

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

533



FROM: Economic Development Agency

SUBMITTAL DATE:
October 21, 2010

SUBJECT: CVWD Subordination Agreements for River Canyon Apartments in Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Subordination Agreements between the County of Riverside and Coachella Valley Water District (CVWD), a public agency;
2. Authorize the Chairman of the Board to sign the attached Subordination Agreements;
3. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any future subordination agreements with CVWD in connection with installation of water lines and recordation of easements for the River Canyon Apartments, subject to approval by County Counsel; and

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: HOME Investment Partnerships Act Grant Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:

Jennifer J. Sargent
Jennifer J. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Anita C. Willis*
ANITA C. WILLIS
DATE: 10-18-10
Departmental Concurrence

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

Prev. Agn. Ref.: 3.23-8/10/2010; 3.21-6/8/10; 3.17-3/31/09; 3.11-10/23/08; 3.29-7/01/08

District: 4

Agenda Number:

3.15

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

4. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the Subordination Agreements including, but not limited to, signing subsequent essential and relevant documents.

BACKGROUND:

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

Subsequent to that, a first amendment to the loan agreement was approved and executed by the Board on June 8, 2010. The first amendment to the loan agreement called for an additional \$500,000 in HOME funds to help cover project cost increases that the project was experiencing at that time.

The Coachella Valley Water District (CVWD) has requested that the County HOME Loan and the first amendment to the loan agreement be subordinate to two Grant Easement/Pipeline(s) (Easement) documents that CVWD is recording on the project site in connection with the installation of a domestic water pipeline for the project. The Easement grants CVWD nonexclusive easement and right-of-way to install, construct, enlarge, survey, reconstruct, remove and replace, operate, maintain, repair, improve, and relocate the underground pipeline, which CVWD installs for the project at any given time.

On August 10, 2010, the Board of Supervisors approved subordination agreements between CVWD and the County of Riverside. Subsequent to the Board's approval, additional changes were required to the subordination agreements, rendering the subordination agreements null and void. Additionally, CVWD is requiring the project to install an additional point of connection for the water line, which will require that the County subordinate the County HOME Loan and first amendment to the loan agreement to this additional Easement.

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

No Recording Fees
Required Per
Government Code:
Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

COACHELLA VALLEY WATER DISTRICT
Post Office Box 1058
Coachella, California 92236

APN: 673-140-010 through 013, inclusive, and 673-140-017

SUBORDINATION AGREEMENT

NOTICE:

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

THIS AGREEMENT ("Agreement"), is made this ___ day of _____, 2010 by and between COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California ("CVWD") and the COUNTY OF RIVERSIDE, a public agency, organized and existing under the laws of the State of California ("Subordinating Party").

RECITALS:

A. Cathedral Family Housing Partners, L.P., a California limited partnership is the owner of certain real property located in Riverside, California, and legally described on Exhibit "A" attached hereto and by this reference incorporated herein ("Property").

B. CVWD is the Grantee under that certain Grant of Easement/Pipeline(s) providing CVWD a perpetual, nonexclusive easement and right-of-way to install, construct, enlarge, survey, reconstruct, remove and replace, operate, maintain, repair, improve and relocate underground pipeline(s) over, under, along and across the Property ("Document"). A copy of the Document is attached hereto as Exhibit "B" and by this reference incorporated herein.

C. Subordinating Party and Cathedral Family Housing Partners, L.P. are parties to

that certain "Loan Agreement for the Use of HOME Funds" dated March 31, 2009, which instrument was recorded April 29, 2010 as Instrument No. 2010-0196442, Official Records of Riverside County; such instrument was amended by that certain document entitled "First Amendment to Loan Agreement for the Use of HOME Funds, Promissory Note, and Deed of Trust With Assignment of Rents" dated February 9, 2010, executed by the Subordinating Party and Cathedral Family Housing Partners, L.P., which instrument was recorded March 31, 2010, as Instrument No. 2010-0145281, Official Records of Riverside County, California (the Loan Agreement for Use of HOME Funds, as amended by the First Amendment to Loan Agreement for the Use of HOME Funds, Promissory Note, and Deed of Trust With Assignment of Rents is hereinafter collectively referred to as the "Subordinating Document").

D. Subordinating Party is desirous of executing this Agreement.

E. Subordinating Party is willing that the Document shall, when recorded, constitute a charge upon the Real Property, which is unconditionally prior and superior to the Subordinating Document.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL BENEFITS ACCRUING TO THE PARTIES HERETO AND OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH CONSIDERATION IS HEREBY ACKNOWLEDGED, IT IS HEREBY DECLARED AND UNDERSTOOD AND AGREED AS FOLLOWS:

1. The Document shall unconditionally be and remain at all times a charge on the Property, prior and superior to the lien of the Subordinating Document.

2. This Agreement shall be the whole and only agreement with regard to the subordination of the lien of the Subordinating Document to the lien or charge of the Document and shall supersede and cancel, but only insofar as would affect the priority between the Document and Subordinating Document, any prior agreements as to such subordination.

3. Subordinating Party declares, agrees and acknowledges that it intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Subordinating Document to the Document.

4. This Agreement may be executed in counterpart but shall be without force or effect unless and until all parties hereto have executed this Agreement, or a counterpart.

COACHELLA VALLEY WATER DISTRICT,
a public agency of the State of California

By: _____

Name: _____

Its: _____

[signatures continue on following page]

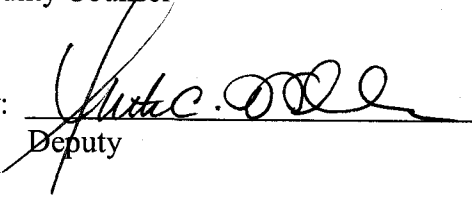
SUBORDINATING PARTY:

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Directors

APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

By: 
Deputy

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
) ss.
County of _____)

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

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

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

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

WITNESS my hand and official seal.

Signature of Notary Public Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Subordination Agreement
Document Dated _____, 2010 Number of Pages: 3

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

- Individual
- Corporate Title(s): _____
- Partner - Limited General
- Attorney in Fact
- Trustees
- Guardian or Conservator

Other:
Signer is Representing: _____

EXHIBIT "A"
[Legal Description]

EXHIBIT A

SECTION 27, T. 4 S., R. 6 E., S.B.M.

LOT A

THAT PORTION OF THE NORTH HALF OF LOT 26 OF PLUMBLEY AND SON SUBDIVISION, RECORDED IN BOOK 10, PAGE 94 OF MAPS, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 26, AS SHOWN ON MAP ON FILE IN BOOK 132, PAGE 77, OF RECORDS OF SURVEY, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ALONG THE EAST LINE OF SAID LOT 26, ALSO BEING THE CENTERLINE OF VAQUERO ROAD, SOUTH 00°22'51" WEST, 330.09 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF SAID LOT 26;

THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID LOT 26, SOUTH 89°48'44" WEST, 660.06 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF SAID LOT 26;

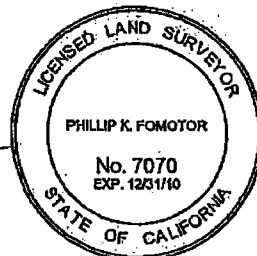
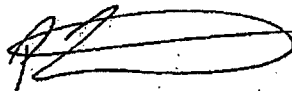
THENCE ALONG THE WEST LINE OF THE NORTH HALF OF SAID LOT 26; ALSO BEING THE CENTERLINE OF CORREGIDOR DRIVE, NORTH 00°22'06" EAST, 330.04 FEET TO THE NORTHWEST CORNER OF SAID LOT 26;

THENCE ALONG THE NORTH LINE OF SAID LOT 26, NORTH 89°48'28" EAST, 660.14 FEET TO THE POINT OF BEGINNING.

SAID ABOVE DESCRIBED LOT CONTAINS 217,865.98 SQUARE FEET, MORE OR LESS.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS-OF-WAY AND EASEMENTS OF RECORD.

THIS DOCUMENT WAS PREPARED BY
ME OR UNDER MY DIRECTION,
BASED ON RECORD INFORMATION.



PHILLIP K. FOMOTOR, P.L.S.
EXP. 12/31/10.

EXHIBIT "B"
[Grant of Pipeline(s)]

No Recording Fees
Required Per
Government Code
Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

COACHELLA VALLEY WATER DISTRICT
Post Office Box 1058
Coachella, California 92236

(Space above this line is for Recorders use)

APN:

GRANT OF EASEMENT/PIPELINE(S)

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Cathedral Family Housing Partners, L.P., a California Limited Partnership ("Grantor") does hereby grant to COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California ("Grantee"), and its successors and assigns, a perpetual, nonexclusive easement and right-of-way to install, construct, enlarge, survey, reconstruct, remove and replace, operate, maintain, repair, improve and relocate underground pipeline(s), which pipeline(s) may be installed at different times, and over a period of time, and necessary devices and appurtenances thereto in, on, over, under, along and across that certain real property in the County of Riverside, State of California, described in Exhibit "A" and depicted in Exhibit "B" attached hereto and by reference made a part hereof.

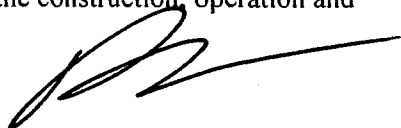
The foregoing easement includes the reasonable right of access to and from said easement for the purpose of exercising the rights granted herein.

Said pipeline(s) and every part thereof shall, where it crosses Grantor's land, be confined to lands hereinabove-described, and shall be constructed by Grantee with sufficient ground cover (i.e., distance between ground surface and top of such pipeline(s)) as shown on the construction plans for such pipeline(s). Notwithstanding the foregoing, the ground cover shall not be changed by any party other than Grantee. Fixtures and appurtenances used or useful in the operation of said pipeline(s) may be constructed any distance either below or above the ground surface.

The Grant of Easement herein contained shall include the right to enter said premises, to survey, construct, reconstruct, lay, relay, maintain, operate, control, use and remove said pipeline(s), fixtures, appurtenances, and to remove objects interfering with the construction, operation and maintenance thereof.

The Grantor reserves the right to cultivate, occupy and use said premises for any purpose not inconsistent with the rights and privileges above granted and which will not interfere with or endanger said pipeline(s), fixtures and appurtenances or the use thereof. The Grantee shall use due care in the construction, operation and maintenance of said pipeline(s), fixtures and appurtenances.

GRANTOR(S)



By Richard J. Whittingham, CFO of Southern California Housing Development Corporation of Inland Empire, General Partner of Cathedral Family Housing Partners, L.P., a California Limited Partnership

9005 Haren Avenue, Suite 100
(mailing address)

Rancho Cucamonga CA 91730
(city) (state) (zip code)

Date 9/16/10

Date _____

Doc. No. _____

ALL-PURPOSE ACKNOWLEDGMENT

State of California)

County of San Bernardino) ss.

On September 16, 2010, before me, Hilda Hernandez, Notary Public

Date

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Richard J. Whittingham

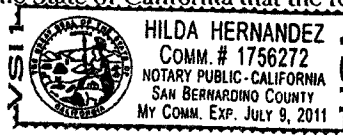
Names(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Hilda Hernandez
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Grant Easement / Pipelinds

Document Dated 9/16/10

Number of Pages: 1

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Right Thumbprint of Signer

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

Other:
Signer is Representing:

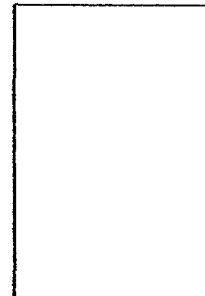


EXHIBIT A
EASEMENT FOR DOMESTIC WATER PIPELINE(S)
NW 1/4 OF SECTION 27, T. 4 S., R. 5 E., S.B.M.

LEGAL DESCRIPTION

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, PER GRANT DEED RECORDED MARCH 5, 2010, AS INSTRUMENT NO. 2010-0101056, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID INSTRUMENT NO. 2010-0101056;

THENCE ALONG THE WEST LINE OF SAID INSTRUMENT NO. 2010-0101056, ALSO BEING THE CENTERLINE OF CORREGIDOR DRIVE, SOUTH 00°22'06" WEST, A DISTANCE OF 136.78 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID WEST LINE, SOUTH 89°37'54" EAST, A DISTANCE OF 149.63 FEET TO THE WEST LINE OF AN EXISTING EASEMENT FOR DOMESTIC WATER PIPELINES RECORDED JULY 28, 2010 AS INSTRUMENT NO. 2010-0352402, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ALONG SAID WEST LINE OF EASEMENT SOUTH 00°11'16" EAST, A DISTANCE OF 20.00 FEET;

THENCE LEAVING WEST LINE OF EASEMENT NORTH 89°37'54" WEST, A DISTANCE OF 149.82 FEET TO THE WEST LINE OF SAID AFOREMENTIONED INSTRUMENT NO. 2010-0101056;


THENCE NORTH 00°22'06" EAST ALONG THE WEST LINE OF SAID INSTRUMENT NO. 2010-0101056, A DISTANCE OF 20.00 FEET TO THE **TRUE POINT OF BEGINNING**.

SAID ABOVE DESCRIBED EASEMENT CONTAINS 2,994.5 SQUARE FEET, MORE OR LESS.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS-OF-WAY AND EASEMENTS OF RECORD.

THIS DOCUMENT WAS PREPARED BY
ME OR UNDER MY DIRECTION,
BASED ON RECORD INFORMATION.



PHILLIP K. FOMOTOR, P.L.S.
EXP. 12/31/10

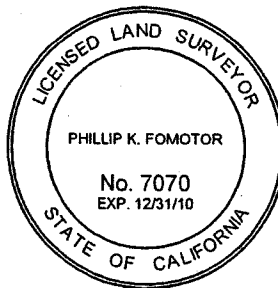
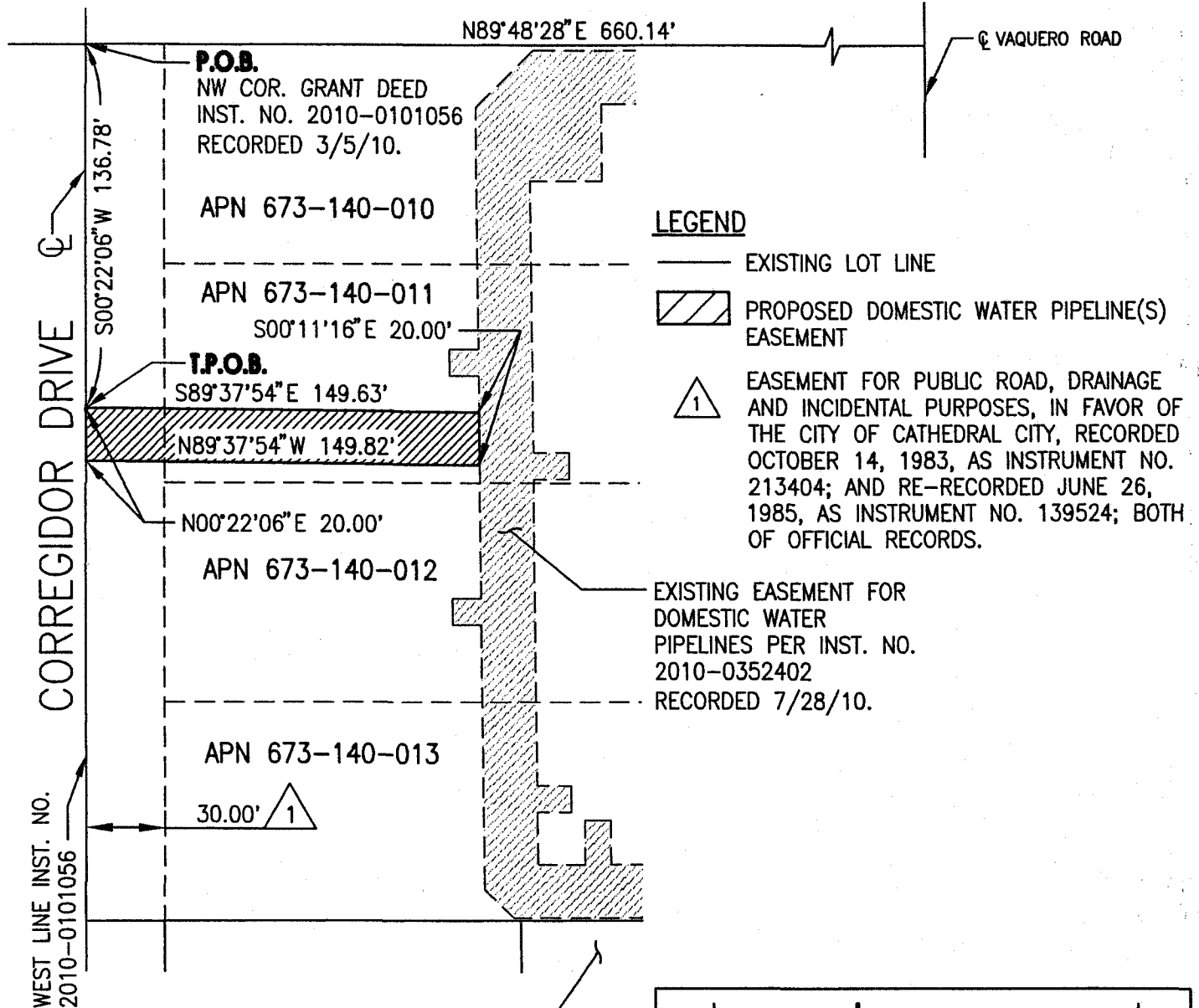
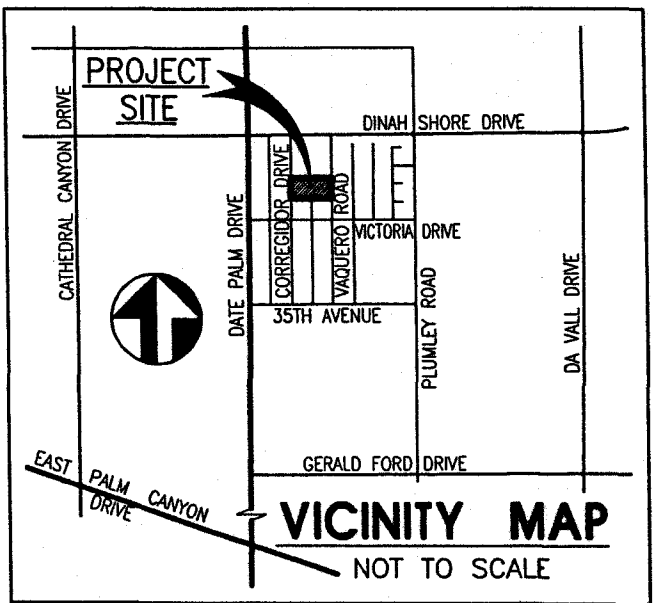


EXHIBIT "B"

NW. 1/4 OF SECTION 27, T.4S., R.5E., S.B.M.
DOMESTIC WATER PIPELINE(S) EASEMENT



LOT 1
TRACT NO. 13743
MB 114/12-13



LICENSED LAND SURVEYOR
PHILLIP K. FOMOTOR
No. 7070
EXP. 12/31/10
STATE OF CALIFORNIA

THIS DOCUMENT WAS PREPARED BY ME OR UNDER MY DIRECTION, BASED ON RECORD INFORMATION.

[Signature]
PHILLIP K. FOMOTOR, P.L.S.
EXP. 12/31/10