency Risk Manager's reasonable judgment, the amount or type of insurance carried by the Developer has become inadequate.

6) Developer shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Agency.

8) Developer agrees to notify Agency of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement. All certificates, documents, and other written materials establishing compliance with the above enumerated conditions precedent are to be filed with Agency at the expense of Developer. It is understood and agreed to by the parties hereto, and the insurance company(s), Certificate of Insurance and policies shall so covenant and shall be construed as primary and Agency's insurance and/or deductibles and/or self-insured retention or self-insured programs shall not be construed as contributory. The Agency reserves the right to adjust the monetary limits of insurance coverage during the term of this Agreement, or any extension thereof if in Agency Risk Manager's reasonable judgment, the amount or type of insurance typically carried by the Developer or its contractors is inadequate.

4.5.1 Waiver of Subrogation. Developer hereby waives all rights to recover against Agency (or any officer, employee, agent or representative of Agency) for any loss incurred by Developer from any cause insured against or required by any Project Document to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any

insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Developer shall use its best efforts to obtain only policies which permit the foregoing waiver of subrogation.

4.6 Obligation to Repair and Restore Damage Due to Casualty. If during the period of construction the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be constructed pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as possible thereafter so that the Improvements can be occupied as an affordable housing project in accordance with this Agreement. In no event shall the repair, replacement, or restoration period exceed fourteen (14) months from the date Developer obtains insurance proceeds unless the Agency, in the Agency's sole and absolute discretion, approves a longer period of time. Agency shall cooperate with Developer, at no expense to Agency, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Site do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Improvements by giving notice to Agency (in which event Developer will be entitled to all insurance proceeds but Developer shall be required to remove all debris from the Site) or Developer may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by the County, Agency, and the other governmental agency or agencies with jurisdiction, and the Agency may pursue remedies of its choosing under this Agreement, including without limitation termination.

4.7 Indemnity. The Developer shall indemnify and hold harmless the Agency, the County of Riverside its Agencies, Districts, Special Districts and Departments and their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives ("Indemnified Parties") from any liability whatsoever, based or asserted upon any services of Developer, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Developer, its officers, agents, employees, subcontractors, agents or representatives of its obligations under this Agreement. Developer shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnified Parties in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of AGENCY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Agency as set forth herein.

Developer's obligation hereunder shall be satisfied when Developer has provided to Agency the appropriate form of dismissal or other resolution of the applicable dispute or action relieving the Indemnified Parties from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or

circumscribe Developer's obligations to indemnify and hold harmless the Indemnified Parties herein from third party claims.

4.8 Rights of Access. Prior to the issuance of the Certificate of Completion, for purposes of assuring compliance with this Agreement, representatives of Agency shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as Agency representatives comply with all safety rules. Agency representatives shall, except in emergency situations, notify the Developer prior to exercising its rights pursuant to this Section 4.8.

4.9 Compliance With Laws. Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements), the County zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the County Ordinances, and the Fair Housing Act, 42 U.S.C. Section 3601 *et seq.* (and 24 C.F.R. Part 100), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.*

Labor Code Section 1720(b)(3) treats work performed under contract with certain public entities as a "public work" where the work is paid for in whole or in part with public funds, which payment may be accomplished by a transfer of an asset of value for less than a fair market value price. The Developer agrees to pay prevailing wages in connection with the construction of the Improvements.

Further, the Developer agree that all public works (as defined in California Labor Code Section 1720) performed pursuant to this Agreement (the "work"), if any and as applicable (as determined by Developer and its legal counsel or as determined, opined, or ordered by the State Department of Industrial Relations (DIR,)) shall comply with the requirements of California Labor Code Sections 1770, *et seq.* In all bid specifications, contracts and subcontracts for the work, Developer (or its general contractor) shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of worker needed to perform the work, and shall include such rates in the bid specifications, contract or subcontract. Such bid specifications, contract or subcontract must contain the following provision:

It shall be mandatory for the contractor to pay not less than the said prevailing rate of wages to all workers employed by the contractor in the execution of this contract. The contractor expressly agrees to comply with the penalty provisions of California Labor Code Section 1775 and the payroll record keeping requirements of California Labor Code Section 1771.

The Developer does hereby and shall indemnify and hold each of Agency and County harmless from and against any and all claims, demands, causes of action, obligations, damages, liabilities, costs and expenses, including reasonable attorneys' fees, that may be asserted against or incurred by Agency and/or County with respect to or in any way arising from Developer's and

Developer's compliance with or failure to comply with applicable laws, including all applicable federal and state labor standards including without limitation the requirements of Labor Code Section 1720.

4.10 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

4.11 Taxes and Assessments. Subject to Developer's right to claim the "welfare exemption" under California Revenue and Taxation Code Section 214(g), Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site. Developer shall remove or have removed any levy or attachment made on any of the Site or any part thereof which is owned or leased by Developer, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. The Developer shall additionally defend, indemnify, and hold harmless the Agency and the County from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with (a) activities undertaken by the Developer or (b) the Site arising from or related to any period following the Closing Date.

4.12 Liens and Stop Notices. Developer shall not allow to be placed on the Site or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Improvements the Developer shall within thirty (30) days of such recording or service or within five (5) days of Agency's demand whichever last occurs:

- (a) pay and discharge the same; or
- (b) affect the release thereof by recording and delivering to Agency a surety bond in sufficient form and amount, or otherwise; or
- (c) provide Agency with indemnification from the Title Company against such lien or other assurance which Agency deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of Agency from the effect of such lien or bonded stop notice.

4.13 Certificate of Completion. Promptly after completion of the Improvements in conformity with this Agreement, Agency shall furnish the Developer with a "Certificate of Completion," substantially in the form attached hereto. Agency shall not unreasonably withhold such Certificate of Completion. The Certificate of Completion shall be a conclusive determination of satisfactory completion of the Improvements and the Certificate of Completion shall so state. If Agency refuses or fails to furnish a Certificate of Completion after written request from Developer, Agency shall, within fifteen (15) days of receipt of written request therefor, provide Developer with a written statement of the reasons Agency refused or failed to furnish the Certificate of Completion. The statement shall also contain Agency's opinion of the actions Developer must take to obtain the Certificate of Completion. The Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4.14 Further Assurances. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Agency all documents, and take all actions, reasonably required by Agency from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents or otherwise to carry out the purposes of the Project Documents.

4.15 Financing of the Improvements.

4.15.1 Approval of Financing. As required herein and as an Agency Condition Precedent, Developer shall submit to Agency evidence that Developer has obtained sufficient equity capital or has arranged for and obtained a binding commitment for construction financing necessary to undertake the development of the Site and the construction of the Improvements in accordance with this Agreement ("Proof of Financing Commitments").

The Agency shall reasonably approve or disapprove such evidence of financing within twenty (20) days of receipt of each of the respective submittals, provided that such submittal is complete. Approval shall not be unreasonably withheld so long as the terms and conditions of the financing are consistent with this Agreement, including without limitation acknowledgment and consent by such lender to each of the Agency Regulatory Agreement, and are otherwise reasonable and customary. The failure or refusal by the Agency to approve financing that does not satisfy the foregoing criteria shall conclusively be deemed to be reasonable. If Agency shall disapprove any such evidence of financing, Agency shall do so by Notice to Developer stating the reasons for such disapproval and Developer shall endeavor to promptly obtain and submit to Agency new evidence of financing. Agency shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 4.15.1 for the approval or disapproval of the evidence of financing as initially submitted to Agency. Developer shall close the approved financing concurrently with the Closing.

The Proof of Financing Commitment shall include a copy of a legally binding, firm and enforceable loan commitment(s) obtained by Developer from one or more financial institutions for the Construction Loan.

4.15.2 Holder Not Obligated to Construct Improvements. The holder of any mortgage or deed of trust on the Site authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct, complete, or operate the Improvements or any portion thereof, or to guarantee such construction, completion or operation; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

4.15.3 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as to the Site as provided herein, whenever the Agency may deliver any notice or demand to Developer with respect to any breach or default by the Developer under this Agreement, the Agency shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand; provided that the failure to notify any holder of record shall not vitiate or affect the effectiveness of notice to the Developer. Each such holder shall (insofar as the rights granted by the Agency are concerned) have the right, at its option, within sixty (60) days after the receipt of the

notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage or deed of trust. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the Agency by written agreement reasonably satisfactory to the Agency. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, but on a schedule which takes into account the time reasonably required for the holder to obtain title to and possession of the Site, analyze and negotiate amendments to plans, specifications, construction contracts and operating contracts or to negotiate new construction contracts and operating contracts. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 4.13 of this Agreement, to a Certificate of Completion. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

4.15.4 Failure of Holder to Complete Improvements. In any case where, sixty (60) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from Agency of a default by the Developer in completion of construction of any of the Improvements under this Agreement, and such holder is not vested with ownership of the Site and has not exercised the option to construct as set forth in Section 4.15, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, the Agency may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following:

- (a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of income received during foreclosure proceedings);
- (b) All expenses with respect to foreclosure including reasonable attorneys' fees;
- (c) The net expense, if any, incurred by the holder as a direct result of the subsequent management of the Site or part thereof;
- (d) The costs of any improvements made by such holder;
- (e) An amount equivalent to the interest that would have accrued at the rate(s) specified in the holder's loan documents on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency; and

(f) Any customary prepayment charges imposed by the lender pursuant to its loan documents and agreed to by the Developer.

The foregoing rights shall be in addition to those measures set forth in an intercreditor agreement, and in addition shall supplement and not limit the Agency's rights as landlord under the Agency Deed or by operation of law.

4.15.5 Right of the Agency to Cure Mortgage or Deed of Trust Default. In the event of a mortgage or deed of trust default or breach by the Developer whether prior to or after the completion of the construction of any of the Improvements or any part thereof (continuing until the expiration of the term of the Agency Deed), Developer shall immediately deliver to Agency a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, the Agency shall have the right but no obligation to cure the default. In such event, the Agency shall be entitled to reimbursement from the Developer of all proper costs and expenses incurred by the Agency in curing such default.

4.15.6 Limited Subordination. It is contemplated that financing for the Development will be provided from funds of the Developer and proceeds of a conventional construction loan. In connection with the provision of the Primary Construction Loan and the Primary Permanent Loan, the Agency Deed of Trust will be subordinate to the deed(s) of trust recorded securing repayment of such loans; such subordination shall be for the benefit of third party lenders making the Primary Construction Loan and/or the Primary Permanent Loan and not for the benefit of the Developer or any Related Entity. It is not contemplated that the Agency Regulatory Agreement will be subordinated.

4.15.7 Prevailing wage monitoring. In the event the project requires prevailing wages, the Developer is required to hire a qualified consultant, approved by the Agency, to monitor prevailing wages and maintain compliance with State Laws and requirements relating to prevailing wages

4.16 Permanent Financing. Upon satisfaction of the conditions precedent thereto (the "Permanent Financing Event"), permanent financing for the Housing Project will fund. The Permanent Financing Event is conditioned upon the occurrence of each of the following to the satisfaction of the Agency:

(a) The Title Company is prepared to issue the title insurance policies required by such lenders and by the provisions of this Agreement;

(b) Developer duly executes and delivers to the Agency or into the escrow referred to above all of the applicable Agency Loan Documents to be executed by Developer; and

(c) Agency determines that Developer is not in default of its obligations to the Agency under the provisions of this Agreement.

Notwithstanding the foregoing, the Agency, in its discretion, may waive any of the foregoing conditions precedent to the Permanent Financing Event. A waiver of any of the foregoing conditions shall not operate in any way as a waiver of, or estoppel with respect to, any subsequent or other

failure to comply with such condition, or to any other condition contained in this Agreement or in the Agency Loan Documents.

4.17 Agency Loan. In accordance with and subject to the terms and conditions of this Agreement and the Agency Note attached as attachment 12, the Agency agrees to provide a loan to Developer and Developer agrees to borrow such funds for the purpose of payment of the purchase price of the Site, predevelopment expenses related to the development of the Site not to exceed Four Hundred Thousand Dollars (\$400,000) ("Predevelopment Loan") and construction costs associated with the development of the Project not to exceed Seven Hundred Thousand Dollars (\$700,000) (together constituting the "Agency Loan"). The Agency Loan shall be evidenced by the Agency Note Prior to the Closing Date, no interest shall accrue on moneys disbursed to or for the benefit of Developer as Predevelopment Loan. The Agency Note (including without limitation amounts disbursed as Predevelopment Loan shall bear simple interest at the rate of zero percent (0%) per annum from and after the date of disbursement of each portion of the principal balance thereof (excepting that interest on Predevelopment Loan shall accrue from the Closing Date), and any remaining principal balance, together with all accrued and unpaid interest, shall be due and payable fifty five (55) years from the date of the issuance of a Certificate of Occupancy for the Housing Project. The Note shall be due and payable in full on the date of any Sale or Transfer that occurs after the date of execution of this Promissory Note. The Agency Loan will be fully forgiven after the fifty-five (55) year affordability period outlined in this Agreement (the "Affordability Period"). The Agency Note shall be nonrecourse to the Developer immediately and automatically following Completion and thereafter, subject to the limitations expressed therein. At such time as the Agency Loan becomes nonrecourse, no deficiency judgment may be obtained against the Developer or any permitted successor or assignee except for fraud, material misrepresentation, intentional bad faith waste of or on the Housing Project and such other matters as are referred to in the Agency Note. The Agency Note shall be secured by the Agency Deed of Trust. The parties contemplate that the Agency Deed of Trust shall be subordinated to the deed of trust securing the Construction Loan (and later, to the deed of trust securing the Permanent Loan, if an additional or different deed of trust is used for such purpose). Agency shall pay Developer on a "cost-as-incurred" basis for all eligible approved costs under the following schedule:

- (a) Twenty-five percent (25%) upon twenty-five percent (25%) completion of Project, as certified and documented by the project architect.
- (b) Twenty-five percent (25%) upon fifty percent (50%) completion of Project, as certified and documented by the project architect.
- (c) Twenty-five percent (25%) upon seventy-five percent (75%) completion of Project, as certified and documented by the project architect.
- (d) The balance upon completion of Project, as certified and documented by the project architect.

4.17.1 Special Provisions Concerning Predevelopment Disbursements. Amounts disbursed to or for the benefit of the Developer as Predevelopment Loan shall be subject to the following: in order to permit Developer to make an in depth analysis and investigation of acquisition, financing and development of the Site and in furtherance of the Agency's goal to provide neighborhood revitalization and safe and comfortable housing for Households of Very Low Income

within the County, the Agency has agreed to make a predevelopment loan to Developer (namely, the "Predevelopment Loan" as identified above) to facilitate Developer's work relating to the Site. The principal amount of the Predevelopment Loan, as aggregated, shall not exceed Four Hundred Thousand Dollars (\$400,000), including without limitation amounts disbursed to or for the benefit of the Developer prior to Date of Agreement. Except upon prior approval of the Agency, disbursement of moneys constituting the Predevelopment Loan may only be used by the Developer to pay for predevelopment services listed in the Description of Predevelopment Expenses. In no event shall the Agency be obligated to distribute more than Four Hundred Thousand Dollars (\$400,000) in connection with the Predevelopment Loan. For any month in which the Developer wishes to receive a disbursement, the Developer shall submit to the Agency an invoice for a portion of the Predevelopment Loan. Such invoice shall (i) describe the amount of moneys requested, (ii) the specific use of such moneys proposed, and (iii) include a copy of the any billing and/or advance payment by Developer for any such predevelopment expenses. The invoice shall include copies of all supporting documentation (i.e., invoices, cancelled checks, etc.) to support the request. The Developer agrees to provide additional information upon receipt of a request therefor by the Agency. The invoice shall contain a certification by an authorized representative of the managing general partner of the Developer for the purposes of acquisition, development, construction and operation of the Site and the improvements thereon at the close of any escrow whereby the Predevelopment Advances shall be credited against any amount which the Agency is required to lend the Developer pursuant to the Agreement as the Agency Loan. The Predevelopment Advances shall bear no interest until the Closing Date. As of the date of close of escrow, the Predevelopment Loan shall bear interest at the rate provided in the Agreement for the Agency Loan. If for any reason the Agreement is not executed between the Agency and the Developer or if, for any reason other than a default of the Developer, the escrow for sale of the Site by the Agency to the Developer does not close, in either event the Developer shall not be obligated to repay the Predevelopment Loan to the Agency. In the case of Developer's default, however, Developer shall be obligated to repay the amount of the Predevelopment Loan to the Agency. If applicable provisions hereof excuse the repayment of the Predevelopment Loan, at time as the loan repayment is forgiven Developer's right to use all drawings, specifications, reports, records, surveys, documents, plans, entitlements and other materials prepared by or for the Developer in the performance of predevelopment activities described herein shall be assigned by Developer to Agency, pursuant to an assignment agreement in a form mutually acceptable to Agency and Developer. Developer shall concurrently deliver to Agency a copy of all such materials. Such assignment by Developer to the Agency shall be without further payment therefore by the Agency. Disbursements made pursuant to an invoice received by the Agency from the Developer shall be made promptly within ten (10) business days after such invoice has been approved by the Agency. Developer shall not submit an invoice requesting the payment of Predevelopment Loan proceeds more frequently than once every two weeks. All predevelopment services shall be rendered by Developer in a timely and diligent manner and within the time set forth therefor in the Schedule of Performance. The time for performance of any predevelopment activity under this section shall be subject to Section 7.10 of this Agreement.

4.18 AHP Loan. Developer shall use its best efforts to secure an AHP Loan in the largest amount available and cause the same to be funded at the time of the Permanent Financing Event. In the event that Developer is not able to secure an AHP Loan or if the AHP Loan is in a smaller amount than has been anticipated, the Developer shall increase its equity contribution.

4.19 Housing Project Budget Revisions. An initial Housing Project Budget, representing Developer's estimate of Development Costs based only on conceptual versions of the Housing Project, has been attached to this Agreement as Attachment No. 15. Agency and Developer

acknowledge that the Housing Project Budget may undergo revision as the Entitlements for the Housing Project are finalized enabling, among other things, fixed price bids to be received for construction of the Improvements based upon the final Plans. As a condition to Closing, a final Housing Project Budget reflecting anticipated final Development Costs will be submitted by Developer to Agency for its approval and, when adopted by the Agency, will control Development Costs which may be incurred in connection with construction of and funding for operation of the Housing Project. However, the parties recognize that during construction changes to the final, approved Housing Project Budget may be required. Money expended in one line item of the Housing Project Budget at the completion of the work delineated therein may be transferred to the account and line item for contingencies or, with the consent of the Agency, transferred directly to another account for another line item in the Housing Project Budget. The Agency Executive Director or designee is hereby authorized to act on behalf of the Agency to approve any revisions to the budget plan for the Housing Project excepting for any increases in the amount of moneys to be made available by the Agency for the Housing Project.

Because of the specialized nature of the funding for this Housing Project, unanticipated material increases could constitute a challenge to Housing Project completion and may cause costs to the Housing Project unanticipated in the Housing Project Budget. Should Developer become aware of any such material fact or circumstance which will result in a material increase in the proposed Development Costs for the Housing Project said amount shall be absorbed out of the contingency funds and/or Developer Fee

5. COVENANTS AND RESTRICTIONS

5.1 Use Covenants. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof, that the Developer shall devote the Site to the uses specified in and shall operate in conformity with: (i) this Agreement; (ii) the Agency Regulatory Agreement and (iii) the Agency Deed, whichever is the more restrictive in each case unless expressly provided to contrary effect herein. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to the Redevelopment Plan and all applicable provisions of the County Ordinances.

5.2 Affordable Housing Requirements.

5.2.1 Number of Affordable Units and Other Units. Developer agrees to make available, restrict occupancy to, and rent all of the Units at Affordable Rent to Very Low Income Households and, to the extent provided in the Agency Regulatory Agreement, Lower Income Households. The methodology for calculation of permitted rents is more particularly set forth in the Method of Calculation. The Housing Project is intended to serve Households who are Very Low Income Households. The Housing Project shall consist of sixteen (16) supportive housing units, **including** one (1) managers unit of which 15 will be restricted to Very Low Income Households.

5.2.2 Duration of Affordability Requirements. The Required Affordable Units shall be maintained as dwelling units available and rented to Very Low Income Households throughout the Required Covenant Period, as more particularly set forth in the Agency Regulatory.

5.2.3 Selection of Renters. Developer agrees to reserve one hundred percent (100%) of the total supportive housing units, for very low income households. Such units ("Assisted Units") shall be limited to Very Low-Income households whose incomes do not

exceed fifty percent (50%) area median income for the County, adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105.

5.2.4 Income of Tenants. Each renter shall be a Very Low Income Household which meets the eligibility requirements established for the corresponding Required Affordable Unit, and Developer shall obtain a certification from each prospective renter which substantiates such fact. Developer shall verify the income certification of each renter as set forth in Section 5.3 hereof.

5.2.5 Determination of Affordable Rent for the Housing Units. Each Required Affordable Unit shall be rented or leased at an "Affordable Rent" to be established as provided herein:

(a) The maximum monthly rent for the Required Affordable Units to be rented to Very Low Income Households shall be established at one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Median Income for the Area for a household of a size appropriate to the housing unit.

"Household size appropriate to the unit," for the purpose of the calculation of rents herein (and without regard to actual occupancy), means an amount equal to the number of bedrooms in the unit plus one (i.e., for a two-bedroom unit, 3 people; for a three-bedroom unit, four people); provided that the maximum monthly housing cost of the Required Affordable Units shall be adjusted annually by the formula set forth above upon the promulgation of revised figures concerning Median Income for the Area by regulation of the California Department of Housing and Community Development ("HCD").

5.3 Verifications.

5.3.1 Income Verification. Developer shall verify the income of each proposed and existing renter of the Required Affordable Units.

5.3.2 Annual Reports. Following the issuance of the Certificate of Completion, and on or before March 15 of each Year, Developer, at its expense, shall submit to Agency or its designee the reports required pursuant to Health and Safety Code Section 33418, as the same may be amended from time to time, with each such report to be in the form prescribed by Agency. Each annual report shall include the annual audit of the Developer and the budget for the coming year.

Throughout the Required Covenant Period, Developer shall maintain on file rental/lease agreements, comply with all applicable recordkeeping and monitoring requirements set forth in Health and Safety Code Section 33418. Representatives of the Agency shall be entitled to enter the Housing Project, upon at least seventy-two (72) hours prior written notice, to monitor compliance with this Agreement, to inspect the records of the Housing Project, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Agency in making the Housing Project available for such inspection or audit. Developer agrees to maintain records in businesslike manner, and to maintain such records for the term of this Agreement.

As part of its annual budget, the Developer shall include a statement of amounts payable by Developer under this Agreement (including the Agency Deed) supported by an Audited Financial Statement (prepared by an independent accounting firm reasonable acceptable to the

Agency) which sets forth information in detail sufficient for adequate review by the Agency for the purposes of confirming those amounts payable by the Developer to the Agency as well as showing the general financial performance of the Affordable Housing Project ("Annual Financial Report"). Each Annual Financial Report shall include a profit and loss statement showing gross revenues, operating expenses, debt service, operating reserve, cash receipts, and such other information as may be requested by the Agency reasonably related to the Project and its economic performance, all certified by the Audited Financial Statement. In the event the amounts reported or paid deviate by five percent (5%) or more from that amount determined to be owing upon review of the Developer's submittal, Developer shall reimburse Agency for its cost to review (which may require engagement of auditors) and collect the amounts owing; such amounts shall, until paid, be added to the amount payable by Developer to Agency under Section 2.5 hereof.

5.4 Maintenance of Site. Developer agrees for itself and its successors in interest to the Site, to maintain the improvements on the Site in conformity with the County Ordinances and the conditions set forth in the Agency Regulatory and, if applicable, the Tax Credit Regulatory Agreement and, shall keep the Site free from any accumulation of debris or waste materials. During such period, the Developer shall also maintain the landscaping planted on the Site in a healthy condition.

5.5 Nondiscrimination Covenants. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Agency and Developer acknowledge supportive youth housing has unique requirements and providing housing for homeless youth is not considered unlawful age discrimination pursuant to Government Code Section 11139.3.

Developer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, disability, source of income, sexual orientation, familial status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of

tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

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

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

5.6 Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether Agency has been, remains or is an owner of any land or interest therein in the Site or in the Project Area of the Redevelopment Plan. Following issuance of the Certificate of Completion, the provisions of this Agreement pertaining to development of the Improvements will be deemed satisfied, but the Agency shall have rights to enforce the provisions of the Agency Regulatory Agreement, the Tax Credit Regulatory Agreement and the Agency Deed, as provided thereunder.

5.7 Rights of Access - Public Improvements and Facilities. The Agency, for itself and for the County and other public agencies, at their sole risk and expense, reserves the right to enter the Housing Project or any part thereof at all reasonable times and causing as little interference as possible, for the purposes of construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Site and, as necessary, to monitor the Housing Project’s compliance with the provisions of this Agreement and the Agency Regulatory Agreement. Except in the case of emergency, any such entry shall be made only after reasonable notice to Developer, and the Agency shall indemnify and hold Developer harmless from any claims or liabilities pertaining to such entry. Any damage or injury to the Housing Project resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

5.8 Management Plan. Not less than three months prior to the anticipated date of completion of the Housing Project, Developer shall submit to the Agency a management plan reasonably acceptable to the Agency, describing the proposed plans for managing and operating the Housing Project (the "Management Plan"). Approval of the Management Plan by the Agency shall be a condition precedent to the Permanent Financing Event. Developer shall manage and operate the Housing Project, or shall cause the Housing Project to be managed and operated by a manager experienced in operating projects like the Housing Project and reasonably acceptable to the Agency, in accordance with the approved Management Plan, including such amendments as may be approved in writing thereto from time to time by the Developer and the Agency.

5.9 Annual Operating Budget. Developer shall submit on or before the first day of each fiscal year during the time that the Regulatory Agreement is in effect an estimated annual budget for management of the Housing Project, in accordance with the approved Management Plan (the "Annual Operating Budget"). The Annual Operating Budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, and all operating expenses, and shall show the expected revenues to pay such expenses.

5.10 Social Services. At all times during the Required Covenant Period, Developer shall provide, or cause to be provided, activities and programs appropriate to the needs of the residents of the Housing Project, with the selection of such activities and programs to be determined by Developer in collaboration with the residents of the Housing Project. The specific types of social services to be provided shall be submitted to and approved by the Agency, and may be revised with the prior approval of the Agency, which approval shall not be unreasonably withheld. Prior to the Closing, the Developer shall have submitted and obtained approval by the Agency of a plan for the provision of social services ("Social Service Plan") by the Developer upon completion of the Housing Project. The Social Service Plan shall be subject to periodic updating by the Developer and review and approval by the Agency based upon the needs of residents of the Housing Project.

5.11 Prohibited Uses. None of the Housing Units in the Housing Project shall at any time be utilized nor shall the Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home.

5.12 Inclusionary Housing Requirements. The income and rent restrictions provided for hereunder are intended and shall be maintained in a manner sufficient to satisfy the requirements of Health and Safety Code Section 33413(b).

6. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES.

As a material inducement to Agency to enter into this Agreement, Developer represents and warrants to Agency that:

6.1 Formation, Qualification and Compliance. Developer (a) is a California nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California; (b) has all requisite and the authority to conduct its business and own, purchase, improve and sell its properties. Developer is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental agency that are

necessary for the transaction of its business; (c) Developer has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by the Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of the Developer to carry out its obligations hereunder; (e) there are no material pending or, so far as is known to the Developer, threatened, legal proceedings to which the Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed by the Developer to the Agency in this Agreement which could materially adversely affect the ability of the Developer to carry out its obligations hereunder; and (f) there is no action or proceeding pending or, to the Developer's best knowledge, threatened, looking toward the dissolution or liquidation of the Developer and there is no action or proceeding pending or, to the Developer's best knowledge, threatened by or against the Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of the Developer to carry out its obligations hereunder.

Each of the foregoing items (a) to (f), inclusive, shall be deemed to be an ongoing representation and warranty. The Developer shall advise the Agency in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (f), inclusive.

6.2 Execution and Performance of Project Documents. Developer has all requisite authority to execute and perform its obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project Document has been authorized by all necessary action and do not and will not violate any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Developer.

6.3 Covenant Not to Transfer Except in Conformity. Prior to the issuance of the Certificate of Completion, except as may be permitted by the express provisions hereof, the Developer shall not sell, lease, or otherwise transfer or convey all or any part of the Site, or any interest therein, unless the Developer has first obtained the prior written consent of the Agency, which consent may be granted or refused in the Agency's sole and absolute discretion. In addition, Developer's limited partner and any successor thereto, may, without the prior consent of the Agency and except as set forth in the senior permitted liens, sell, transfer, assign, pledge, hypothecate, and encumber some or all of its partnership interests in the Developer and the same shall not be a violation of this Agreement. Moreover, Developer's limited partner and any successor thereto, shall have the right, without the prior consent of the Agency and except as set for in the senior permitted liens, to remove any or all of Developer's general partners for cause as permitted under Developer's limited partnership agreement and replace any or all removed general partners with a person or entity determined in the limited partner's sole discretion. Any sale, lease, transfer or conveyance without such consent shall, at Agency's option, be void. A change in ownership of the Developer resulting in the individuals executing this Agreement on behalf of Developer retaining less than fifty-one percent (51%) ownership of all outstanding shares of Developer shall be deemed to violate this Section 6.3.

7. DEFAULTS, REMEDIES, AND TERMINATION.

7.1 Default Remedies. Subject to the extensions of time set forth in Section 7.10 of this Agreement, failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter,

constitutes a "Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other party specifying the Default.

(a) If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by the injured party.

(b) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party. If Developer fails to take corrective action or cure the default within a reasonable time, the Agency shall give Developer and, as provided in paragraph (e) below, the entity that will purchase the Tax Credit ("Investor Limited Partner"), notice thereof, whereupon the Investor Limited Partner may remove and replace the general partner of the Tax Credit Limited Partnership with a substitute general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The Agency agrees to accept cures tendered by the Investor Limited Partner within the cure periods provided in this Agreement or within the time periods provided in Civil Code Section 2924c, whichever is longer. Additionally, in the event the Investor Limited Partner is precluded from curing a non monetary default due to an inability to remove the general partner as a result of a bankruptcy, injunction, or similar proceeding by or against Developer or such general partner, the Agency agrees to forbear from completing a foreclosure (judicial or nonjudicial) during the period during which the Investor Limited Partner is so precluded from acting, not to exceed ninety (90) days, provided such Investor Limited Partner is otherwise in compliance with the foregoing provisions. In no event shall the injured party be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

(c) After Developer gives written notice to Agency that the Investor Limited Partner has been admitted to the Developer, Agency shall send to the Investor Limited Partner a copy of all notices of default and all other notices that Agency sends to Developer, at the address for the Investor Limited Partner as provided by written notice to Agency by Developer.

7.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in an appropriate court in that county.

7.3 Termination by the Developer. In the event that: (i) the Developer is not in default under this Agreement and Agency does not execute the Agency Deed and attempt to convey the Site to the Developer in the manner and condition and by the date provided in this Agreement; (ii) the Developer is not in default of this Agreement and the Developer disapproves the Inspections on or

before the Inspection Deadline; or (iii) in the event of any default of Agency prior to the Conveyance which is not cured within the time set forth in Section 7.1 hereof, and any such failure is not cured within the applicable time period after written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by Notice thereof to Agency; provided that the Developer shall have delivered to the Agency the documents required to be delivered to the Agency pursuant to Section 4.15.8 of this Agreement. From the date of the Notice of termination of this Agreement by the Developer to Agency and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties.

7.4 Termination by Agency. If prior to the time established in the Schedule of Performance for the satisfaction of the Agency Conditions Precedent:

7.4.1 Developer (or any successor in interest) assigns this Agreement or any rights therein or in the Site in violation of this Agreement; or

7.4.2 Developer does not fulfill the Agency Conditions Precedent and such failure is not caused by Agency; or

7.4.3 Developer fails to execute (as covenantor or maker) the Agency Regulatory Agreement, the Agency Deed or the Agency Note; or

7.4.4 The Developer fails to perform as outlined within the time specified in the Schedule of Performance, or any mutually agreeable extension thereof.

7.4.5 Developer fails to provide satisfactory evidence of financing to the Agency within the time specified in the Schedule of Performance for the satisfaction of the Agency Conditions Precedent.

7.4.6 Developer does not fulfill one or more of the Conditions Precedent to Closing which is capable of being satisfied by Developer on or before the time set forth in the Schedule of Performance, and such Condition Precedent is not satisfied after notice and an opportunity to cure as provided in Section 7.4.7 below.

7.4.7 Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 7.1 hereof,

then this Agreement and any rights of the Developer or any assignee or transferee with respect to or arising out of the Agreement or the Site, shall, at the option of Agency, be terminated by Agency by Notice thereof to the Developer. From the date of the Notice of termination of this Agreement by Agency to the Developer and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties, except that Agency may pursue any remedies it has hereunder.

7.5 Acceptance of Service of Process. In the event that any legal action is commenced against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or in such other manner as may be provided by law. In the event that any legal action is commenced against the Developer, service of process on the Developer shall be made in such manner as may be provided by law and shall be effective whether served inside or outside of California.

7.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

7.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.8 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

7.9 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of the County or any other public or governmental agency or entity (excepting that acts or failures to act of Agency or County shall not excuse performance by Agency or County). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of Agency and Developer. The Agency Executive Director shall have the authority to approve extensions on behalf of Agency to approve extensions of time not to exceed a cumulative total of one hundred eighty (180) days. The failure of the Developer to obtain financing for the development of the Housing Project shall not constitute grounds for enforced delay hereunder.

7.10 Transfers of Interest in Agreement or of Site. Section 7.11, and all subsections of this Section 7.11, shall apply to Transfers prior to the Conveyance. Any Transfers occurring or proposed after the conveyance of the Site are subject to the provisions therefor of the Agency Regulatory and, if applicable, and the Tax Credit Regulatory Agreement.

7.10.1 Prohibition. The qualifications and identity of the Developer are of particular concern to Agency. It is because of those qualifications and identity that Agency has entered into this Agreement with the Developer. Until the completion of the Improvements, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement, nor shall the Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Site or the Development thereon (excepting the rental of Units in conformity with this Agreement) without prior written approval of Agency, except as expressly set forth herein.

7.10.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, the Agency shall not unreasonably withhold its approval of an assignment of this Agreement or conveyance of the Site, or any part thereof, in connection with any of the following:

(a) Any Transfers to an entity or entities in which the Developer retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities.

(b) The conveyance or dedication of any portion of the Site to the County or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Development.

In the event of a proposed assignment by Developer under subparagraph 7.11.2, Developer agrees that at least thirty (30) days prior to such assignment it shall give written notice to Agency including a request for approval of such assignment and satisfactory evidence that the assignee has assumed jointly with Developer the Obligations of this Agreement. In addition, no consent of the Agency shall be required in connection with the transfer of the Site that occurs by foreclosure or deed in lieu of foreclosure of any Permitted Senior Lien to respective holder thereof or to their nominees or assignees exclusive of the Developer.

7.10.3 [Intentionally Omitted]

7.10.4 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon the Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

7.10.5 Assignment by Agency. Agency may assign or transfer any of its rights or obligations under this Agreement with the approval of the Developer, which approval shall not be unreasonably withheld; provided, however, that Agency may assign or transfer any of its interests hereunder to the County at any time without the consent of the Developer.

7.11 Non-Liability of Officials and Employees of Agency. No member, official, officer or employee of Agency or the County shall be personally liable to the Developer, or any successor in interest, in the event of any Default or breach by Agency (or the County) or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

7.12 Relationship Between Agency and Developer. It is hereby acknowledged that the relationship among the Agency and Developer is not that of a partnership or joint venture and that Agency and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, neither the Agency nor the County shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Development.

7.13 Agency Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Agency, the Executive Director is authorized to act on behalf of the Agency except to increase the Agency Loan amount or unless specifically provided otherwise or the law otherwise requires.

7.14 Real Estate Brokers. Agency and Developer each represent and warrant to each other that no broker or finder is entitled to any commission or finder's fee in connection with this

transaction and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

7.15 Attorneys' Fees. In any action among the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

8. MISCELLANEOUS

8.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of Agency to Developer, or any other claim by Developer against Agency, in connection with the Site or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

8.2 Notices. All notices, demands, approvals and other communications provided for in the Project Documents shall be in writing and be delivered to the appropriate party at its address as follows:

If to Developer: Operation Safe House, Inc.
 9685 Hayes Street
 Riverside, CA 92503
 Attention: Kathy McAdara, Executive Director

If to Agency: Redevelopment Agency for the County of Riverside
 3403 10th Street, Suite 500
 Riverside, CA 92501
 Attn: Emilio Ramirez, Director of Housing

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. Notice may be given by legal counsel for a party with the same effect as if the notice had been given by the party.

8.3 Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the Closing and the sale of the Required Affordable Units and have been or will be relied on by Agency notwithstanding any investigation made by Agency.

8.4 No Third Parties Benefited Except for County; AB 987. This Agreement is made for the purpose of setting forth rights and obligations of Developer and Agency, and no other person (except for the County) shall have any rights hereunder or by reason hereof. Except for the County, which shall be deemed to be a third party beneficiary of this Agreement (including without limitation

the Attachments hereto), there shall be no third party beneficiaries of this Agreement. Developer acknowledges that pursuant to AB 987 and the amendments to Health and Safety Code Section 33334.3 made effective as of January 1, 2008 by that bill, violations of the covenants, conditions and restrictions relating to affordable housing contained in the Agency Regulatory Agreement may now be enforceable not only by the Agency and the County, but also by each of the persons and/or entities listed in Section 33334.3(f)(7) of the Health and Safety Code, specifically (1) residents of affordable units subject to covenants recorded pursuant to Health and Safety Code Section 33334.3(f)(1) (each, a "Covenanted Unit"), (2) the most recent former residents of such a Covenanted Unit, (3) applicants that are Lower Income Households or Very Low Income Households that are denied occupancy of such a Covenanted Unit, and (4) persons that are Lower Income Households or Very Low Income Households and who are on a waiting list for occupancy of such a Covenanted Unit. Nothing in this Section 8.4 or this Agreement (including the Attachments hereto) is intended to provide an enforcement right to any person or entity not specifically made an intended third party beneficiary of this Agreement; any such third party shall be limited in their right to enforce affordability restrictions to the extent provided by Health and Safety Code Section 33334.3(f).

8.5 Inspection of Books and Records. The Developer shall maintain at a location in or near Riverside County complete, accurate, and current records pertaining to the Site and the Housing Project for a period of five (5) years after the creation of such records (and continuing until the fifth anniversary of the last day of the Required Covenant Period), and shall permit any duly authorized representative of the Agency or the County to inspect and copy records, during regular business hours. Records must be kept accurate and current.

8.6 Approvals. Approvals required of the Agency or the Developer shall not be unreasonably withheld or delayed.

8.7 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Developer and Agency and their respective successors and assigns. Developer shall not assign any of its rights or obligations under any Project Document without the prior written consent of the Agency, which consent may be withheld in the Agency's sole and absolute discretion. Any such assignment without such consent shall, at Agency's option, be void. In connection with the foregoing consent requirement, Developer acknowledges that Agency relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the use of the Required Affordable Units in conformity with this Agreement.

8.8 Counterparts. Any Project Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.9 Prior Agreements; Amendments; Consents. This Agreement (together with the other Project Documents) contains the entire agreement between Agency and Developer with respect to the Site, and all prior negotiations, understandings and agreements with respect to such matters are superseded by this Agreement and such other Project Documents. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and the Developer, and all amendments hereto must be in writing by the appropriate authorities of the Agency and the Developer.

8.10 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside or the United States District Court of the Central District of California, as Agency may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or in rem jurisdiction or venue.

8.11 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

8.12 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the Project Documents.

8.13 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Project Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.14 Time of the Essence. Time is of the essence of all of the Project Documents.

8.15 Conflict of Interest. No member, official or employee of Agency shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.16 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

END OF AGREEMENT

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Agency and the Developer have executed this Agreement as of the date first above written.

AGENCY
Redevelopment Agency for the
County of Riverside

DEVELOPER
Operation Safe House, Inc.
a California nonprofit public benefit corporation

By: _____
MARION ASHLEY
Chairman, Board of Directors

By: _____
Kathy McAdara, Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By:  _____
Deputy, Michelle Clack 3/11/10

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

ATTACHMENT NO. 1

SITE MAP



ATTACHMENT NO. 2

LEGAL DESCRIPTION OF THE SITE

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE SOUTH 89 DEG. 40' 40" WEST, ALONG THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18, A DISTANCE OF 297.40 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE CONVEYED;
THENCE SOUTH 00 DEG. 01' 30" WEST, A DISTANCE OF 208.70 FEET;
THENCE SOUTH 89 DEG. 40' 40" WEST, A DISTANCE OF 100.00 FEET TO A POINT ON THE EASTERLY LINE OF LOT 41, WELCOME HOMESTEAD TRACT AS SHOWN BY MAP ON FILE IN BOOK 31, PAGE 41 OF MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;
THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

The Agency may extend by not more than sixty (60) days the time under this Schedule of Performance by which any obligation of Developer shall be performed.

1. Submission to Planning Department. On or before September 30, 2010.
Developer makes complete submittal of plans to County Planning Department.
2. Planning Commission. Planning On or before August 31, 2011.
Commission approves plans in accordance customary with County practices and conditions.
3. County Approves Entitlements. County On or before September 30, 2011.
gives final approval to entitlements.
4. Plan Check Approval. Developer obtains On or before December 31, 2011.
completed plan check by County.
5. Financing Complete. Developer provides On or before January 31, 2012.
evidence to the Agency that Developer has secured financing commitments sufficient to undertake and complete development of the Housing Project.
6. Satisfaction of Agency Conditions Precedent. Developer shall satisfy the Not later than July 31, 2012.
Agency Conditions Precedent and obtain building permits.
7. Closing. The Conveyance is effected (by Within thirty (30) days after the satisfaction of
the Agency Deed, to be evidenced and the Agency Conditions Precedent.
made of public record by the recording of the Agency Deed.
8. Commencement of Construction. The Not later than September 1, 2012.
Developer shall have commenced construction of the Improvements.
9. Completion of Construction. Developer On or before December 21, 2013.
shall complete construction of the Improvements.

10. Units Offered for Rent. Developer causes the Units to be offered for rent.

Within one hundred (100) days after the earlier of (i) completion of construction or (ii) the time established for completion of construction in this Schedule of Performance.

ATTACHMENT NO. 4

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: Redevelopment Agency for the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attention: Assistant Director of Housing

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Operation Safe House, Inc., a California nonprofit public benefit corporation (the "Developer"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of the Disposition and Development/Affordable Housing Agreement (the "AHA") by and between the Agency and the Developer dated as of _____, 2010, including without limitation the Agency Regulatory Agreement and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Site: (i) Units that are currently occupied by Very Low Income Households (or Lower Income Households, to the extent provided in the Agency Regulatory Agreement) at Affordable Rent (based upon Health and Safety Code sections 50052.5 and 50053); or (ii) Units that are currently vacant and being held available for occupancy by a Very Low Income Household and have been so held continuously since the date a Very Low Income Household vacated such unit (while the AHA does not specifically provide for occupancy by households having incomes above Lower Income, all Units are to be reported on):

Units Occupied at an Affordable Rent by:

- i. Very Low Income Households (50%) _____ # of Units, Nos.:
- ii. Lower Income Households (60%) _____ # of Units, Nos.:

Units Vacant:

a. Held for occupancy by:

- i. Very Low Income Households (50%) _____ # of Units, Nos.:
- ii. Lower Income Households (60%) _____ # of Units, Nos.:

b. Last occupied by:

- i. Very Low Income Households (50%) _____ # of Units, Nos.:
- ii. Lower Income Households (60%) _____ # of Units, Nos.:

3. At no time since the date of filing of the last Certification of Continuing Program Compliance: (i) have less than one hundred percent (100%) of the Units been occupied by, or been last occupied, or have been available for occupancy by Very Low Income Households (50%) at an Affordable Rent, and (ii) have less than one hundred percent (100%) of the Additional Units been occupied by, or have been available for occupancy by Very Low Income Households (50%).

4. The Developer is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the Agency Regulatory Agreement).

OPERATION SAFE HOUSE, INC.,
a California nonprofit public benefit Corporation

By: _____
Name: Kathy McAdara
Title: Executive Director

(DEVELOPER)

ATTACHMENT NO. 5

AGENCY REGULATORY AGREEMENT

NO FEE RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Redevelopment Agency for
the County of Riverside
3403 10th, Suite 500
Riverside, California 92507
Attn: Executive Director

(Space above for Recorder's Use.)

REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Regulatory Agreement" are made by the signatories hereto.

RECITALS

WHEREAS, each of the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic ("Agency"), and **OPERATION SAFE HOUSE, INC.**, a California nonprofit public benefit corporation ("Developer") is a party to this Declaration. The Agency, and the Developer are sometimes collectively referred to herein as the "Declarants."

WHEREAS, the Agency and the Developer have entered into that certain Disposition and Development/Affordable Housing Agreement dated as of _____, 2010 (the "AHA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are an encumbrance) as the "Site", which AHA provides for the recordation of this Regulatory Agreement. The AHA is incorporated herein by this reference and any capitalized term not defined herein shall have the meaning established therefor in the AHA. The County is a third party beneficiary of the AHA.

WHEREAS, this Regulatory Agreement establishes a plan for the improvement, development and maintenance of the Site, for the benefit of the Project Area, as well as the rest of the County.

WHEREAS, it is contemplated under the AHA that, as of the recordation of this Regulatory Agreement, the Agency will convey to the Developer under a form of deed provided for in the AHA (and therein defined as the "Agency Deed") the "Site", which is that certain property described in the legal description attached hereto as "Exhibit A" and incorporated herein by this reference.

WHEREAS, the AHA sets forth certain restrictive covenants applicable to the Site, particularly the use of the Site for the provision of rental housing units available to Very Low Income Households at Affordable Rents as those terms are defined therein.

WHEREAS, Agency, County, and Developer wish to adopt this Regulatory Agreement to further govern the use of the Site in conjunction and along with the AHA and to ensure that the Agency achieves credit for production of affordable housing units pursuant to Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, each of the Agency and the Developer (as owner of real property interests described hereinabove) declare that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the Covenants, Conditions and Restrictions hereinafter set forth expressly and exclusively for the use and benefit of said property, and the Agency. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with the land and be recorded on the property title and shall be binding on Declarant, its grantees, successors, heirs, executors, administrators, devisees or assigns, and all subsequent owners of all or any part of the Site.

ARTICLE I **DEFINITIONS**

The definitions provided herein shall be applicable to this Declaration and also to any amendment or supplemental Declaration (unless the context implicitly or explicitly shall prohibit), recorded against the Site pursuant to the provision of this Declaration.

Section 1. “Affordable Housing Project” means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. “Affordable Rent” has the meaning set forth in Health and Safety Code Section 50053. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the unit. “Household size appropriate to the unit,” as used herein, means two persons for each one-bedroom unit (if any), and three persons for each two bedroom unit. The maximum monthly rental amount of the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Riverside-San Bernardino Primary Metropolitan Statistical Area median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

Section 3. “Agency” means the Redevelopment Agency for the County of Riverside and its successors in interest.

Section 4. “Approved Housing Project” means all improvements as provided to be developed by Developer under the AHA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the AHA.

Section 5. “Area” means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 6. “Calculation of Affordable Rents” means the worksheet substantially in the form of Attachment No. 7 to the AHA.

Section 7. “Certificate” or “Certification” is defined in Section 3(a).

Section 8. “County” means and refers to the County of Riverside, a political subdivision of the State of California.

Section 9. “County Ordinances” means and refers to the County of Riverside County Ordinances as revised from time to time.

Section 10. “Common Areas” means all areas on the Site that are open or accessible to all tenants of the Site (such as grounds, but excluding buildings).

Section 11. “Gross Income” means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Urban Development (“HUD”) Regulations (24 C.F.R. § 813) in effect as of the Date of Agreement.

Section 12. “Housing Project” means sixteen (16) supportive housing unit residential rental development to be constructed on the Site under the AHA.

Section 13. Lower Income Household means a household earning not greater than sixty percent (60%) of median income for the Area as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50079.5.

Section 14. “Median Income for the Area” means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

Section 15. “Prescribed Rent Levels” means rent that is Affordable Rent as follows: (a) for Very Low Income Households for the following units, as indicated by number of bedrooms: (i) sixteen (16) affordable housing units including one managers unit. Rent is not required to be Affordable Rent as to one manager’s unit.

Section 16. “Regulatory Agreement” means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as these “CC&Rs” or this “Declaration”.

Section 17. “Required Affordable Unit” means a dwelling unit in the Housing Project, as constructed under the AHA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Very Low Income Households or Lower Income Households and rented at Affordable Rent conforming to the Prescribed Rent Levels.

Section 18. “Required Covenant Period” means a period of fifty-five (55) years commencing as of the issuance of a final certificate of occupancy for all of the Units and continuing until the fifty-sixth (56th) anniversary thereof.

Section 19. “Household” means a qualified low income household, as defined by California Health and Safety Code Section 50079.5 and 50105.

Section 20. “Site” means all of the real property and appurtenances as described above, including all structures and other improvements thereon, and those hereafter constructed.

Section 21. “Tax Credit Regulatory Agreement” means a reasonable agreement to be prepared or approved by counsel designated by Agency, in the event Tax Credits are made available for the Housing Project, setting forth certain covenants as to the Site.

Section 22. “Unit” means a dwelling unit on the Housing Project.

Section 23. “Very Low Income Households” means Very Low Income Households whose Adjusted Income does not exceed fifty percent (50%) of Median Income for the Area as determined by the United States Department of Housing and Urban Development from time to time and as set forth in Health and Safety Code Section 50105.

Section 24. “Year” means a calendar year.

ARTICLE II

LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. The Developer shall develop the Approved Housing Project on the Site in conformity with the AHA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the AHA, the Tax Credit Regulatory Agreement and this Regulatory Agreement for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to the AHA, shall conform to all applicable provisions of the County Ordinances and the County Approvals.

The Site shall be used, maintained and operated in accordance with the AHA. None of the units in the Housing Project shall at any time be utilized on a transient basis nor shall the Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Site, from the date the Developer acquired its interest in the Site, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

Developer agrees to reserve one hundred percent (100%) of the total rental units, or 15 units, for Very Low Income households. Such units (“Assisted Units”) shall be limited to Very Low-Income households that do not exceed fifty percent (50%) area median income for the County, adjusted by family size at the time occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105.

Section 2. Affordable Housing.

Number of Units. Throughout the Required Covenant Period, not less than fifteen (15) supportive housing units shall be rented to and occupied by Very Low Income Households. Required Affordable Units shall be continuously occupied by or held available for occupancy by Very Low Income Households at Affordable Rent. All Affordable Units shall be rented at Affordable Rent. For this purpose, a tenant who qualifies as a Very Low Income Household at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual’s or family’s income in accordance with Section 3 below

demonstrates that such individual or family no longer qualifies as a Very Low Income Household. Moreover, a unit previously occupied by a Very Low Income Household, and then vacated shall be considered occupied by such Very Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

At such time as a tenant ceases to qualify as a Very Low Income Household, the unit occupied by such tenant shall cease to be a Very Low Income Unit. The Developer shall replace each such Very Low Income Unit by designating the next available unit and any necessary units thereafter as a Very Low Income Unit. For purposes of this Agreement, such designated unit will be considered a Very Low Income Unit if it is held vacant and available for occupancy by a Very Low Income Household, and, upon occupancy, the income eligibility of the tenant as a Very Low Income Household is verified and the unit is rented at Affordable Rent. All units except the one manager's unit are Very Low Income units.

In the event a household's income initially complies with the corresponding income restriction for a Very Low Income Household but the income of such household increases, such increase shall not be deemed to result in a violation of the restrictions of this Regulatory Agreement concerning limitations upon income of occupants, provided that the occupancy by such household is for a reasonable time of not to exceed one year (measured from the time the income of the household ceases to qualify at the designated affordability level). The Developer shall include in its rental agreements provisions which implement this requirement and limitation, and the Developer shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Very Low Income Households at Affordable Rent throughout the Required Covenant Period. All tenants residing in the Affordable Units during the last two (2) years of the Required Covenant Period shall be given notice by the Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on the Affordable Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to the Agency that the proposed tenants of each of the Required Affordable Units constitutes a Very Low Income Household.

Prior to the rental or lease of an Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Declaration, the Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are a Very Low Income and meet(s) the eligibility requirements established for the Required Affordable Unit. The Developer shall verify the income of the tenant(s).

The Developer shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. The Developer shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

Determination of Affordable Rent for the Affordable Units. The Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the AHA, Affordable Rent is

calculated in accordance with the Calculation of Affordable Rent. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted pursuant to the Calculation of Affordable Rent.

THE DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA, THIS REGULATORY AGREEMENT IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income Verification and Certification. The Developer will obtain and maintain on file an Income Verification from each tenant, dated immediately prior to the initial occupancy of such tenant in the Housing Project.

On March 31st commencing the year in which the Certificate of Completion is issued and annually thereafter each March during the Required Covenant Period, the Developer shall file with the Agency or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form prescribed by the Agency. Each Certificate shall cover the immediately preceding fiscal year.

Reporting Amounts. Agency is required by Section 33418 of the California Health and Safety Code to require Developer to monitor the Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. The Agency relies upon the information contained in such reports to satisfy its own reporting requirements pursuant to Sections 33080 and 33080.1 of the California Health and Safety Code. In the event the Developer fails to submit to the Agency or its designee the Certification as required by this Section 3, the Developer shall be in noncompliance with this Regulatory Agreement. In the event the Developer remains in noncompliance for thirty (30) days following receipt of written notice from the Agency of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then the Developer shall, without further notice or opportunity to cure, pay to the Agency Two Hundred Fifty Dollars (\$250.00) per Required Affordable Unit for each year Developer fails to submit a Certificate covering each and every housing unit on the Site.

Section 4. Nondiscrimination. The Developer shall refrain from restricting the rental, sale or lease of the Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. Agency and Developer acknowledge supportive housing sometimes has unique requirements. For instance, housing for homeless youth may offer services exclusively to persons 24 years of age or younger pursuant to Section 11139.3 of the Government Code, on the basis of age. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any

person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

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

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(3) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Declaration and the deeds of conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, the County and any successor in interest to the Site, together with any property acquired by the Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 1 of Article II shall remain in effect in perpetuity.

Section 5. Parking of Vehicles. The Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Except for Developer’s vehicles used in connection with the operation of the Project or the provision of social services to residents of the Project, the Developer shall not permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle over twenty (20) feet in length (camper unit, motor home, trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length, or any vehicle other than a private passenger vehicle, upon any portion of the Common Areas, including parking spaces. For purposes of this section, a pickup truck with a pickup bed mounted camper shall be considered a private passenger vehicle; provided however, that no such vehicle shall be used for residential purposes while parked on the premises.

The Developer shall not permit major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle to be conducted upon any portion of the Common Area, including the parking areas, except for emergency repairs thereto and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No inoperable vehicle shall be stored or kept in the Common Area. The Developer shall give the vehicle owner not less than four (4) days, nor more than seven (7) days notice and an opportunity to remove any vehicle parked, stored or kept in violation of the provisions of this Declaration. Notice shall consist minimally of a reasonably diligent attempt to personally notify the vehicle owner or alternatively leaving written notice on the subject vehicle. After due notice and opportunity have been given to the vehicle owner, the Developer shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Declaration.

Section 6. Maximum Occupancies. No persons shall be permitted to occupy any unit within the Housing Project in excess of applicable limit of maximum occupancy set by County Ordinances and the laws of the State of California.

Section 7. Signs Required. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by the Developer.

Section 8. Structural Change. Nothing shall be done on the Site in, on or to any building which would structurally change the exterior or the interior bearing walls of any such building or structure, except as otherwise provided herein. Nothing herein shall affect the rights of the Developer to repair, alter or construct improvements on the buildings on the Site unless such repair, alteration or improvement would impair the structural integrity and/or exterior appearance of said buildings. Nothing herein shall be deemed to prohibit work ordered to be performed by the County building official.

Section 9. Social Services. At all times any Units are occupied, continuing throughout the Required Covenant Period, Developer shall provide, or cause to be provided, activities and programs appropriate to the needs of the residents of the Housing Project, with the selection of such activities and programs to be determined by Developer in collaboration with the residents of the Housing Project. The specific types of social services to be provided shall be submitted to and approved by the Agency, and may be revised with the prior approval of the Agency, which approval shall not be unreasonably withheld.

Section 10. Compliance with Laws. The Developer shall comply with all applicable laws in connection with the development and use of the Site, including without limitation the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.*, and 24 C.F.R. § 100.300, *et seq.*). The Developer is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Developer is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Housing Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

ARTICLE III
DUTIES OF DEVELOPER: SPECIFIC MAINTENANCE RESPONSIBILITIES

Section 1. Maintenance; General. The Developer shall maintain the Housing Project or cause it to be maintained in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class apartment units within the County. If at any time Developer fails to maintain the Housing Project in accordance with this Regulatory Agreement and such condition is not corrected within five (5) days after written notice from the Agency with respect to graffiti, debris, and waste material, or thirty days after written notice from the Agency with respect to general maintenance, landscaping and building improvements, then the Agency, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Housing Project and perform all acts and work necessary to protect, maintain, and preserve the Housing Project, and to attach a lien upon the Housing Project, or to assess the Housing Project, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Agency and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Developer to the Agency upon demand.

Section 2 Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

Section 3. Front and Side Exteriors. The Developer shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. The Developer shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

Section 4. Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) one hundred twenty (120) hours of their creation or (ii) one hundred twenty (120) hours after notice to Developer.

Section 5. Driveways. All driveways must be paved and maintained with impervious material in accordance with the County Ordinances. In addition, all water must be made to drain freely to the public drainage facilities without any pooling.

Section 6. Exterior Illumination. The Developer shall at all times maintain adequate lighting in all entrance ways, garages and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

Section 7. Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

Section 8. Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of the County and appropriate County departments if any as required by the County Ordinances.

ARTICLE IV
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. The Developer shall, at its sole cost and expense, maintain and repair the Site and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with the United States Department of Housing and Urban Development ("HUD") Housing Quality Standards ("HQS"), and in good condition and making all repairs as they may be required by these CC&Rs and by all applicable County Ordinances and Uniform Code provisions. The Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Housing Project or any portion thereof, and said condition is not corrected after the expiration of forty-five (45) days from the date of written notice from the Agency, either the Agency or the County may perform the necessary maintenance and Developer shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from the Agency or the County.

Section 2. Damage and Destruction Affecting Project - Developer's Duty to Rebuild. If all or any portion of the Site and the improvements thereon is damaged or destroyed by fire or other casualty for which insurance proceeds are available as a result of such casualty, it shall be the duty of the Developer to rebuild, repair or reconstruct said portion of the Site and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Developer shall keep the construction on the Site insured by carriers at all times satisfactory to Agency against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount of the full replacement cost of the constructions. In the event of loss, Developer shall give prompt notice to the insurance carrier and to the Agency.

If the Site is abandoned by the Developer, or if Developer fails to respond to Agency within thirty (30) days from the date notice is mailed by Agency to Developer that the insurance carrier offers to settle a claim for insurance benefits, subject to any claims thereto by a senior lienholder, the Agency is authorized to collect and apply the insurance proceeds at Agency's option either to restoration or repair of the Site.

Section 3. Variance in Exterior Appearance and Design. In the event the Housing Project sustains substantial physical damage due to a casualty event, the Developer may apply to the County of Riverside for approval to reconstruct, rebuild or repair in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Time Limitation. Upon damage to the Site or the Housing Project or other improvements which Developer is obligated to repair pursuant to Section 2 above, the Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond their reasonable control, in which event reconstruction shall be commenced at the earliest feasible time.

ARTICLE V **ENFORCEMENT**

Section 1. Remedies. Breach of the covenants contained in the Declaration may be enjoined, abated or remedied by appropriate legal proceeding by the Agency or County.

This Declaration does not in any way infringe on the right or duties of the County of Riverside to enforce any of the provisions of the County Ordinances including, but not limited to, the abatement of dangerous buildings.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the County's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, the County shall have the right through its agents and employees, to enter upon any part of the project area for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of the County, and for maintenance and/or repair of any or all publicly owned utilities. In addition, the County has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on the Site to effect emergency repairs or maintenance which the Developer was obligated to but has failed to perform. Subsequent to sixty (60) days written notice to the Developer specifically outlining the Developer's noncompliance, the County shall have the right of entry on the Site at reasonable hours to enforce compliance with this Declaration which the Developer has failed to perform.

Section 4. Costs of Repair. The costs borne by the County or Agency of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. The County or Agency may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, neither the Agency nor the County will be subject to any liability for failure to affirmatively enforce any provision of this Declaration.

ARTICLE VI **GENERAL PROVISIONS**

Section 1. Covenant Against Partition. By acceptance of its interest in the Site, the Developer shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and

interest in the interest being conveyed to the Developer, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Declaration shall run with and bind the interest of the Developer in the Site, and shall inure to the owner(s) of any property subject to this Declaration, his legal representatives, heirs, successors and assigns, and as provided in Article VI, Sections 2 and 3, be enforceable by the County, for a term equal to the Required Covenant Period as defined in the AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Declaration shall remain in effect for perpetuity.

Section 4. Nonrecourse. Liabilities of the Developer to make payments hereunder shall be nonrecourse.

Section 5. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Very Low Income Households and Lower Income Households. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

The Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the provisions of the Agency Deed, and the Tax Credit Regulatory Agreement. In the event of conflict, the Developer shall comply with the most stringent requirements, in each case.

Section 6. Enforced Delay; Extension of Times of Performance. Performance hereunder shall not be deemed to be in default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of the County or any other public or governmental agency or entity. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other parties, the Agency and the County, within thirty (30) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of the Agency, the County and the Developer to be given or withheld at the sole discretion of each respective party. The failure of the Developer to obtain financing for development or repairs shall not constitute grounds for enforced delay hereunder.

Section 7 Amendments. This Declaration may be amended only by the written agreement of the Developer, the Agency and the County.

Section 8 Encroachments. None of the rights and obligations of the Developer created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be

created in favor of Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 9. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to the Agency shall be made by certified mail to the Executive Director or his designee at 1325 Spruce Street, Suite 400, Riverside, California 92507, and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Operation Safe House, Inc., a California nonprofit public corporation, 9685 Hayes, Riverside, California 92503, Attention: Executive Director, and shall be effective upon receipt. Such address may be changed from time to time by notice in writing.

END OF AGREEMENT

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Agency and the Developer have executed this Agreement as of the date first above written.

AGENCY
Redevelopment Agency for the
County of Riverside

DEVELOPER
Operation Safe House, Inc.
a California nonprofit public benefit corporation

By: _____
MARION ASHLEY
Chairman, Board of Directors

By: _____
Kathy McAdara, Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By: 
Deputy, Michelle Clack 3/11/10

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

EXHIBIT "A" TO ATTACHMENT NO. 5

LEGAL DESCRIPTION

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE SOUTH 89 DEG. 40' 40" WEST, ALONG THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18, A DISTANCE OF 297.40 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE CONVEYED;
THENCE SOUTH 00 DEG. 01' 30" WEST, A DISTANCE OF 208.70 FEET;
THENCE SOUTH 89 DEG. 40' 40" WEST, A DISTANCE OF 100.00 FEET TO A POINT ON THE EASTERLY LINE OF LOT 41, WELCOME HOMESTEAD TRACT AS SHOWN BY MAP ON FILE IN BOOK 31, PAGE 41 OF MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;
THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

ATTACHMENT NO. 6

AGENCY DEED

NO FEE FOR RECORDING PURSUANT)
TO GOVERNMENT CODE SECTION 6103)
))
RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
))
Redevelopment Agency for)
the County of Riverside)
3403 10th Street, Suite 500)
Riverside, California 92501)
Attention: Executive Director)
_____)

Documentary Transfer Tax: \$ _____
Based on Full Value of Real Property Conveyed

This document is exempt from payment of a recording fee pursuant to government Code Section 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Agency"), effective as of _____, 2010, hereby grants to **OPERATION SAFE HOUSE, INC.**, a California nonprofit public benefit corporation ("Developer"), the real property described in Exhibit A attached hereto and incorporated herein (the "Property"), subject to existing easements, restrictions and covenants of record, the provisions set forth in Sections 1 and 2 hereof and the requirements of the Disposition and Development/Affordable Housing Agreement (the "AHA") between the parties, dated as of _____, 2010. All capitalized terms not defined herein shall have the respective meanings established therefor in the AHA.

1. Agency Right of Reentry. The Agency has the right, at its election, to reenter and take possession of the Site, with all improvements thereon, and terminate and revest in the Agency the estate conveyed to the Developer if after the Closing and before the issuance of the Certificate of Completion, the Developer (or its successors in interest) shall:

(a) fail to start the construction of the Improvements as required by the AHA for a period of ninety (90) days after written notice thereof from the Agency; or

(b) abandon or substantially suspend construction of the Improvements required by the AHA for a period of ninety (90) days after written notice thereof from the Agency; or

(c) contrary to the provisions of Section 6.3 of the AHA transfer or suffer any involuntary Transfer in violation of the AHA, and such Transfer has not been approved by the Agency or rescinded within thirty (30) days of notice thereof from Agency to Developer.

Such right to reenter, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit:

1. Any mortgage or deed of trust permitted by the AHA; or
2. Any rights or interests provided in the AHA for the protection of the holders of such mortgages or deeds of trust.

Upon the revesting in the Agency of title to the Site as provided in this Section 1, the Agency shall, pursuant to its responsibilities under state law, use its reasonable efforts to resell the Site as soon and in such manner as the Agency shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan, as it exists or may be amended, to a qualified and responsible party or parties (as determined by the Agency) who will assume the obligation of making or completing the Improvements, or such improvements in their stead as shall be satisfactory to the Agency and in accordance with the uses specified for such Site or part thereof in the Redevelopment Plan. Upon such resale of the Site, the net proceeds thereof after repayment of any mortgage or deed of trust encumbering the Site which is permitted by this Agreement, shall be applied:

i. First, to reimburse the Agency, on its own behalf or on behalf of the County, all costs and expenses incurred by the Agency, excluding County and Agency staff costs, but specifically, including, without limitation, any expenditures by the Agency or the County in connection with the recapture, management and resale of the Site or part thereof (but less any income derived by the Agency from the Site or part thereof in connection with such management); all taxes, assessments and water or sewer charges with respect to the Site or part thereof which the Developer has not paid (or, in the event that Site is exempt from taxation or assessment of such charges during the period of ownership thereof by the Agency, an amount, if paid, equal to such taxes, assessments, or charges as would have been payable if the Site were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Site or part thereof at the time or revesting of title thereto in the Agency, or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Site, or part thereof; and any amounts otherwise owing the Agency, and in the event additional proceeds are thereafter available, then

ii. Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the sum of (a) the costs incurred for the acquisition and development of the Site and for the improvements existing on the Site at the time of the reentry and possession, less (b) any gains or income withdrawn or made by the Developer from the Site or the improvements thereon.

Any balance remaining after such reimbursements shall be retained by the Agency as its property. The rights established in this Section 1 are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity. These rights are to be interpreted in light of the fact that the

Agency will have conveyed the Site to the Developer for redevelopment purposes, particularly for development of an affordable senior housing project, and not for speculation in undeveloped land.

3. Upon issuance by the Agency of the Certificate of Completion, Sections 1 and 2 hereof shall cease to be of further force and effect.

IN WITNESS WHEREOF, the Agency and the Developer have executed this Agreement as of the date first above written.

AGENCY
Redevelopment Agency for the
County of Riverside

ACKNOWLEDGMENT BY GRANTEE
Operation Safe House, Inc.
a California nonprofit public benefit corporation

By: _____
MARION ASHLEY
Chairman, Board of Directors

By: _____
Kathy McAdara, Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By: 
Deputy, Michelle Clack 3/11/10

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

EXHIBIT "A" TO ATTACHMENT NO. 6

LEGAL DESCRIPTION OF PROPERTY

That real property located in the State of California, County of Riverside, and described as follows:

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

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THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)
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 of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)
Number of Pages ____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, is/~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

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.

(Notary Seal)

Signature of Notary Public

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

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- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

ATTACHMENT NO. 7

CALCULATION OF AFFORDABLE RENT

**Riverside County
Affordable Rent Worksheet**

(2009 Income Figures)¹

1. Income Eligibility¹

The first step in determining eligibility for an affordable housing program is determining whether the family which will be purchasing or renting the housing unit meets the following income standards applicable to **Riverside County**, based upon the size of the family:

<i>Income Level</i>	<i>1 person household</i>	<i>2 person household</i>	<i>3 person household</i>	<i>4 person household</i>	<i>5 person household</i>	<i>6 person household</i>	<i>7 person household</i>	<i>8 person household</i>
<i>Extremely Low</i>	\$14,000	\$16,000	\$18,000	\$20,000	\$21,600	\$23,200	\$24,800	\$26,400
<i>Very Low</i>	\$23,300	\$26,650	\$29,950	\$33,300	\$35,950	\$38,650	\$41,300	\$43,950
<i>Lower</i>	\$37,300	\$42,650	\$47,950	\$53,300	\$57,550	\$61,850	\$66,100	\$70,350

2. Determining Affordable Rent

For **rental housing**, the second step in determining compliance with affordable housing requirements is determining whether the total rent costs payable by the tenant are within allowable amounts.

¹ Based on currently effective median income of San Bernardino and Riverside Counties, as set forth in 25 Cal. Code Regs. Section 6932, operative as of March 19, 2009. These median income numbers are revised annually and allowable rents adjust accordingly.

For Very Low Income Households:²

- renting a **0 bedroom** unit, monthly rent may not exceed \$ **582**
- renting a **1 bedroom** unit, monthly rent may not exceed \$ **624**
- renting a **2 bedroom** unit, monthly rent may not exceed \$ **748**
- renting a **3 bedroom** unit, monthly rent may not exceed \$ **865**
- renting a **4 bedroom** unit, monthly rent may not exceed \$ **966**

For purposes of determining Affordable Rent, “Rent” is an average of estimated housing costs for the next twelve months. **“Rent”** includes the total of monthly payments for all of the following:³

- Use and occupancy of a housing unit and land and facilities associated therewith.
- Any separately charged fees or service charges assessed by the lessor which are required of all tenants, other than security deposits.
- A reasonable allowance for utilities not included in the above costs, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuels. Utilities does not include telephone service. Such an allowance shall take into consideration the cost of an adequate level of service.
- Possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the lessor.

² Affordable Rent for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(2). All income standards set forth in this Attachment No. 7 are subject to annual adjustment.

³ 25 California Code of Regulations Section 6918.

ATTACHMENT NO. 8

REQUEST FOR NOTICE OF DEFAULT

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Redevelopment Agency for
the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Request for Notice Under Section 2924b Civil Code

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, 200____, in Book _____, Page _____, Official Records of Riverside County, California, and describing land therein as

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, at 1325 Spruce Street, Suite 400, Riverside, California 92507, Attention: Executive Director.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A REQUEST MUST BE RECORDED.

Executive Director

Date: _____

ATTACHMENT NO. 9

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The Site is specifically delineated on the Site Map and the Legal Description of the Site.

II. DEVELOPMENT

The Developer shall construct sixteen (16) housing units on the Site, together with all on-site and off-site features described in this Scope of Development (as presented to the Board of Supervisors of the County on _____), including without limitation landscaping and all off-sites and improvements required under the County approvals for the Development, including zoning, general plan, environmental clearance and all conditions of approval thereunder. All such improvements collectively constitute the "Improvements."

The quality of construction shall be of a high level. The Improvements shall conform to the approved plans on file with the Agency as of the Date of the Agreement as supplemented by the Construction Drawings (the "Approved Plans"), including all conditions and mitigation measures imposed by the County in connection with the development approval process.

The Developer shall commence and complete the Improvements by the respective times established therefor in the Schedule of Performance.

III. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable state laws and regulations and to local zoning, applicable provisions of the County Ordinances of the County of Riverside (the "County Ordinances") and the following development standards:

A. General Requirements:

1. **Vehicular Access.** The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by the County. In the interest of minimizing traffic congestion, the County will control the number and location of curb breaks for access to the Site for off-street parking and truck loading. All access driveways shall require written approval of the County staff.

2. **Building Signs.** Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to County staff approval, and signs must conform to the County Ordinances.

3. **Screening.** All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by the County staff.

4. **Landscaping.** The Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming with the plans as hereafter approved by the County. Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees

to be planted, together with a landscaping plan, shall be subject to the County staff approval prior to planting.

5. Utilities. All utilities on the Site provided to service the units constructed by the Developer shall be underground at Developer's expense.

6. Building Design. Buildings shall be constructed such that the Improvements shall be of high architectural quality, and shall be effectively and aesthetically designed and in conformance with County approvals.

7. Mitigation Measures. Mitigation measures approved for the Development under the California Environmental Quality Act (CEQA).

B. Design Features:

The following design features are considered essential components to the Improvements:

Handicapped Units – An agreed upon number of units are to be fully handicapped accessible in compliance with State Housing Code – Title 24 requirements.

Fencing – The site shall be completely gated around the exterior, but not fully from the existing contiguous Operation Safe House, Inc. campus.

Overall Design Quality, Materials, Colors, Design Features – Quality of design is important, materials and colors are to be approved by County.

Housing Type – Sixteen (16) supportive housing units a manager's unit; unit mix is subject to modification if approved in writing by the Agency.

Mobility/Agency – All facilities shall comply, to the extent feasible, with "New Horizon Accessible, Adaptable Apartments for the Physically Disabled" published by HCD dated July 1989, and shall comply with those portions of Title 24 of the California Code of Regulations that have been adopted by the HCD relating to handicapped units, and the requirements of the federal Department of Housing and Urban Development, Part VI, 24 C.F.R. Ch. 1, Vol. 56, No. 44, as published in the Federal Register March 6, 1991.

IV. DEMOLITION AND SOILS

Except to the extent otherwise expressly provided in the AHA, the Developer assumes all responsibility for surface and subsurface conditions at the Site, and the suitability of the Site for the Improvements. The Developer has undertaken all investigation of the Site as it shall deem necessary and has not received or relied upon any representations of the Agency, the County, or their respective officers, agents and employees.

V. SPECIAL AMENITIES

The Developer shall undertake all improvements required by the County as a condition of development of the Site, as more particularly provided in the County approvals given for the Site.

ATTACHMENT NO. 10

CERTIFICATE OF COMPLETION

NO FEE FOR RECORDING PURSUANT)
TO GOVERNMENT CODE SECTION 6103)
))
RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
))
Redevelopment Agency for the)
County of Riverside)
3403 10th Street, Suite 500)
Riverside, CA 92501)
Attn: Executive Director)
))
APN: _____)

(Space Above for Recorder's Use Only)

CERTIFICATE OF COMPLETION

THIS CERTIFICATE OF COMPLETION (the "Certificate") is made by the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Agency"), in favor of **OPERATION SAFE HOUSE, INC.**, a California nonprofit public benefit corporation (the "Developer"), as of the date set forth below.

RECITALS

A. Agency and the Developer have entered into that certain Disposition and Development/Affordable Housing Agreement (the "AHA") dated _____, 2010 concerning the redevelopment of certain real property situated in the County of Riverside, California, as more fully described in Exhibit "A" attached hereto and made a part hereof (the "Site").

B. As referenced in Section 4.13 of the AHA, Agency is required to furnish the Developer or its successors with a Certificate of Completion upon completion of construction of the "Improvements" (as defined in Section 1.1 of the AHA), which Certificate is required to be in such form as to permit it to be recorded in the Recorder's Office of Riverside County. This Certificate is conclusive determination of satisfactory completion of the construction and development required by the AHA.

C. Agency has conclusively determined that the construction and development of the Development has been satisfactorily completed.

NOW, THEREFORE, Agency hereby certifies as follows:

1. Agency does hereby certify that the Improvements to be constructed by the Developer has been fully and satisfactorily completed in full conformance with the AHA.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Site, or any part thereof.

3. This Certificate shall not constitute evidence of Developer's compliance with those covenants in the AHA that survive the issuance of this Certificate.

4. This Certificate is not a Notice of Completion as referred to in California Civil Code Section 3093.

5. Nothing contained in this instrument shall modify in any other way any other provisions of the AHA (including without limitation the attachments thereto).

IN WITNESS WHEREOF, Agency has executed this Certificate of Completion this ____ day of _____, 2010.

**REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**, a public body,
corporate and politic

By: _____
Executive Director

EXHIBIT "A" TO ATTACHMENT NO. 10

LEGAL DESCRIPTION

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

THENCE SOUTH 89 DEG. 40' 40" WEST, ALONG THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18, A DISTANCE OF 297.40 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE CONVEYED;

THENCE SOUTH 00 DEG. 01' 30" WEST, A DISTANCE OF 208.70 FEET;

THENCE SOUTH 89 DEG. 40' 40" WEST, A DISTANCE OF 100.00 FEET TO A POINT ON THE EASTERLY LINE OF LOT 41, WELCOME HOMESTEAD TRACT AS SHOWN BY MAP ON FILE IN BOOK 31, PAGE 41 OF MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND

LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

ATTACHMENT NO. 11
INCOME VERIFICATION

Part I -- General Information

- 1. Project Location: _____
- 2. Landlord's Name: _____

Part II -- Unit Information

- | | | | |
|----------------|-----------------------|-----------------|------------------------|
| 3. Unit Number | 4. Number of Bedrooms | 5. Monthly Rent | 6. Number of Occupants |
|----------------|-----------------------|-----------------|------------------------|

Part III -- Affidavit of Tenant

I, _____, and I, _____, as applicants for rental of an Apartment Unit at the above-described location, do hereby represent and warrant as follows:

A. (My/Our) gross income (anticipated total annual income) **does not exceed fifty percent (50%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) exceeds fifty percent (50%) but **does not exceed eighty percent (80%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

C. (My/Our) gross income (anticipated total annual income) exceeds eighty percent (80%) but **does not exceed one hundred twenty percent (120%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income

levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

- D. (My/Our) gross income (anticipated total annual income) **exceeds one hundred twenty (120%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

1. Tenants qualifying as A and B, above, must complete the following:

Monthly Gross Income (All Sources of Income of All Adult Household Members Must be Listed)

Source	Head of Household	Co-Tenants	Total
Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
Interest and/or dividends			
Net income from business or from rental property			
Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically			
Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay			
Alimony, child support, other periodic allowances			
Public assistance, welfare payments			
Regular pay, special pay and allowances of members of Armed Forces			
Other			

Total: _____

Total x 12 _____ = Gross Annual Household Income

Note: The following items are **not** considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation),

capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord to determine maximum income for eligibility and (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 of this Part III is reasonable and based upon such investigation as the undersigned deemed necessary.
3. (I/We) will assist the Landlord in obtaining any information or documents required to verify the statements made in this Part III and have attached hereto copies of federal income tax return for most recent tax year in which a return was filed (past two years federal income tax returns for self-employed persons), if tax returns have been filed.
4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable the Landlord and/or the Community Redevelopment Agency of the County of Riverside to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date

Tenant

Date

Tenant

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under a multifamily housing program of the County of Riverside and the Community Redevelopment Agency of the County of Riverside for persons of very low or low income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____
Overtime _____
Bonuses _____
Commissions _____
Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature Date Title

I hereby grant you permission to disclose my income to _____ in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under a multifamily housing program of the County of Riverside and the Community Redevelopment Agency of the County of Riverside.

Signature Date

Please send to:

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

ATTACHMENT NO. 12

AGENCY NOTE

PROMISSORY NOTE

Riverside, California

\$1,100,000.00

FOR VALUE RECEIVED, OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation (the "Borrower"), promises to pay to the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Agency"), or order, at the Agency's office at 1325 Spruce Street, Suite 400, Riverside, California 92507, or such other place as the Agency may designate in writing, the sum of One Million One Hundred Thousand Dollars (\$1,100,000) (the "Note Amount"), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

1. Agreement. This Promissory Note (the "Note") is given in accordance with that certain Disposition and Development/Affordable Housing Agreement executed by the Agency and Borrower, dated as of _____, 2010 (the "AHA"). Excepting to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings established therefor in the AHA. The rights and obligations of the Borrower and the Agency under this Note shall be governed by the AHA and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail.

2. Interest. The Note Amount shall bear simple interest at the rate of zero percent (0%) per annum, from the respective date(s) and based on the amounts of moneys constituting the Agency Loan that are or have been advanced by Agency to Borrower until the date paid.

3. Repayment of Note Amount. The Note Amount shall be paid by the Borrower's annual payment to the Agency of an amount equal to Fifty Percent (50%) of the Residual Receipts (as defined below) from operation of the Housing Project (as defined in the Agreement), as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year. Annual Residual Receipts payments shall be by the Borrower by cashier's check and shall be delivered on or before ninety (90) days after the end of each Year (or such other annual period as may be mutually agreed upon in writing by the Agency and the Developer), of each Year during the term of this Note first following the date the Housing Project is placed in service, until the Note Amount and all unpaid interest thereon has been repaid in full. This Note shall be due and payable in full on the date of any Sale or Transfer that occurs after the date of execution of this Promissory Note. After the fifty-five (55) year affordability period outlined in this Agreement (the "Affordability Period"), the loan will be fully forgiven. Any remaining portion of the Note Amount shall be due and payable on the fifty-fifth (55th) anniversary of the date of the County's issuance of a Certificate of Occupancy for all of the Units in the Housing Project. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 hereof.

As used herein, "Annual Housing Project Revenue" or "Gross Revenues" means all gross income and all revenues of any kind from the residential portion of the Housing Project in a calendar year, including without limitation, Housing Project rents, Section 8 housing assistance payments, if any, late charges, vending machine income, and any other revenues of whatever kind or nature from the residential portion of the Housing Project, except that interest on security deposits and required reserves shall not be considered Annual Housing Project Revenue.

As used herein, "Audited Financial Statement" means an audited financial statement, including without limitation a profit and loss statement, generated by a third party certified public accountant acceptable to the Agency in its reasonable discretion, showing, for the previous Year, on a monthly basis and in an easily readable format, Gross Revenues, Operating Expenses, Debt Service, Operating Reserve, Capital Replacement Reserve and Residual Receipts. Depreciation and non-cash items shall not be included.

As used herein, "Debt Service" means regularly scheduled payments of principal and interest made in connection with financing approved in writing by the Agency for the Housing Project, which is senior in lien priority to the Agency Loan, but excluding payments made pursuant to this Note.

As used herein, "Deferred Developer Fees" means any deferred developer fee allowable under the financing approved by the Agency pursuant to Section 4.19 of the AHA.

As used herein, "Operating Expenses" means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Housing Project, excluding the Capital Replacement Reserve and consisting of only the following (and such additional items, if any, as to which the prior written approval of the Executive Director is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the Executive Director): painting, cleaning, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; costs incurred to third parties in connection with generating laundry charges (but in no event to exceed the laundry charges); real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; the actual and customary salary payable to an on-site manager which directly and exclusively benefits residents of the Housing Project; the actual and customary remuneration of one assistant manager, one on-site maintenance manager and such other personnel, if any, as incurred for the hiring of unrelated third parties for on-site management (which remuneration may include salary, rent payments/discounts for housing within the Housing Project that are part of compensation, withholding, social security and other payroll taxes or payments required in connection with such employees), which directly and exclusively benefit residents of the Housing Project, subject to the prior written approval of the Agency Executive Director at his sole and absolute discretion; a management fee ("Management Fee") not to exceed Twenty-Five Thousand Dollars (\$25,000.00) (as adjusted annually as of January 1st of each year based upon the applicable change in consumer price index applicable to Riverside County) per Year; purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the completion of the Improvements (as evidenced by the issuance by County of a certificate of occupancy for the corresponding building developed as part of the Improvements) in connection with the operation of the Housing Project; the fee paid by Borrower to any entity which provides social support services and programs to the tenants of the Project, which fee shall be initially established at

\$20 per unit per month, and which fee shall be annually adjusted based upon the corresponding increase in the consumer price index (provided that, to the extent such services are provided by an entity having one or more officers, partners or controlling parties in common with the Developer or its members, such fees shall be subject to review and concurrence by the Executive Director as to the reasonableness of amounts), tenant improvements that are not included in the costs of the Improvements, and payments made by the Developer to satisfy indemnity obligations and other payments by the Developer pursuant to this AHA other than to the Developer, the Developer's partners or other related persons; provided, however, that payments to parties related to Developer for Operating Expenses must not exceed market rates. The Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. The Operating Expenses shall be reported in the Audited Financial Statement and shall be broken out in line item detail.

As used herein, "Residual Receipts" means Annual Housing Project Revenue less the sum of (i) Operating Expenses, (ii) Debt Service, (iii) Reserve Deposits, (iv) Deferred Developer Fees plus interest thereon (if applicable, at rates not exceeding the interest rate under the Agency Note) to the extent approved under the AHA by the Agency, (v) a partnership management fee to the managing member of the Developer, and/or a general partner asset management fee payable to one or more of the general partners of the Developer, and/or a limited partner asset management fee payable to one or more of the limited partners of the Developer, repayment to Borrower of advances made by the Borrower to the Housing Project as provided under the limited partnership agreement of Borrower, a copy of which limited partnership agreement has been made available to Agency (or Agency's counsel) prior to the approval by Agency of the AHA, and an annual audit fee, in such amounts which are set forth in the Financing Plan which is approved by the Agency, for each Year; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that Year.

On or before ninety (90) days after the end Year for the preceding Year or portion thereof commencing in the year of the issuance of a Certificate of Completion for the Housing Project, the Borrower shall annually provide the Agency an operating budget and its most recent audit for the Developer which shall describe the Annual Housing Project Revenue, Debt Service, Operating Expenses, Reserve Deposits, Asset Management Fees, Deferred Developer Fees, and Residual Receipts for that year. The Borrower shall also submit to the Agency, on or before ninety (90) days after the end of the Developer's fiscal year, of each year commencing in the year of the issuance of a certificate of occupancy for the Housing Project, an Audited Financial Statement with respect to the Developer that includes the Housing Project, together with an expressed written opinion of the certified public accountant that such financial statements present the financial position, results of operations, and cash flows fairly and in accordance with generally accepted accounting principles.

4. Security. This Note is secured by a Deed of Trust (the "Agency Deed of Trust") dated as of the same date as this Note.

5. Waivers

a. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at the Agency's sole discretion and that the Agency may accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

b. No extension of time for payment of this Note made by agreement by the Agency with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

c. The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

d. Borrower waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights of interests in or to properties securing of this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

e. No previous waiver and no failure or delay by Agency in acting with respect to the terms of this Note or the Agency Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Agency Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Agency Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

6. Attorneys' Fees and Costs. Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

7. Joint and Several Obligation. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

8. Amendments and Modifications. This Note may not be changed orally, but only by an amendment in writing signed by Borrower and by the Agency.

9. Agency May Assign. Agency may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

10. Borrower Assignment Prohibited. In no event shall Borrower assign or transfer any portion of this Note without the prior express written consent of the Agency, which consent shall not unreasonably be withheld, except pursuant to a transfer which is permitted or approved under Section 7.11 of the AHA.

11. Terms. Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

12. Acceleration and Other Remedies. Upon: (a) the occurrence of an event of Default as defined in the Agreement, or (b) Borrower selling, contracting to sell, giving an option to purchase, conveying, leasing, further encumbering, mortgaging, assigning or alienating the Borrower's interest in the Housing Project (other than (i) financing approved by the Agency or otherwise permitted pursuant to Section 7.11 of the AHA, (ii) leasing of individual Housing Units to

tenants in the ordinary course of business, or (iii) grant of a purchase option and/or right of first refusal granted to Borrower's general partner(s) or affiliates thereof or exercise thereof), whether directly or indirectly, whether voluntarily or involuntarily or by operation of law, or any interest in the Housing Project, or suffering its title, or any interest in the Housing Project to be divested, whether voluntarily or involuntarily, without the consent of the Agency or as otherwise approved or permitted under the Disposition and Development Agreement, Agency may, at Agency's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Agency Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Agency Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Agency shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such Agency may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Agency in exercising any right hereunder, under the Agreement or under the Agency Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Agency's right to either require prompt payment when due of all other sums payable hereunder or to declare an event of Default for failure to make prompt or complete payment.

13. Successors and Assigns. Whenever "Agency" is referred to in this Note, such reference shall be deemed to include the Redevelopment Agency for the County of Riverside and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Borrower, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Agency and Agency's successors and assigns.

14. Miscellaneous. Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside in connection with any legal action or proceeding arising out of or relating to this Note. Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

15. No Personal Liability. In the event of any default under the terms of this Note or the Agency Deed of Trust, the sole recourse of the Agency for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and Borrower and its partners shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights the Agency may have (as a secured party or otherwise) hereunder or under the Agreement or the Agency Deed of Trust to recover directly from Borrower any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by Agency as a result of fraud, misrepresentation or waste committed by Borrower to or on the Housing Project (it shall not be waste if Borrower does not repair or restore the Housing Project after any

destruction, damage or partial condemnation notwithstanding the availability of insurance or condemnation proceeds), and any costs and expenses incurred by the Agency in connection therewith (including without limitation reasonable attorneys' fees and costs).

BORROWER:

OPERATION SAFE HOUSE, INC,
a California nonprofit public benefit
corporation

By: _____
Kathy McAdara, Executive Director

ATTACHMENT NO. 13
AGENCY DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

Redevelopment Agency for
the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made as of _____, 2010, between

OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation, herein called TRUSTOR, whose address is:
9685 Hayes, Riverside, California 92503

_____, a California corporation, herein called TRUSTEE, and

the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body corporate and politic, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the County of Riverside,
County of Riverside, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$[to come: conform to AHA text] with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein (which shall be deemed to include, without limitation, the "AHA", the "Agency Deed", the "Agency Regulatory Agreement as referenced in Exhibit "B" hereto, which is incorporated herein by reference) and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	S. Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	S. Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	S. Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	S. Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	1964	149774			
						Series 5					

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

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

OPERATION SAFE HOUSE, INC.,
 a California nonprofit public benefit corporation

By: _____
 Name: Kathy McAdara
 Title: Executive Director

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

On _____ before me, _____,
(Here insert name and title of the officer)

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 of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ___ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e., certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, ~~is/are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

EXHIBIT "A" TO ATTACHMENT NO. 13

LEGAL DESCRIPTION

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE SOUTH 89 DEG. 40' 40" WEST, ALONG THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18, A DISTANCE OF 297.40 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE CONVEYED;
THENCE SOUTH 00 DEG. 01' 30" WEST, A DISTANCE OF 208.70 FEET;
THENCE SOUTH 89 DEG. 40' 40" WEST, A DISTANCE OF 100.00 FEET TO A POINT ON THE EASTERLY LINE OF LOT 41, WELCOME HOMESTEAD TRACT AS SHOWN BY MAP ON FILE IN BOOK 31, PAGE 41 OF MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;
THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;
THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

EXHIBIT "B" TO ATTACHMENT NO. 13

RIDER TO DEED OF TRUST

Exhibit B to Deed of Trust with Assignment of Rents dated as of _____, 2010, executed by OPERATION SAFE HOUSE INC., a California nonprofit public benefit corporation, as "Trustor", to _____, a California corporation, as Trustee, for the benefit of Redevelopment Agency for the County of Riverside, a public body, corporate and politic, as "Beneficiary" ("Deed of Trust").

1. **DEFAULT - OTHER DEEDS OF TRUST, DEED, COVENANTS CONDITIONS AND RESTRICTIONS (CC&Rs) AND AGREEMENT.** A default under any of the following shall, at Beneficiary's option, constitute a default under this Deed of Trust:
 - (a) Until recordation of the Certificate of Completion issued by Beneficiary for all of the Improvements, a default under that certain Disposition and Development/Affordable Housing Agreement ("AHA") dated as of _____, 2010, between Trustor and Beneficiary excepting, for purposes of this paragraph (a), the attachments thereto;
 - (b) Any default under any Agency Note or Agency Deed of Trust delivered under the AHA, whether senior or junior to this Deed of Trust (all capitalized terms not defined herein shall have the meanings established therefor under the AHA. The AHA is on file with the Agency as a public record and is deemed incorporated herein by reference);
 - (c) A default under the "Agency Regulatory Agreement" (as defined in the AHA); or
 - (d) Until recordation of the Certificate of Completion issued by Beneficiary for all of the Improvements, a default under the "Agency Deed" (as defined in the AHA); or
2. **DEFAULT - DEED OF TRUST.** A default under this Deed of Trust shall, at Beneficiary's option, as appropriate, constitute a default under the deeds of trust or other instruments referenced in Paragraph 1(a) through (d), inclusive (collectively the "Other Deeds of Trust"), of this Rider.
3. **NON-IMPAIRMENT.** Except as supplemented and/or modified by this Deed of Trust, all of the terms, covenants and conditions of the Other Deeds of Trust and the other loan documents executed in connection therewith shall remain in full force and effect.
4. **DUE ON SALE OR ENCUMBRANCE.** In the event of any Transfer (as defined below) of the Site, or any portion thereof or interest therein, Beneficiary shall have the absolute right at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. As used herein, the term "Transfer" means and includes the direct or indirect sale, transfer, conveyance, mortgage, further encumbrance, assignment, or other alienation of the Site, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract, sales agreement or similar instrument affecting all or a portion of the Site, granting of an option to purchase any portion of or interest in the Site or any interest therein, or the

lease of all or substantially all of the Site or of all or substantially all of the improvements situated on the Site. "Transfer" shall not include the leasing of individual dwelling units on the Site so long as Trustor complies with the provisions of the AHA relating to such leasing activity. Transfer shall not include the sale, transfer, assignment, pledge, hypothecation or encumbrance by Developer's limited partner of its partnership interest to the extent permitted by the AHA nor shall Transfer include the removal or any general partner of Developer by the limited partner for cause and the replacement of such removed general partner by another person or entity in accordance with the terms of the Developer's partnership agreement to the extent permitted by the AHA. Failure of Beneficiary to exercise the option to declare all sums secured hereby immediately due and payable upon a Transfer will not constitute waiver of the right to exercise this option in the event of any subsequent Transfer.

5. **PRIORITY OF DEED OF TRUST.** This Deed of Trust is subject and subordinate to the following:

(i) the Agency Deed; and (ii) the Agency Regulatory Agreement.

6. **SPECIAL INSURANCE PROVISIONS.** Trustor shall maintain in effect unless and until the full release and reconveyance of this Deed of Trust the following insurance coverages, which each of the Beneficiary and the County of Riverside named as additional insureds:

(i) Following completion of the Improvements, fire and hazard "all risk insurance covering 100% of the replacement cost of the Improvements in the event of fire, lightning, windstorm, vandalism, earthquake, malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood);

(ii) Public liability insurance in amounts reasonably required by the Executive Director from time to time, and in no event less than \$2,000,000 for "single occurrence;"

(iii) Property damage insurance in amounts reasonably required by the Executive Director from time to time, and in no event less than \$2,000,000; and

(iv) Such other insurance, if any, as required under this Deed of Trust.

DO NOT RECORD

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

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

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

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

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

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

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

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

H. It is mutually agreed:

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

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

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

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

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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

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

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

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such

successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

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

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

DO NOT RECORD REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE:

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

Dated: _____

Please mail Deed of Trust,
Note and Reconveyance to

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

**DEED OF TRUST
with power of sale**

TRUSTEE

ATTACHMENT NO. 14
NOTICE OF RESTRICTION

Recording Requested By:
Redevelopment Agency for
COUNTY OF RIVERSIDE

AND WHEN RECORDED MAIL TO:
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE
3403 10th Street, Suite 500
RIVERSIDE, CA 92501
ATTN: Monica Telles

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

This Notice is to be recorded concurrently with recordation of affordability restriction or within thirty (30) days of recording such document.

In accordance with the California Health and Safety Code Section 33334.3, all new or substantially rehabilitated housing units developed or otherwise assisted, with moneys from the Low and Moderate Income Housing Fund, shall remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households for the longest feasible time, but not less than fifty-five (55) years for rental units that are occupied by and affordable to very low and low income households.

A Covenant and Restriction with an expiration of <Insert Date> is recorded under Recording No. concurrently herewith <Insert Recording Number> on <Insert Date>, in book <Insert Book Number>, page <Insert Page Number>, Official Records of Riverside County, California, on the property located at: <Insert Address> with assessors parcel number of 650-131-018 and more fully described as:

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

Dated _____

Tom Fan, Principal Development Specialist

CALIFORNIA ALL-PURPOSE

ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } S.S.

On _____ before me,
Date

_____,
personally appeared
Name and Title of the Officer

_____,
who proved to me on the basis
Name(s) of signer(s)
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.

(This area for official
notarial seal)

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 of Notary Public

ATTACHMENT NO. 15
HOUSING PROJECT BUDGET

Project Construction Sources and Uses of Fund:

Sources:

EHAP CD	\$ 1,000,000
Redevelopment Agency for the County of Riverside	\$ 1,100,000
HUD Homeless Continuum of Care	\$ 365,000
AHP	\$ 640,000
HCD Multifamily Housing Program-Supportive Housing	<u>\$ 1,359,224</u>

Total Sources **\$ 4,464,224**

Uses:

New Construction	\$1,764,000
Long Term Lease	\$1,100,000
Contingency	\$ 203,224
Architectural	\$ 220,000
Construction Loan Interest and Fees	\$ 264,000
Bond	\$ 36,000
Taxes and Insurance	\$ 17,000
Title and Recording	\$ 35,000
Developer Impact Fees	\$ 100,000
Permit Processing Fees	\$ 50,000
Environmental Audit	\$ 5,000
Marketing	\$ 15,000
Furnishings	\$ 10,000
Developer Fee	<u>\$ 645,000</u>

Total Uses **\$ 4,464,224**

ATTACHMENT NO. 16

DESCRIPTION OF PREDEVELOPMENT EXPENSES

Description	Amount
HMC Architects for Architecture and Engineering	\$ 120,000
Appraisal	\$ 10,000
Beacon Path, Development Consultant	\$ 160,000
Environmental Reports	\$ 10,000
Planning and Building Permit Application Fees	\$ 95,000
Soils Testing	<u>\$ 5,000</u>
Total	\$400,000