

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

825



FROM: Redevelopment Agency

SUBMITTAL DATE:  
November 23, 2010

SUBJECT: Disposition and Development Agreement with Habitat for Humanity Riverside, Inc. for Real Property in the Unincorporated Community of Rubidoux

RECOMMENDED MOTION: That the Board of Directors:

1. Conduct a joint Public Hearing with the Board of Supervisors pursuant to Health and Safety Code 33431 and 33433;
2. Find that the project is exempt from the California Environmental Quality Act pursuant to Section 15303(a) New Construction of Small Structures;
3. Approve the attached Disposition and Development Agreement by and between the Redevelopment Agency for the County of Riverside and Habitat for Humanity Riverside, Inc. (Agreement);
4. Authorize the Chairman of the Board of Directors to execute said attached Agreement; and
5. Authorize the Executive Director, or designee, to take all necessary steps to implement the Agreement including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

*Lisa Brandl for*

Robert Field  
Executive Director  
By Lisa Brandl, Deputy Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 55,000	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: 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:

County Executive Office Signature

*Jennifer L. Sargent*

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

Prev. Agn. Ref.: 4.9 - 7/31/2007; 4.3 - 2/01/2010

District: 2

Agenda Number

4.3

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

Redevelopment Agency

Disposition and Development Agreement with Habitat for Humanity Riverside, Inc., for Real Property in the Unincorporated Community of Rubidoux

November 23, 2010

Page 2

**BACKGROUND:** The Redevelopment Agency for the County of Riverside (Agency) owns two parcels located at 3838 Pontiac Street and 3846 Pontiac Street, with Assessor Parcel Numbers 181-052-012 and 181-052-011, in the unincorporated community of Rubidoux within the Jurupa Valley Project Area. Agency intends to sell real property for One Dollar (\$1) to Habitat for Humanity Riverside, Inc. (Habitat), a California nonprofit public benefit corporation, to facilitate residential construction of two affordable homeownership opportunities in the community of Rubidoux (the Project).

Habitat is requesting a total of \$55,000 in Redevelopment Low- and Moderate-Income Housing funds to be used towards planning costs, permits and fees for the development and construction of two single-family homes reserved for qualified low-income first-time homebuyer households. Additional funding sources include donated labor, materials and funds from various organizations. The estimated total development and construction cost of the project is approximately \$434,220. An affordability covenant will restrict occupancy to low-income owner-occupants for a minimum period of 45 years.

The Project is exempt from the California Environmental Quality Act per Section 15303(a) of the California Code of Regulations. Section 15303(a) allows for the exemption of new construction of single-family homes within a residential zone. A Notice of Exemption will be filed with the County Clerk, upon approval of the Development and Disposition Agreement, starting a thirty-five (35) day statute of limitations.

Agency counsel has reviewed and approved as to form the attached agreement. Staff recommends that the Agency Board of Directors approve the agreement.

# THE PRESS- ENTERPRISE

## CLASSIFIED ADVERTISING

# PROOF

Printed by: Tinajero, Maria  
at: 9:29 am  
on: Friday, Oct 22, 2010

Ad #: 10442760

3450 Fourteenth St.  
Riverside, CA 92501-3878  
**1-800-880-0345**  
**951-684-1200**  
**951-368-9018 Fax**

### Account Information

Phone #: (951) 955-3500  
Name: EDA / RDA - HOUSING (TOM FAN)  
Address: 3403 10TH STREET, SUITE 500  
RIVERSIDE CA 92501

Acct #: 284373  
Client:  
Placed by: Der Xiong  
Fax #: (951) 955-3131

### Ad Copy:

#### NOTICE OF PUBLIC HEARING REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE INTENT TO SELL REAL PROPERTY

November 15, 2010  
Redevelopment Agency for the County of Riverside  
3403 10th Street, Suite 500  
Riverside, CA 92501  
Der Xiong  
(951) 955-3421

NOTICE IS HEREBY GIVEN that the Board of Directors of the Redevelopment Agency for the County of Riverside will conduct a public hearing to consider the sale of unimproved real property located in the unincorporated area of the County of Riverside in the community of Rubidoux at 3846 Pontiac Avenue, Riverside, CA 92509 and referenced with Assessor Parcel Number 181-052-011 and at 3838 Pontiac Avenue, Riverside, CA 92509 and referenced with Assessor Parcel Number 181-052-012. The Redevelopment Agency intends to sell real property to Habitat for Humanity Riverside, Inc., a California non-profit public benefit corporation, to facilitate residential construction for an affordable homeownership opportunity. Said public hearing is scheduled to be held on December 7th, 2010, at 9:30 am, in the meeting room of the Board of Directors, Riverside County, Administrative Center, 4080 Lemon Street, First Floor, Riverside, California.

Any interested person(s) may submit comments in writing to the Redevelopment Agency for the County of Riverside, Attention: Der Xiong, Development Specialist, Redevelopment Agency for the County of Riverside, 3403 10th Street, Suite 500, Riverside, CA 92501, by November 30th, 2010 or may appear and be heard at the time and place of the public hearing.

The Board of Directors for the Redevelopment Agency for the County of Riverside may consider an action authorizing the sale of the above described real property at a regularly scheduled meeting following the above referenced public hearing in the meeting room of the Board of Directors, Riverside County, Administrative Center, 4080 Lemon Street, First Floor, Riverside, California.

11/15

### Ad Information

Classification: Legals  
Publications: Press-Enterprise

Start date: 11-15-10  
Stop date: 11-15-10  
Insertions: 1

Rate code: LE-County  
Ad type: Ad Liner  
Taken by: Tinajero, Maria

Size: 2x51.170  
Bill size: 103.00x 5.14 agate lines

Amount due: **\$133.90**

# THE PRESS- ENTERPRISE

## CLASSIFIED ADVERTISING

Printed by: **Tinajero, Maria**  
at: **9:24 am**  
on: **Friday, Oct 22, 2010**

# PROOF

Ad #: **10442759**

3450 Fourteenth St.  
Riverside, CA 92501-3878  
**1-800-880-0345**  
**951-684-1200**  
**951-368-9018 Fax**

### Account Information

Phone #: (951) 955-3500  
Name: EDA / RDA - HOUSING (TOM  
FAN)  
Address: 3403 10TH STREET, SUITE 500  
RIVERSIDE CA 92501

Acct #: 284373  
Client:  
Placed by:  
Fax #: (951) 955-3131

### Ad Information

Classification: Legals  
Publications: Press-Enterprise

Start date: 10-25-10  
Stop date: 10-25-10  
Insertions: 1

Rate code: LE-County  
Ad type: Ad Liner  
Taken by: Tinajero, Maria

Size: 2x51.170  
Bill size: 103.00x 5.14 agate lines

Amount due: **\$133.90**

### Ad Copy:

#### NOTICE OF PUBLIC HEARING REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE INTENT TO SELL REAL PROPERTY

October 25, 2010  
Redevelopment Agency for the County of Riverside  
3403 10th Street, Suite 500  
Riverside, CA 92501  
Der Xiong  
(951) 955-3421

NOTICE IS HEREBY GIVEN that the Board of Directors of the Redevelopment Agency for the County of Riverside will conduct a public hearing to consider the sale of unimproved real property located in the unincorporated area of the County of Riverside in the community of Rubidoux at 3846 Pontiac Avenue, Riverside, CA 92509 and referenced with Assessor Parcel Number 181-052-011 and at 3838 Pontiac Avenue, Riverside, CA 92509 and referenced with Assessor Parcel Number 181-052-012. The Redevelopment Agency intends to sell real property to Habitat for Humanity Riverside, Inc., a California non-profit public benefit corporation, to facilitate residential construction for an affordable homeownership opportunity. Said public hearing is scheduled to be held on December 7th, 2010, at 9:30 am, in the meeting room of the Board of Directors, Riverside County, Administrative Center, 4080 Lemon Street, First Floor, Riverside, California.

Any interested person(s) may submit comments in writing to the Redevelopment Agency for the County of Riverside, Attention: Der Xiong, Development Specialist, Redevelopment Agency for the County of Riverside, 3403 10th Street, Suite 500, Riverside, CA 92501, by November 30th, 2010 or may appear and be heard at the time and place of the public hearing.

The Board of Directors for the Redevelopment Agency for the County of Riverside may consider an action authorizing the sale of the above described real property at a regularly scheduled meeting following the above referenced public hearing in the meeting room of the Board of Directors, Riverside County, Administrative Center, 4080 Lemon Street, First Floor, Riverside, California.

10/25

1 NO FEE FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 6103

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 County of Riverside  
6 Redevelopment Agency  
7 3403 10th Street, Suite 500  
8 Riverside, CA 92501

9 Attn. Der Xiong

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **DISPOSITION AND DEVELOPMENT AGREEMENT**

12 **BY AND BETWEEN**

13 **THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**

14 **AND HABITAT FOR HUMANITY RIVERSIDE, INC.**

15 This Agreement is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and  
16 between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public  
17 body, corporate and politic ("AGENCY") and HABITAT FOR HUMANITY RIVERSIDE,  
18 INC., a California nonprofit public benefit corporation ("DEVELOPER") for the disposition  
19 of two vacant parcels for development of two single-family homes.

20 **WITNESSETH:**

21 WHEREAS, AGENCY is a redevelopment agency duly created, established and  
22 authorized to transact business and exercise its powers, all under and pursuant to the  
23 provisions of the California Community Redevelopment Law ("CRL"), which is Part 1 of  
24 Division 24 of the California Health and Safety Code (commencing with Section 33000 et  
25 seq.); and

26 WHEREAS, AGENCY pursuant to Section 33334.2 of the California Health and Safety  
27 Code, wishes to utilize its Low- and Moderate- Income Housing Set-Aside Funds to improve  
28 and increase the supply of affordable housing in the unincorporated county; and

WHEREAS, AGENCY acquired land located at 3838 Pontiac Street with Assessor  
Parcel Number 181-052-012 and 3846 Pontiac Street with Assessor Parcel Number 181-052-

011 ("PROPERTY") in the unincorporated community of Rubidoux within the County of Riverside, for the purpose of encouraging the development of affordable single-family infill housing available to LOW-INCOME HOUSEHOLDS, as defined herein, who are also FIRST-TIME HOME BUYERS, as defined herein; and

WHEREAS, DEVELOPER wishes to acquire the PROPERTY for the purpose of developing two (2) single-family homes for sale to LOW-INCOME HOUSEHOLDS, who are also FIRST-TIME HOME BUYERS ("PROJECT"); and

WHEREAS, AGENCY is a willing seller; and

WHEREAS, DEVELOPER is a willing buyer; and

WHEREAS, a transfer at below market rate is necessary to assure affordable homeownership opportunities for LOW-INCOME HOUSEHOLDS; and

WHEREAS, AGENCY and DEVELOPER agree that conveyance of the real property is at a price below the real market value and is conveyed at below market value for the purpose of encouraging the development of two (2) single-family homes to create affordable homeownership opportunities ("ASSISTED UNITS") for LOW-INCOME HOUSEHOLDS; and

WHEREAS, AGENCY agrees to grant to the DEVELOPER up to Fifty-Five Thousand Dollars (\$55,000) in Low- and Moderate- Income Housing Set-Aside Funds to assist with the planning costs and permitting fees of the PROJECT to maximize the affordability of the ASSISTED UNITS.

NOW, THEREFORE, BE IT RESOLVED, it is mutually agreed as follows:

**1) DEFINITIONS.**

- a. AGENCY. The Redevelopment Agency for the County of Riverside.
- b. ASSISTED UNITS. Development of two (2) single family homes to be restricted to LOW-INCOME HOUSEHOLDS.
- c. CLOSING. Closing of ESCROW for the conveyance of the PROPERTY.
- d. COMPLETION. The date PROJECT is complete and evidenced by a Certificate of Occupancy issued by the Riverside County Transportation and

Land Management Agency.

- e. ESCROW. The escrow established pursuant to the AGREEMENT for the conveyance of title to PROPERTY.
- f. DEVELOPER. Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation.
- g. FIRST-TIME HOMEBUYER. A homebuyer who has not owned a home for the previous three years from the date the homebuyer enters into a purchase agreement.
- h. LOW-INCOME HOUSEHOLD. The homebuyer's annual income must not exceed eighty percent (80%) of the area median income ("AMI") for Riverside County, adjusted for household size, as computed in accordance with Community Redevelopment Law and the regulations promulgated pursuant thereto or incorporated therein, including, without limitation, all regulation promulgated pursuant to Health and Safety Code Section 50093, or any successor statute. The income and assets of all persons age eighteen (18) and older who will reside in the home must be included in the calculation to determine income eligibility.
- i. PROPERTY. Those specific parcels of real property identified with Assessor Parcel Numbers 181-052-011 and 181-052-012 and more particularly legally described as follows:
  - i. LOT 18 OF FIRST ADDITION TO FORT FREMONT TRACT, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE(S) 93, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
  - ii. LOT 17 OF THE FIRST ADDITION TO FORT FREMONT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE 93 IN THE OFFICE

OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

- j. PROJECT. All of the improvements required to be constructed by DEVELOPER on the PROPERTY pursuant to this AGREEMENT, including but not limited to, construction of all on and off PROPERTY improvements, as described and attached hereto as Attachment "A." Upon completion, the PROJECT will consist of two (2) single-family homes.
- k. PURCHASE PRICE. One dollar (\$1.00) to be paid as consideration for the purchase of PROPERTY.
- l. REGULATORY AGREEMENT. Specific agreement entitled "Regulatory Agreement" attached here as Attachment "B."
- m. RDA GRANT. A grant by the AGENCY to DEVELOPER to assist in planning costs and permitting fees not to exceed Fifty-Five Thousand Dollars (\$55,000) ("GRANT").
- n. TITLE COMPANY. The company that the AGENCY and the DEVELOPER mutually agree to utilize.

**2) PURPOSE OF AGREEMENT.**

- a. This AGREEMENT is entered as of the date first written above by and between AGENCY and DEVELOPER for the purpose of conveying title to real property owned by AGENCY, herein defined as PROPERTY, to DEVELOPER to construct two (2) single-family homes on PROPERTY, which will create two (2) affordable homeownership opportunities to LOW-INCOME HOUSEHOLDS, who are also FIRST-TIME HOMEBUYERS.
- b. The AGENCY agrees to provide a GRANT not to exceed **Fifty-Five Thousand Dollars (\$55,000)** of AGENCY Low- and Moderate- Income Housing Set-Aside Funds to fund the planning costs and permitting fees of the PROJECT.

**3) PURCHASE AND SALE.** AGENCY agrees to sell and DEVELOPER agrees to purchase the PROPERTY for the PURCHASE PRICE under the terms and



1 conditions hereinafter provided.

2 4) **PROPERTY TO BE CONVEYED.** This AGREEMENT conveys fee simple  
3 ownership of the PROPERTY from AGENCY to DEVELOPER. Conveyance will  
4 be effective as of CLOSING with a "Grant Deed", attached here as "Attachment C,"  
5 in recordable form as described in this AGREEMENT.

6 5) **TITLE TO PROPERTY.** Title to the PROPERTY shall be conveyed by Grant  
7 Deed and shall be evidenced by an ALTA owner's policy of title insurance  
8 including such reasonable endorsements as may be requested by DEVELOPER  
9 issued by TITLE COMPANY with liability in the full amount of the PURCHASE  
10 PRICE, insuring good and marketable fee simple title to the PROPERTY as vested  
11 in DEVELOPER, fee and clear of all covenants conditions, rights of way,  
12 easements, liens, encumbrances or any other matters affecting title to or use of the  
13 PROPERTY, except:

- 14 a. Real property taxes, which are a lien not yet delinquent.
- 15 b. Easements currently recorded against the PROPERTY.
- 16 c. Such other matters affecting the title to or use of the PROPERTY, which are  
17 approved by DEVELOPER as hereinafter provided including, but not  
18 limited to a REGULATORY AGREEMENT imposed by AGENCY and  
19 ensuring the development of affordable home ownership opportunities for  
20 LOW-INCOME HOUSEHOLDS.
- 21 d. Procedure for Approval of Title.
- 22 i. Concurrently with the execution of this AGREEMENT, AGENCY  
23 shall order a preliminary report of title from the TITLE COMPANY  
24 for delivery to DEVELOPER.
- 25 ii. If DEVELOPER so elects, DEVELOPER may order an extended  
26 coverage survey of the PROPERTY. Said survey shall be performed  
27 and completed at DEVELOPER'S sole cost and expense. All matters  
28 affecting title to or use of the PROPERTY, including the survey,

1 shall be subject to DEVELOPER'S approval or disapproval within  
2 fifteen (15) days after the date of this AGREEMENT. If  
3 DEVELOPER fails to approve all of said matters by written notice  
4 given to AGENCY within fifteen (15) days after the date of this  
5 AGREEMENT, the conditions of title to the PROPERTY shall be  
6 deemed approved. If DEVELOPER disapproves any particular  
7 matter affecting title to the PROPERTY, this AGREEMENT shall  
8 terminate. Upon termination, DEVELOPER has elected to not  
9 purchase and shall not be obligated to purchase the PROPERTY.  
10 DEVELOPER'S total deposits shall be returned to DEVELOPER,  
11 less DEVELOPER'S share of the escrow cancellation fee, if any, and  
12 the parties shall be relieved of any further obligation to each other  
13 with respect to the PROPERTY, this AGREEMENT and any other  
14 agreement past, present or future and oral or written.

15 e. Supplemental Title Reports. If the TITLE COMPANY issues a supplemental  
16 title report after fifteen (15) days from the date of this AGREEMENT listing  
17 an exception to title (other than matters created by or known to  
18 DEVELOPER, or created by AGENCY with DEVELOPER'S prior written  
19 consent), which:

- 20 i. In DEVELOPER'S sole discretion, materially and adversely affects  
21 either the PROPERTY or the operation of the proposed PROJECT;  
22 and  
23 ii. Was not shown on the initial title report; and  
24 iii. AGENCY does not agree to either remove or pay for a title company  
25 endorsement insuring DEVELOPER against the adverse affects of  
26 said exception.

27 Then DEVELOPER may terminate this AGREEMENT at any time prior to  
28 CLOSING by delivery of written notice thereof to AGENCY and ESCROW

1 within three (3) business days after DEVELOPER has notice of such  
2 additional exception to title, or at CLOSING. If DEVELOPER fails to  
3 approve all said additional exceptions within the above-described period,  
4 DEVELOPER shall be deemed to have disapproved the exception and this  
5 AGREEMENT shall be deemed terminated.

6 **6) INSPECTIONS, APPROVALS AND STUDIES.**

7 a. Inspections and Approvals. Commencing upon the date of this  
8 AGREEMENT and continuing until the CLOSING, DEVELOPER shall  
9 have the right to:

- 10 i. Physically survey, inspect and map the PROPERTY;
- 11 ii. Conduct soils and physical engineering, percolation, geological and  
12 other tests;
- 13 iii. Perform economic, marketing feasibility, land uses and  
14 hazardous/toxic waste studies;
- 15 iv. Obtain either an acceptable appraisal from a qualified Member  
16 Appraisal Institute (MAI) appraiser or a full narrative MAI appraisal;
- 17 v. Obtain a financing commitment to finance PROJECT;
- 18 vi. Determine zoning, building and occupancy requirements for the  
19 PROPERTY to assure DEVELOPER that an economically feasible  
20 PROJECT can be operated in accordance with sound building  
21 practices and without violating any laws, ordinances or regulations,  
22 or any other encumbrances or restrictions to which the PROPERTY  
23 is subject to (the foregoing hereinafter collectively referred to as the  
24 "INSPECTIONS");
- 25 vii. Approve or disapprove the INSPECTIONS at any time on or prior to  
26 CLOSING. If DEVELOPER shall disapprove the INSPECTIONS,  
27 this AGREEMENT shall thereupon be terminated. Upon  
28 termination, DEVELOPER has elected to not purchase and shall not

1 be obligated to purchase the PROPERTY. DEVELOPER'S total  
2 deposits shall be returned to DEVELOPER, less DEVELOPER'S  
3 share of the escrow cancellations fee, if any, and the parties shall be  
4 relieved of any further obligation to teach other with respect to the  
5 PROPERTY, this AGREEMENT and any other agreement past,  
6 present or future and oral or written.

7 b. Approvals. All rights of DEVELOPER to approve or disapprove any matter  
8 contained in this section shall be at DEVELOPER'S sole and absolute  
9 discretion. In addition, the commencement date of the approval period set  
10 forth in this AGREEMENT shall begin upon DEVELOPER'S receipt of:

11 i. The survey; and

12 ii. The preliminary title report including supplements based on the  
13 survey and the last legible copies of all documents and instruments  
14 referred to therein or matters affecting the title to or use of the  
15 PROPERTY, but in no event earlier than the date of this  
16 AGREEMENT.

17 **7) ESCROW.**

18 a. Opening. The purchase of the PROPERTY will be consummated through an  
19 ESCROW. This AGREEMENT shall be considered as the escrow  
20 instructions between the parties, with such further instructions mutually  
21 agreed upon, as the ESCROW may require to clarify the duties and  
22 responsibilities of the ESCROW. If ESCROW shall require further escrow  
23 instructions, DEVELOPER shall request that the ESCROW promptly  
24 prepare escrow instructions, on its usual form, for the purchase and sale of  
25 the PROPERTY upon the terms and provisions hereof. Said escrow  
26 instructions shall be promptly signed by DEVELOPER and AGENCY. The  
27 escrow instructions shall incorporate each and every term of this  
28 AGREEMENT and, in the event of any conflict between the terms and

1 conditions of this AGREEMENT and said escrow instructions, the terms and  
2 conditions of this AGREEMENT shall control, unless specifically provided  
3 otherwise in said instructions.

4 b. Closing. Escrow shall close on or before 5:00 p.m. on the date thirty (30)  
5 days after AGENCY approval and execution of the AGREEMENT, unless  
6 such date is extended by mutual agreement of the parties hereto. The term  
7 CLOSING is used herein to mean the time the grant deed, defined herein, is  
8 filed for record by the ESCROW in the office of the County Recorder of  
9 Riverside County.

10 c. Buyer Required Delivery. On or before the CLOSING, DEVELOPER shall  
11 deliver to ESCROW a signed, executed and binding REGULATORY  
12 AGREEMENT.

13 d. Seller Required Delivery. On or before the CLOSING, AGENCY shall  
14 deliver to ESCROW the following:

15 i. A duly executed and acknowledged grant deed in recordable form,  
16 conveying fee simple title to the PROPERTY, as required by this  
17 AGREEMENT, in favor of DEVELOPER subject to conditions  
18 required by law.

19 ii. Such information and documents in AGENCY'S possession or  
20 control as may be required by the TITLE COMPANY to issue the  
21 title policy.

22 e. Proration. The following shall be prorated as of CLOSING based on a thirty  
23 (30) day month:

24 i. All non-delinquent real property taxes related to the PROPERTY.

25 ii. All sums and other charges payable under any of the documents  
26 identified under this AGREEMENT.

27 f. AGENCY'S Costs. AGENCY shall pay the following:

28 i. All escrow fees and recording costs.

- ii. All costs of the title policy.
- iii. The documentary transfer tax.
- iv. Any other costs and expenses not expressly provided for herein which the seller in a real estate transaction in Riverside County customarily pays.

9) **DEVELOPER OBLIGATIONS.** DEVELOPER hereby agrees to undertake and complete the following activities, subject to its receipt of the AGENCY PROPERTY and GRANT:

- a. Submit to the AGENCY the plans and specifications ("Plans and Specifications") and the construction contract prior to commencement of the construction of the PROJECT, as described and attached hereto as Attachment "A."
- b. Complete the PROJECT according to the Implementation Schedule as described in Attachment "A" as the same is subject to Force Majeure Delays, as defined in Section 49, and may be amended in writing by AGENCY and DEVELOPER.
- c. Submit all required documents according to the Document Submission Schedule, as described in Attachment "A."
- d. Develop the PROJECT or cause the PROJECT to be developed in accordance with the Plans and Specifications.
- e. Obtain all of the necessary and required permits and licenses including, but not limited to, land use, development and construction of the PROJECT.
- f. Secure all financing in sufficient amount to complete the PROJECT.
- g. Market the homes as available for sale and occupancy to qualified LOW-INCOME HOUSEHOLDS.
- h. DEVELOPER shall submit the following documents for review and where appropriate, approval by the AGENCY:
  - i. Final Development Budget.

- ii. Final Construction Cost Estimate.
- iii. Final Design Plans.
- i. Identify the homebuyer and submit to AGENCY for final approval.
- j. DEVELOPER will record the following documents:
  - i. A Regulatory Agreement, which will regulate and restrict the use of the PROPERTY, attached hereto as Attachment "B," which is incorporated herein by this reference.
  - ii. A Grant Deed, conveying PROPERTY to the DEVELOPER, attached hereto as Attachment "C," which is incorporated herein by this reference.
  - iii. A Covenant Agreement, restricting the sale and occupancy of the ASSISTED UNITS, for each home, attached hereto as Attachment "D," which is incorporated herein by this reference.
  - iv. A Notice of Affordability, which will restrict the affordability of the ASSISTED UNITS, for each home, attached hereto as Attachment "F," which is incorporated herein by this reference.

**10) DEVELOPER REPRESENTATIONS AND WARRANTIES.** DEVELOPER hereby represents and warrants that it is a California non-profit corporation, duly organized and validly existing under the laws of the State of California, is qualified to do business in the State of California and that the person executing this AGREEMENT has full right, power and authority to enter into this AGREEMENT and to consummate the transactions contemplated herein.

**11) USE AND DEVELOPMENT OF THE PROPERTY.**

- a. Entitlement of the Property.
  - i. DEVELOPER, at its sole cost and expense, shall fully and completely entitle the PROPERTY, including but not limited to all necessary parcels divisions, mergers and lot line adjustments, as required by the Riverside County Transportation Land Management

1 Agency to permit the construction and occupancy of two (2) single-  
2 family homes on the PROPERTY.

3 ii. DEVELOPER shall ensure that each ASSISTED UNIT, independent  
4 of each other, be on a separate and distinct legal parcel.

5 b. Development of the PROPERTY.

6 i. DEVELOPER shall, at its sole cost and expense, construct, or cause  
7 to be constructed, two (2) single-family homes.

8 ii. DEVELOPER shall construct the homes after having obtained all  
9 necessary entitlements, permits, and authorities for grading,  
10 construction and occupancy, including on and off PROPERTY  
11 improvements, as required by the Riverside County Transportation  
12 Land Management Agency ("RCTLMA") and each and every local  
13 utility service, including but not limited to sewer, water, trash,  
14 electric, telephone, cable television, and fire protection, and shall  
15 ensure receipt of a Certificate of Occupancy from the RCTLMA for  
16 each single-family home, independent of each other.

17 iii. DEVELOPER shall construct each home in a manner consistent with  
18 professional residential construction industry standards for  
19 competent workmanship in accordance with codes and applicable  
20 building standards.

21 c. RDA Construction Funding.

22 i. AGENCY agrees to provide DEVELOPER with a GRANT not to  
23 exceed Fifty-Five Thousand Dollars (\$55,000) for the planning costs  
24 and permitting fees of the PROJECT.

25 ii. DEVELOPER shall be eligible to receive the GRANT as expenses  
26 are incurred.

27 d. Resale Restrictions.

28 i. DEVELOPER shall create two (2) home ownership opportunities to



1 be made available to LOW-INCOME HOUSEHOLDS, who are  
2 FIRST-TIME HOMEBUYERS.

- 3 ii. DEVELOPER shall restrict the sale of each single-family home to a  
4 FIRST-TIME HOMEBUYER at an Affordable Housing Cost. This  
5 requires that the homes be sold at an Affordable Sales Price and the  
6 Covenant Agreement must be recorded against the property in  
7 accordance with California Health and Safety Code 33334.3. Each  
8 time the home is sold, it may not be sold for more than the  
9 Affordable Sales Price calculated at the time of sale. The Affordable  
10 Housing Cost is the maximum monthly housing cost that a  
11 household in a certain income group should pay in accordance to the  
12 Affordability Requirement per California Health and Safety Codes  
13 50052.5, 50079.5 and 50105, which is attached hereto as  
14 "Attachment "E." The homes developed shall remain affordable in  
15 accordance with the Affordability Requirement and will remain  
16 affordable for a period not less than forty-five (45) years per the  
17 Notice of Affordability. For homes restricted to LOW-INCOME  
18 HOUSEHOLDS, the Affordable Housing Cost will be the product of  
19 thirty percent (30%) times seventy percent (70%) of area median  
20 income adjusted for family size appropriate for the unit. Affordable  
21 Housing Cost is not based on the actual income or the actual  
22 household size of the particular homebuyer but on an assumed  
23 maximum income and household size for that Assisted Unit.  
24 Housing costs include all of the following associated with a housing  
25 unit: principal and interest payments on a mortgage loan; private  
26 mortgage insurance; property taxes and assessments; fire and  
27 casualty insurance covering replacement value of improvements; a  
28 reasonable allowance for utilities; and homeowner's/maintenance

1 association fees.

- 2 iii. The Affordable Sales Price is the total sales price at which a typical  
3 household with an income equal to a specified percentage of the area  
4 median income, adjusted for the household size appropriate for the  
5 unit size, pays no more than an Affordable Housing Cost per month.  
6 Affordable Sales Price is based on the target income level (for  
7 example, seventy percent (70%) median income for units restricted  
8 to LOW-INCOME, not the income of the actual homebuyer. The  
9 household size adjustment that is used in determining the income  
10 limit for purposes of setting the Affordable Sales Price is based on  
11 the number of bedrooms in the unit not the size of the specific  
12 homebuyer's household. This allows sales prices to be set in  
13 advance of identifying a specific buyer. This also ensures that the  
14 homes are affordable to a range of LOW-INCOME HOUSEHOLDS.  
15 It does not exclude households making less than these incomes from  
16 purchasing the Assisted Unit. However, because the AGENCY will  
17 not provide additional funds, these lower income households would  
18 have to provide a larger down payment or secure additional non-  
19 AGENCY funds in order to purchase a particular unit at no more  
20 than the Affordable Sales Price. Homebuyers under the  
21 Redevelopment Homeownership Program are not eligible. Although  
22 the Affordable Sales Price is based on a specific target income level,  
23 the income of the particular homebuyer must not exceed eighty  
24 percent (80%) of the Riverside County Median Income based on  
25 their actual income and household size.
- 26 iv. For each bedroom unit, the AGENCY will use income limit for a  
27 household size of one (1) person per bedroom plus one (1). For  
28 example, for a three- (3) bedroom unit – the AGENCY will use

1 income limit for a four- (4) person household, and for a four- (4)  
2 bedroom unit – the AGENCY will use income limit for a five- (5)  
3 person household.

4 v. DEVELOPER shall make each single-family home, independent of  
5 each other, available to a LOW-INCOME HOUSEHOLD.

6 vi. DEVELOPER shall sell each single-family home and real property  
7 attached thereto under a condition subject to the REGULATORY  
8 AGREEMENT.

9 vii. The REGULATORY AGREEMENT shall impose a continuing  
10 restriction, for a minimum period of forty-five years, which at each  
11 point of resale of each single-family home, and independent of the  
12 other single-family home and real property attached thereto, is sold  
13 to a LOW-INCOME HOUSEHOLD.

14 e. Subsequent Sales Price.

15 i. It is the intent of the AGENCY that the new homes developed will  
16 remain affordable for at least forty-five (45) years. During the term  
17 of the Affordability Period, the home must be sold to Qualified  
18 Homebuyer who has a household income that does not exceed eighty  
19 percent (80%) of the Riverside County Median Income adjusted per  
20 household size as amended by the California Department of Housing  
21 and Community Development (HCD) from time to time at an  
22 approved price by the AGENCY. The AGENCY determines the  
23 maximum Affordable Sales Price and verifies that the buyer is  
24 income-eligible and meets the occupancy standard established. The  
25 Affordable Sales Price is calculated for affordability and is not  
26 driven by property values or other market conditions. The Affordable  
27 Sales Price changes over time base primarily on changes in the  
28 maximum income level limits and interest rates. When the

1 homeowner sells the home to the next qualified buyer, the  
2 Affordable Sales Price will be limited by the Affordable Housing  
3 Cost for that particular unit based on interest rates and maximum  
4 income limit at the time of sale.

5 **12) AGENCY REVIEW OF PLANS.**

- 6 a. Prior to permit submission, DEVELOPER will provide AGENCY with a  
7 complete set of plans and specifications on the proposed construction and  
8 development of each single-family home.  
9 b. AGENCY shall have thirty (30) days to review and approve plans and  
10 specifications prior to permit submission. Such approval shall not be  
11 unreasonably withheld, and AGENCY must provide written disapproval. IF  
12 no written disapproval is received by DEVELOPER within thirty (30) days  
13 of submitting plans and specifications to AGENCY, then such plans and  
14 specifications shall be deemed approved.

15 **13) REVERSIONARY INTEREST FOR THE BENEFIT OF THE AGENCY**

- 16 a. DEVELOPER hereby agrees and acknowledges that conveyance of the  
17 PROPERTY is at a price below the real market value and is conveyed at  
18 below market value price for the purpose of encouraging and providing for  
19 the development of the PROJECT.  
20 b. Without waiving any right of remedy in law or equity to any breach of this  
21 AGREEMENT, AGENCY and DEVELOPER hereby agree that in the event  
22 the PROJECT has not achieved COMPLETION within fifteen (15) months  
23 after approval of AGREEMENT, unless such date is extended by mutual  
24 agreement, DEVELOPER shall be deemed in default and subject to default  
25 remedies contained in the AGREEMENT, then fee simple absolute title, to  
26 the PROPERTY shall automatically revert back to the AGENCY.  
27 c. Upon reversion, AGENCY shall have full and complete rights of fee simple  
28 ownership of the reverted parcel.

- 1 d. After reversion of the PROPERTY, AGENCY shall retain fee simple  
2 ownership of all improvements completed upon the PROPERTY by  
3 DEVELOPER.
- 4 e. Upon the reversion in AGENCY of possession and ownership of the  
5 PROPERTY and improvements, AGENCY shall use its best efforts to resell  
6 the PROPERTY or any part thereof, as soon and in such manner as  
7 AGENCY shall find feasible and consistent with the objectives of this  
8 AGREEMENT to a qualified and responsible party or parties, as determined  
9 by AGENCY, who will assume the obligation of making or completing the  
10 improvements, or such other improvements in the DEVELOPER'S stead, as  
11 shall be satisfactory to AGENCY and in accordance with this  
12 AGREEMENT.
- 13 f. In the event of resale, the proceeds thereof shall be applied as follows:
- 14 i. FIRST. To reimburse AGENCY on its behalf or on behalf of the  
15 County of Riverside for all costs and expenses incurred by  
16 AGENCY, including but not limited to, salaries to personnel, legal  
17 costs and attorney's fees, and all other contractual expenses in  
18 connection with the recapture, management, and resale of the  
19 PROPERTY, but less any income derived by AGENCY from the  
20 PROPERTY or part thereof in connection with such management; all  
21 taxes, assessments and water and sewer charges with respect to the  
22 PROPERTY; any payments made or necessary to be made to  
23 discharge or prevent from attaching or being made any subsequent  
24 encumbrances or liens due to obligations incurred with respect to the  
25 making or completion of the agreed improvements or any part  
26 thereof on the PROPERTY or part thereof; and amounts otherwise  
27 owing to AGENCY by DEVELOPER, its successors, or transferees;  
28 and

1                   ii. SECOND. To reimburse DEVELOPER, its successor or transferee,  
2                   up to amount equal to:

3                   1. The sum of the PURCHASE PRICE paid to AGENCY by the  
4                   DEVELOPER for the PROPERTY;

5                   2. The costs incurred for the development of the PROPERTY  
6                   and for the agreed improvements existing on the PROPERTY  
7                   at the time of the re-entry and repossession, less;

8                   3. THIRD. Any gains or income withdrawn or made by the  
9                   DEVELOPER from the PROPERTY or the improvements  
10                  thereon.

11                  iii. Any balance remaining after such reimbursements shall be retained  
12                  by AGENCY as its property.

13                  g. The rights established by this section are to be interpreted in light of the fact  
14                  that AGENCY will transfer the PROPERTY to DEVELOPER for less than  
15                  fair market value for development as an affordable housing project.

16                  h. Disposition of proceeds in the event of resale by the Agency, as stipulated in  
17                  Section 13(f), shall be subordinate to the immediate repayment of any  
18                  construction loan recorded against the PROPERTY. Any construction loans  
19                  recorded against the PROPERTY shall be fully repaid and reconveyed prior  
20                  to disposing of any resale proceeds by the AGENCY in the manner  
21                  stipulated within Section 13(f) above.

22                  **14) PREVAILING WAGES.**

23                  a. The PROJECT will be constructed in compliance with state prevailing  
24                  wages.

25                  **15) INSURANCE.** Without limiting or diminishing the DEVELOPER'S obligation to  
26                  indemnify or hold the AGENCY harmless, DEVELOPER shall procure and  
27                  maintain or cause to be maintained, at its sole cost and expense, the following  
28                  insurance coverage's during the term of this AGREEMENT.

- a. Worker's 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 One Million Dollars (\$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 the 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 One Million Dollars (\$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 no less than One Million Dollars (\$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

1 shall name the AGENCY, the County of Riverside and its Agencies,  
2 Districts, Special Districts, and Departments, their respective directors,  
3 officers, Board of Supervisors, employees, elected or appointed officials,  
4 agents or representatives as Additional Insured.

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

8 e. General Insurance Provisions – All Lines

9 i. Any insurance carrier providing insurance coverage  
10 hereunder shall be admitted to the State of California and  
11 have an A M BEST rating of not less than A: VIII (A:\*)  
12 unless such requirements are waived, in writing, by the  
13 AGENCY Risk Manager. If the AGENCY'S Risk Manager  
14 waives a requirement for a particular insurer such waiver is  
15 only valid for that specific insurer and only for one policy  
16 term.

17 ii. The DEVELOPER'S insurance carrier(s) must declare its  
18 insurance self-insured retentions. If such self-insured  
19 retentions exceed Five Hundred Thousand Dollars (\$500,000)  
20 per occurrence such retentions shall have the prior written  
21 consent of the AGENCY'S Risk Manager before the  
22 commencement of operations under this AGREEMENT.  
23 Upon notification of self insured retention unacceptable to the  
24 AGENCY, and at the election of the AGENCY'S Risk  
25 Manager, DEVELOPER'S carriers shall either:

26 a. Reduce or eliminate such self-insured retention as  
27 respect this AGREEMENT with the AGENCY; or

28 b. Procure a bond which guarantees payment of losses



1 and related investigations, claims administration, and  
2 defense costs and expenses.

3 iii. DEVELOPER shall cause DEVELOPER'S insurance  
4 carriers(s) to furnish the AGENCY with either:

5 a. A properly executed original Certificate(s) of  
6 Insurance and certified original copies of  
7 Endorsements effecting coverage as required  
8 herein; and

9 b. If requested to do so orally or in writing by the  
10 AGENCY Risk Manager, provide original  
11 certified copies of policies including all  
12 Endorsements and all attachments thereto,  
13 showing such insurance is in full force and effect.

14 Further, said Certificate(s) and policies of insurance shall contain the  
15 covenant of the insurance carrier(s) that thirty (30) days written notice shall  
16 be given to the AGENCY prior to any material modification, cancellation,  
17 expiration or reduction in coverage of such insurance. In the event of a  
18 material modification, cancellation, expiration, or reduction in coverage, this  
19 AGREEMENT shall terminate forthwith, unless the AGENCY receives,  
20 prior to such effective date, another properly executed original Certificate of  
21 Insurance and original copies of endorsements or certified original policies,  
22 including all endorsements and attachments thereto evidencing coverage's  
23 set forth herein and the insurance required herein is in full force and effect.  
24 DEVELOPER shall not commence operation until the AGENCY has been  
25 furnished original Certificate(s) of Insurance and certified original copies of  
26 endorsements and if requested, certified original policies of insurance  
27 including all endorsements and any and all other attachments as required in  
28 the Section. An individual authorized by the insurance carrier to do so, on its

1           behalf shall sign the original endorsements for each policy and the  
2           Certificate of Insurance.

3           iv. It is understood and agreed to by the parties hereto that the  
4           DEVELOPER'S insurance shall be construed as primary  
5           insurance, and the AGENCY'S insurance and/or deductibles  
6           and/or self-insured retention's or self-insured programs shall  
7           not be construed as contributory.

8           v. If, during the term of this AGREEMENT or any extension  
9           thereof, there is a material change in the scope of services; or,  
10          there is a material change in the equipment to be used in the  
11          performance of the scope of work which will add additional  
12          exposures (such as the use of aircraft, watercraft, cranes,  
13          etc.); or, the term of this AGREEMENT, including any  
14          extensions thereof, exceeds five (5) years, the AGENCY  
15          reserves the right to adjust the types of insurance required  
16          under this AGREEMENT and the monetary limits of liability  
17          for the insurance coverage's currently required herein, if; in  
18          the AGENCY Risk Manager's reasonable judgment the  
19          amount or type of insurance carried by the DEVELOPER has  
20          become inadequate.

21          vi. DEVELOPER shall pass down the insurance obligations  
22          contained herein to all tiers of subcontractors working under  
23          this AGREEMENT.

24          vii. The insurance requirements contained in this AGREEMENT  
25          may be met with a program(s) of self-insurance acceptable to  
26          the AGENCY.

27          viii. DEVELOPER agrees to notify AGENCY of any claim by  
28          a third party or any incident or event that may give rise to a

1 claim arising from the performance this AGREEMENT. All  
2 certificates, documents, and other written materials  
3 establishing compliance with the above enumerated  
4 conditions precedent are to be field with AGENCY at the  
5 expense of DEVELOPER. It is understood and agreed to by  
6 the parties hereto, and the insurance company (ies),  
7 Certificate of Insurance and policies shall so covenant and  
8 shall be construed as primary and AGENCY'S insurance  
9 and/or deductibles and/or self-insured retention or self-  
10 insured programs shall not be construed as contributory. The  
11 AGENCY reserves the right to adjust the monetary limits of  
12 insurance coverage during the term of this AGREEMENT, or  
13 any extension thereof if in AGENCY Risk Manager's  
14 reasonable judgment, the amount or type of insurance  
15 typically carried by the DEVELOPER or its contractors is  
16 inadequate.

17 **16) MAINTENANCE OF THE PROPERTY.** DEVELOPER agrees to maintain the  
18 improvements, existing or to be constructed, and all landscaping on the  
19 PROPERTY pursuant to the REGULATORY AGREEMENT.

20 **17) QUALIFIED HOMEBUYER.** DEVELOPER shall provide AGENCY evidence to  
21 support the following listed information for AGENCY'S review and approval:

- 22 a. Income Limits. In order for homebuyers to be a Qualified Homebuyer, the  
23 homebuyer's annual income must not exceed eighty percent (80%) of the  
24 AMI, for Riverside County, adjusted for applicable household size, as  
25 computed in accordance with the Community Redevelopment Law and the  
26 regulations promulgated pursuant thereto or incorporated therein, including,  
27 without limitation, all regulations promulgated pursuant to California Health  
28 and Safety Code Section 50093, or any successor statute. The income and

1 assets of all persons age eighteen (18) and older who will reside in the home  
2 must be included in the calculation to determine income eligibility.

- 3 b. Co-owners. Co-owners are only permitted if they will occupy the home as  
4 their principal residence and qualify as FIRST-TIME HOMEBUYERS. The  
5 income of all co-owners will be included in determining if the household  
6 qualifies as LOW-INCOME. Co-signers are not permitted.
- 7 c. First-Time Homebuyer. The homebuyer cannot have owned a home for the  
8 previous three years from the date the homebuyer enters into a purchase  
9 agreement. DEVELOPER shall cause the homebuyer to sign a sworn  
10 application attesting that they have not owned a home during such period  
11 and tax returns from the last three (3) years will be reviewed to ascertain that  
12 no mortgage interest or real estate tax deductions have been claimed.
- 13 d. Principal Residence. Homebuyer must occupy the PROPERTY as its  
14 primary residence during the Affordability Period.
- 15 e. Occupancy Standard. All homebuyers must meet the occupancy standard as  
16 set forth in the U.S. Department of Housing and Urban Development (HUD)  
17 Housing Quality Standards per 24 CFR 982.401(d)(2)(ii) et. seq that states,  
18 "The dwelling unit must have at least one bedroom or living/sleeping room  
19 for each two persons." Children of opposite sex, other than very young  
20 children, may not be required to occupy the same bedroom or living/sleeping  
21 room."
- 22 f. Homebuyer Education. Each homebuyer must receive a certificate of  
23 completion evidencing at least eight (8) hours of homebuyer counseling  
24 from a HUD-approved housing counseling agency before obtaining a  
25 mortgage loan.
- 26 g. Long Term Affordability. Affordability requirements apply regardless of the  
27 term of any loan, mortgage or the transfer of ownership. Affordability  
28 requirements are imposed by deed restrictions, but may terminate upon

1 foreclosure or transfer in lieu of foreclosure.

2 h. Creditworthiness. Qualified homebuyers must be creditworthy and able to  
3 undertake traditional 30-year fixed rate loan, FHA, VA, CalHFA, Fannie  
4 Mae or Freddie Mac insured loan products with fully amortized loan  
5 payments.

6 i. Resale Restrictions. During the term of the Affordability Period, the  
7 ASSISTED UNITS must be sold to Qualified Homebuyer that has a  
8 household income that does not exceed eighty percent (80%) of the  
9 Riverside County Median Income adjusted per household size as amended  
10 by the California Department of Housing and Community Development  
11 (HCD) from time to time at an approved price by the AGENCY.

12 **18) COVENANTS, CONDITIONS AND RESTRICTIONS.** AGENCY and  
13 DEVELOPER hereby agree that in conjunction with this AGREEMENT providing  
14 that the land be used to develop two (2) single-family homes that will be made  
15 available as affordable home ownership opportunities for LOW-INCOME  
16 HOUSEHOLDS for a period of not less than forty-five (45) years.

17 **19) NONDISCRIMINATION and NONSEGREGATION.** DEVELOPER herein  
18 covenants by and for itself, its heirs, executors, administrators, and assigns, and all  
19 persons claiming under or through them, that there shall be no discrimination per  
20 California Government Code 12955 against or segregation of, any person or group  
21 of persons on account of race, color, creed, religion, sex, marital status, national  
22 origin, ancestry, or disability in the sale, lease, sublease, transfer, use, occupancy,  
23 tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any  
24 person claiming under or through him or her, establish or permit any such practice  
25 or practices of discrimination or segregation with reference to the selection,  
26 location, number, use or occupancy of tenants, lessees, subtenants, sub lessees, or  
27 vendees in the premises herein conveyed. The foregoing covenants shall run with  
28 the land.

1       **20) COOPERATION.** DEVELOPER and AGENCY agree to mutually cooperate and  
2       otherwise exercise their best efforts to assist each other in the performance of the  
3       duties and obligations described in this AGREEMENT.

4       **21) INDEPENDENT CONTRACTOR.** DEVELOPER and its agents, servants and  
5       employees shall act at all times in an independent capacity during the Term of this  
6       AGREEMENT, and shall not act as, shall not be, nor shall they in any manner be  
7       construed to be agents, officers, or employees of AGENCY.

8       **22) DEFAULT, REMEDIES AND TERMINATION.**

9       a. Defaults, Right to Cure and Termination.

10       i. Subject to any enforced delay, failure or delay by either party to  
11       timely perform any covenant of this AGREEMENT constitutes a  
12       default under the AGREEMENT, but only if the party who so fails or  
13       delays does not commence to cure, correct or remedy such failure or  
14       delay within thirty (30) days after receipt of a written notice  
15       specifying such failure or delay, and does not thereafter prosecute  
16       such cure, correction or remedy with diligence to completion.

17       ii. The injured party shall give written notice of default to the party in  
18       default, specifying the default complained of by the injured party.  
19       Except as required to protect against further damages, the injured  
20       party may not institute proceedings against the party in default unit  
21       thirty (30) days after giving such notice. Failure or delay in giving  
22       such notice shall not constitute a waiver of any default, nor shall it  
23       change the time of default.

24       iii. Except as otherwise provide in this AGREEMENT, waiver by either  
25       party of the performance of any covenant, condition, or promise,  
26       shall not invalidate this AGREEMENT, nor shall it be considered a  
27       waiver of any other covenant, condition, or promise. Waiver by  
28       either party of the time for performing any act shall not constitute a

1 waiver of time for performing any other act or an identical act  
2 required to be performed at a later time. The delay or forbearance by  
3 either party in exercising any remedy or right as to any default shall  
4 not operate as a waiver of any default or of any actions or  
5 proceedings, which it may deem necessary to protect, assert, or  
6 enforce any such rights or remedies.

7 **23) TERMINATION BY AGENCY OR DEVELOPER.** AGENCY or DEVELOPER

8 shall have the right to terminate this AGREEMENT in the event either party fails to  
9 perform, keep or observe any of its duties or obligations hereunder; provided  
10 however, that AGENCY or DEVELOPER shall have thirty (30) days in which to  
11 correct such breach or default after written notice thereof has been served on it by  
12 the other party.

13 **24) INDEMNIFICATION.**

14 a. DEVELOPER shall indemnify and hold AGENCY, its officers, agents,  
15 employees, elected officials and independent contractors free and harmless  
16 from any liability whatsoever, based or asserted upon any act or omission of  
17 DEVELOPER, its officers, agents, employees, subcontractors and  
18 independent contractors for property damage, bodily injury, or death  
19 (DEVELOPER'S employees included) or any other element of damage of  
20 any kind or nature, relating to or in any way connected with or arising from  
21 its prior use of the PROPERTY, and DEVELOPER shall defend, at its  
22 expense, including attorney fees, AGENCY, its officers, agents, employees  
23 and independent contractors in any legal action based upon such alleged acts  
24 or omissions.

25 b. Except as otherwise provided herein, DEVELOPER represents hat it has  
26 inspected the PROPERTY, accepts the condition thereof and fully assumes  
27 any and all risks incidental to the use thereof. AGENCY shall not be liable  
28 to DEVELOPER, its agents, employees, subcontractors or independent

1 contractors for any personal injury or property damage suffered by them  
2 which may result from hidden, latent or other dangerous conditions in, on,  
3 upon or within the PROPERTY unknown to AGENCY, its officers, agents  
4 or employees.

- 5 c. AGENCY shall indemnify and hold DEVELOPER, its officers, agents,  
6 employees and independent contractors free and harmless from any liability  
7 whatsoever, based or assert upon any act or omission of AGENCY, its  
8 officers, agents, employees, subcontractors and independent contractors for  
9 property damage, bodily injury, or death (AGENCY'S employees included)  
10 or any other element of damage of any kind or nature, relating to or in any  
11 way connected with or arising from its use, occupancy or operation of the  
12 PROPERTY, and AGENCY shall defend, at its expense, including attorney  
13 fees, DEVELOPER, its officers, agents, employees and independent  
14 contractors in any legal action based upon such alleged acts or omissions.

15 **25) HAZARDOUS SUBSTANCES.** As used herein, "Hazardous Substances" shall  
16 include, but not be limited to, substances defined as "hazardous substances,"  
17 "hazardous materials," or "toxic substances," in the Comprehensive Environmental  
18 Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section  
19 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801,  
20 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et  
21 seq.; and those substance defined as "hazardous wastes," in Section 25117 of the  
22 California Health and Safety Code or as "hazardous substances," in Section 25316  
23 of the California Health and Safety Code; and in the regulations adopted in  
24 publications promulgated pursuant to said laws.

25 **26) AUTHORITY TO EXECUTE.** The persons executing this AGREEMENT or  
26 exhibits attached hereto on behalf of the parties to this AGREEMENT hereby  
27 warrant and represent that they have the authority to bind the respective parties to  
28 this AGREEMENT to the performance of its obligations hereunder.



1       **27) CLOSE OF ESCROW.** All warranties, covenant and other obligations stated in  
2       this AGREEMENT shall survive delivery of the deed. All warranties, covenants,  
3       and other obligations that the AGENCY discovers to be breached before the  
4       CLOSING, and that AGENCY expressly waives or does not object to before the  
5       CLOSING, shall not survive delivery of the deed.

6       **28) TIME IS OF THE ESSENCE.** Time is of the essence in all phases of this  
7       AGREEMENT and the ESCROW referred to herein.

8       **29) NOTICES.** Any notices served by either party upon the other party shall be address  
9       to the respective parties as set forth below:

<u>AGENCY</u>	<u>DEVELOPER</u>
Executive Director	Executive Director
Redevelopment Agency for the	Habitat for Humanity, Riverside
County of Riverside	P.O. Box 2216
3403 10th Street, Suite 500	Riverside, CA 92516-2216
Riverside, CA 92501	

17  
18       Or to such other addresses as from time to time shall be designated by the respective  
19       parties. Notices must be in writing and will be deemed to have been given when  
20       personally delivered, sent by facsimile with receipt acknowledged, deposited with  
21       any nationally recognized overnight carrier that routinely issues receipts, or  
22       deposited in any depository regularly maintained by the United State Postal Service,  
23       postage prepaid, certified mail, return receipt required, addressed to the party for  
24       whom it is intended as its address set forth above.

25       **30) BINDING OF SUCCESSORS.** The parties hereto, their assigns and successors in  
26       interest, shall be bound by all the terms and conditions contained in this  
27       AGREEMENT and all of the parties hereto shall be jointly and severally liable  
28       hereunder.

1       **31) WAIVER OF PERFORMANCE.** No waiver by AGENCY at any time of any of  
2       the terms and conditions of this AGREEMENT shall be deemed or construed as a  
3       waiver at any time thereafter of the same or of any other terms or conditions  
4       contained herein or of the strict and timely performance of such terms and  
5       conditions.

6       **32) APPLICABLE LAW AND SEVERABILITY.** This AGREEMENT shall, in all  
7       respects, be governed by the laws of the State of California applicable to agreements  
8       executed and to be wholly performed within the State of California. Nothing  
9       contained herein shall be construed so as to require the commission of any act  
10      contrary to law. Whenever there is any conflict between any provision contained  
11      herein and any present or future statute, law, ordinance or regulation the latter shall  
12      prevail. All other provisions of this AGREEMENT shall remain in full force and  
13      effect.

14      **33) JURISDICTION AND VENUE.** Any action at law or in equity brought by either  
15      of the parties hereto for the purpose of enforcing a right or rights provided for by  
16      this AGREEMENT shall be tried in a court of competent jurisdiction in the County  
17      of Riverside, State of California, and the parties hereby waive all provisions of law  
18      providing for a change of venue in such proceedings to any other county.

19      **34) ATTORNEY'S FEES.** In the event of any litigation between AGENCY and  
20      DEVELOPER to enforce any of the provisions of this AGREEMENT or any right  
21      of either party hereto, the unsuccessful party to such litigation or arbitration agrees  
22      to pay to the successful party all costs and expenses, including reasonable attorney's  
23      fees, incurred therein by the successful party, all of which shall be included in and  
24      as a part of the judgment or ruling rendered in such litigation or arbitration.

25      **35) PARAGRAPH HEADINGS.** The paragraph headings herein are for the  
26      convenience of the parties only, and shall not be deemed to govern, limit, modify or  
27      in any manner affect the scope, meaning or intent of the provisions or language of  
28      this AGREEMENT.

1 **36) ENTIRE AGREEMENT.**

2 a. This AGREEMENT is intended by the parties hereto as a final expression of  
3 their understanding with respect to the subject matter hereof and as a  
4 complete and exclusive statement of the terms and conditions thereof and  
5 supersedes any and all prior and contemporaneous leases, agreements, and  
6 understandings, oral or written, in connection therewith.

7 b. No other agreement oral or written is contemplated or promised by the  
8 parties to the AGREEMENT.

9 **37) AGENCY APPROVAL.** This AGREEMENT shall not be binding or  
10 consummated until its approval by the AGENCY'S Board of Directors.

11 **38) FURTHER ASSURANCES.** Each of the parties hereto shall execute and deliver  
12 any and all additional papers, documents, and other assurances, and shall do any and  
13 acts and things reasonably necessary in connection with the performance of their  
14 obligations hereunder and to carry out the intent of the parties hereto.

15 **39) MODIFICATIONS OR AMENDMENTS.** No amendment, change or modification  
16 of this AGREEMENT shall be valid unless in writing, stating that it is an  
17 amendment to this AGREEMENT and signed by all the parties thereto.

18 **40) NO OBLIGATIONS TO THIRD PARTIES.** The execution and delivery of this  
19 AGREEMENT shall not be deemed to confer any rights upon, or obligate either of  
20 the parties thereto, to any person or entity other than each other.

21 **41) NUMBER AND GENDER.** In this AGREEMENT, whenever, the context so  
22 requires, the masculine gender includes the feminine and or neuter, and vice versa,  
23 and the singular number includes the plural.

24 **42) EXPENSES.** Except as expressly otherwise provided herein, the parties shall pay  
25 their own costs and expenses in connection with the negotiation, execution and  
26 delivery of this AGREEMENT.

27 **43) PERFORMANCE OF ACTS ON BUSINESS DAYS.** In the event that the final  
28 date of payment for any amount of performance of any act hereunder falls on a

1 Saturday, Sunday or holiday, such payment may be made or act performed on the  
2 next succeeding business day.

3 **44) ASSIGNMENT.** The DEVELOPER shall not make any sale, assignment,  
4 conveyance, or transfer in any other form with respect to this AGREEMENT or the  
5 PROJECT, other than the sale of PROPERTY to Qualified Homebuyers as set forth  
6 in this AGREEMENT.

7 **45) EXHIBITS AND ATTACHMENTS.** Each of the attachments and exhibits  
8 attached hereto is incorporated herein by this reference.

9 **46) MEDIA RELEASES.** DEVELOPER agrees to allow AGENCY to coordinate all  
10 media releases regarding the PROJECT, with prior approval of AGENCY. Any  
11 publicity generated by DEVELOPER for the PROJECT must make reference to the  
12 contribution of AGENCY in making the PROJECT possible. AGENCY'S name  
13 shall be prominently displayed in all pieces of publicity generated by  
14 DEVELOPER, including flyers, press releases, posters, signs, brochures, and public  
15 service announcements. DEVELOPER agrees to cooperate with AGENCY in and  
16 AGENCY-generated publicity or promotional activities with respect to the  
17 PROJECT.

18 **47) COUNTERPARTS.** This AGREEMENT may be signed by the different parties  
19 hereto in counterparts, each of which shall be an original, but all of which together  
20 shall constitute one and the same agreement.

21 **48) BINDING EFFECT.** The rights and obligations of this AGREEMENT shall bind  
22 and inure to the benefit of the respective heirs, successors and assigns of the parties.

23 **49) FORCE MAJEURE DELAYS.** Delay due to Force Majeure that, in each case, (i)  
24 materially adversely affects the performance by DEVELOPER of its obligations  
25 hereunder, (ii) is not reasonably foreseeable and is beyond DEVELOPER's  
26 reasonable control, (iii) despite the exercise of reasonable diligence, cannot be  
27 prevented, avoided or removed by DEVELOPER and is not attributable to the  
28 negligence, willful misconduct or bad faith of DEVELOPER, and (iv) is not the

1 result of the failure of DEVELOPER to perform any of its obligations under this  
2 AGREEMENT. Notwithstanding the foregoing, a Force Majeure Delay shall **not**  
3 be deemed to have occurred unless DEVELOPER has notified County of such  
4 occurrence of Force Majeure within fifteen (15) days after such occurrence and has  
5 provided County with the details of such event and the length of the anticipated  
6 delay within an additional fifteen (15) days thereafter. DEVELOPER shall  
7 diligently attempt to remove, resolve, or otherwise eliminate such event, keep the  
8 AGENCY advised with respect thereto, and shall commence performance of its  
9 obligations hereunder immediately upon such removal, resolution or elimination.  
10 During the occurrence and continuance of a Force Majeure Delay, DEVELOPER  
11 shall be excused from performance of its obligations under this AGREEMENT to  
12 the extent the Force Majeure prevents DEVELOPER from performing such  
13 obligations.

14 //

15 //

16 //

17 (END OF AGREEMENT)

18 SIGNATURES ON THE NEXT PAGE  
19  
20  
21  
22  
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24  
25  
26  
27  
28

1 IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of  
2 the date first above written.

3  
4 **AGENCY:**

5 REDEVELOPMENT AGENCY  
6 FOR THE COUNTY OF RIVERSIDE

7 By: \_\_\_\_\_

8 MARION ASHLEY, Chairman  
9 Board of Directors

4 **DEVELOPER:**

5 HABITAT FOR HUMANITY RIVERSIDE

7 By: Karin Roberts

8 KARIN ROBERTS  
9 Executive Director

10  
11 **APPROVED AS TO FORM:**

12 PAMELA J. WALLS  
13 Agency Counsel

14  
15  
16 By: Anita Willis

17 ANITA WILLIS, Deputy

18  
19 **ATTEST:**

20 KECIA HARPER-IHEM  
21 Clerk of the Board

22 By: \_\_\_\_\_

23 Deputy

24  
25  
26 **(All signatures on this page need to be notarized)**  
27  
28

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF Riverside }


On Nov. 16, 2010, before me, D. Bagley Poole, a Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Karin Roberts  
Name(s) of Signer(s)

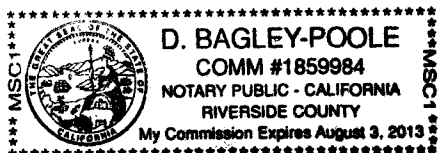
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s),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

Place Notary Seal Above



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public



# **ATTACHMENT “A”**

## **PROJECT DESCRIPTION**

## **PROJECT DESCRIPTION**

**Agency:** Habitat for Humanity, Riverside, Inc.

**Address:** 2121 Atlanta Avenue, Suite B-3  
Riverside, CA 92507

**Project Title:** Pontiac Infill

**Location:** Two (2) single parcels located in the unincorporated Community of Rubidoux within the Jurupa Valley Project Area with the following addresses and Assessor Parcel Numbers:

1. 3838 Pontiac Street, Riverside, CA 92509  
APN:181-052-012
2. 3846 Pontiac Street, Riverside, CA 92509  
APN: 181-052-011

**Description:** This project consists of development and construction of two (2) single-family homes for low-income households who are first-time homebuyers. All families will have incomes at or below eighty percent (80%) of the Riverside County median income, adjusted for family size. This project will utilize up to \$55,000 in Low- and Moderate- Income Housing Set-Aside Funds to assist with permitting fees for the development and construction of the project. Both homes will be restricted to low-income households for a minimum of 45 years.

### **Project Sources and Uses of Fund:**

#### **Sources:**

Fundraiser	\$ 20,000
Materials and Labor Donation	\$ 36,000
Various Grants	\$ 138,000
Redevelopment Agency for the County of Riverside Grant	\$ 55,000
<u>Habitat Funds</u>	<u>\$ 185,220</u>
<b>Total Sources</b>	<b>\$ 434,220</b>

**Uses:**

Planning and Permit Fees	\$ 78,000
Engineering	\$ 25,000
Administration	\$ 64,380
Tools and Equipment	\$ 28,800
<u>Construction</u>	<u>\$ 238,040</u>
<b>Subtotal</b>	<b>\$ 434,220</b>

**Implementation Schedule**

<b>Milestone</b>	<b>Completion Date</b>
1. DDA Agreement Executed	December 7, 2010
2. Families Selected	January 30, 2011
3. Plans and Specifications	March 1, 2011
4. Obtain Building Permit & Entitlements	April 1, 2011
5. Construction Contract	April 1, 2011
6. Construction Begins	April 1, 2011
7. Certificate of Occupancy	September 1, 2011
8. Notice of Completion – Recorded Copy to RDA	October 1, 2011
9. Submission of Final Costs, Sources and Uses of Funds	November 1, 2011
10. Submission of Income & Ethnic Characteristics Report	November 1, 2011

### Document Submission Schedule

1. Construction Activity Reporting	Monthly – By the 5 <sup>th</sup>
2. Liability and Certificate of Workers' Compensation Insurance for Owner	Owner – Upon execution of Agreement, copies of Certificates must be filed and up-to-date throughout the course of the Project with the Agency, additionally insured. The Property Management must submit once on-site.
3. Payment and Performance Bond naming County as obligee	Required Prior to Construction
4. Project Site Photos	Monthly – By the 5 <sup>th</sup>
5. Notice of Completion	Due at the end of Construction
6. Certificate of Occupancy	Due at the end of Construction
7. Title Policy	Due at Close of Escrow
8. Recorded Title Report, showing lien or grant, and Title Insurance	Due at Close of Escrow
9. Project Completion Report	Due at Close of Project
10. Final Development Cost – Sources and Uses	Due at Close of Project

**EXHIBIT “B”**

**REGULATORY AGREEMENT**

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
3403 10th Street, Suite 500  
Riverside, CA 92501

Attn. Der Xiong

SPACE ABOVE THIS LINE FOR RECORDERS USE

### REGULATORY AGREEMENT

This Agreement is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic ("AGENCY") and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation ("DEVELOPER") with respect to the following recitals:

#### RECITALS:

I. On \_\_\_\_\_, the AGENCY and DEVELOPER entered into that certain Disposition and Development Agreement ("DDA") with regards to certain real property conveyed by AGENCY to DEVELOPER, commonly identified with Assessor Parcel Numbers 181-052-011 and 181-052-012 ("PROPERTY"), in the County of Riverside, California. The PROPERTY is described with the following legal description:

1. LOT 18 OF FIRST ADDITION TO FORT FREMONT TRACT, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE(S) 93, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
2. LOT 17 OF THE FIRST ADDITION TO FORT FREEMONT, IN THE COUNTY

1 OR RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN  
2 BOOK 13, PAGE 93 IN THE OFFICE OF THE COUNTY RECORDER OF  
3 RIVERSIDE COUNTY.

4 II. DEVELOPER has agreed to restrict the use of the PROPERTY.

5 NOW, THEREFORE, in consideration of the mutual covenants and agreements  
6 contained in the AGREEMENT, and for other good and valuable consideration, the receipt  
7 and sufficiency of which are hereby acknowledged, DEVELOPER hereby declares as  
8 follows with regard to the Restricted Areas, which declaration shall be an equitable servitude  
9 running with the PROPERTY for the benefit of the AGENCY as follows:

10 **1. Definitions.**

- 11 a) AGENCY. AGENCY shall mean the Redevelopment Agency for the County of  
12 Riverside.
- 13 b) DEVELOPER. DEVELOPER shall mean the Habitat for Humanity Riverside,  
14 Inc., a California nonprofit public benefit corporation.
- 15 c) FIRST-TIME HOME BUYER. FIRST-TIME HOME BUYER shall mean a  
16 buyer which has not owned a real property within the three (3) years prior to the  
17 purchase of any portion of the PROJECT, as defined herein.
- 18 d) LOW-INCOME HOUSEHOLD. LOW-INCOME HOUSEHOLD shall mean a  
19 household whose annual household income does not exceed eighty percent  
20 (80%) of area median income for Riverside County, adjusted for applicable  
21 household size, as computed in accordance with the Community Redevelopment  
22 Law and the regulations promulgated pursuant thereto or incorporated therein,  
23 including, without limitation, all regulation promulgated pursuant to Health and  
24 Safety Code Section 50093, or any successor statute.
- 25 e) PROPERTY. PROPERTY shall mean the real property particularly described  
26 in the first recital.

- 27 **2. Covenant to Develop.** DEVELOPER shall subdivide the property into two (2)  
28 parcels and construct, or cause to be constructed, two (2) single family homes.

1 DEVELOPER shall ensure completion of the homes by the date fifteen (15) months  
2 after DEVELOPER shall have effected the division causing for two (2) buildable  
3 lots, unless such date is extended by mutual agreement, which completion shall be  
4 evidenced by a certificate of occupancy issued by the Riverside County  
5 Transportation Land Management Agency.

6 **3. Restrictions.** For a period of forty-five (45) years from the date of issuance of the  
7 last certificate of occupancy, for itself and on behalf of its successors and assigns  
8 with regard to the PROPERTY, the following is agreed:

- 9 a) DEVELOPER shall create two (2) home ownership opportunities to be made  
10 available to LOW-INCOME HOUSEHOLDS, who are FIRST-TIME HOME  
11 BUYERS.
- 12 b) DEVELOPER shall restrict the sale of each single-family home to a FIRST-  
13 TIME HOMEBUYER at an Affordable Housing Cost. This requires that the  
14 homes be sold at an Affordable Sales Price. Each time the home is sold, it may  
15 not be sold for more than the Affordable Sales Price calculated at the time of  
16 sale.
- 17 c) DEVELOPER shall restrict the sale of each single-family home to a LOW-  
18 INCOME HOUSEHOLD.
- 19 d) DEVELOPER shall sell each single-family home and real property attached  
20 thereto under a condition subject to this AGREEMENT.
- 21 e) This AGREEMENT shall impose a continuing restriction for resale of each  
22 single-family home, independent of each other and real property attached  
23 thereto, to a LOW-INCOME HOUSEHOLD, who are FIRST-TIME HOME  
24 BUYERS.

25 **4. Maintenance of the Improvements.** DEVELOPER, on behalf of itself and its  
26 successors, assigns, and each successor in interest to the PROPERTY or any part  
27 thereof hereby covenants to and shall protect, maintain, and preserve the  
28 improvements located on the PROPERTY in compliance with all applicable federal



1 and state law and regulations and local ordinances.

2 **5. Compliance.** DEVELOPER, on behalf of itself and its successors, assigns, and each  
3 successor in interest to the PROPERTY or any part thereof, hereby covenants to and  
4 shall comply with all applicable federal and state law and regulations and local  
5 ordinances.

6 **6. Nondiscrimination.** DEVELOPER, on behalf of itself and its successors, assigns,  
7 and each successor in interest to the PROPERTY or any part thereof, covenants by  
8 and for itself and any successors in interest that there shall be no discrimination  
9 against or segregation of any person or group of persons on account of race, color,  
10 creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the  
11 sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the  
12 PROPERTY, nor shall DEVELOPER, on behalf of itself and its successors, assigns,  
13 and each successor in interest to the PROPERTY or any part thereof, itself or any  
14 person claiming under or through it establish or permit any such practice or  
15 practices of discrimination or segregation with reference to the election, location,  
16 number, use or occupancy of tenants, lessees, subtenants, sub lessees or vendees of  
17 the Real Property. The foregoing covenants shall run with the land. DEVELOPER,  
18 on behalf of itself and its successors, assigns, and each successor in interest to the  
19 PROPERTY or any part thereof, shall refrain from restricting the rental, sale, or  
20 lease of the PROPERTY on the basis of race, color, creed, religion, sex, marital  
21 status, age, handicap, national origin or ancestry of any person. All such deeds,  
22 leases or contracts shall contain or be subject to substantially the following  
23 nondiscrimination or non-segregation clauses:

24 a) In deeds: "DEVELOPER, on behalf of itself and its successors, assigns, and  
25 each successor in interest to the PROPERTY or any part thereof, herein  
26 covenants by and for himself, for herself, his or her heirs, executors,  
27 administrators and assigns, and all persons claiming under or through them that  
28 there shall be no discrimination against or segregation of any person or group of

persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the DEVELOPER, on behalf of itself and its successors, assigns, and each successor in interest to the PROPERTY or any part thereof, himself or herself nor any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, numbers use or occupancy of tenants, lessees, subtenants, sub lessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

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

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

ii. In contracts, “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person

1 claiming under or through him or her, establish or permit any such  
2 practice or practices of discrimination or segregation with reference to  
3 the selection, location, number, use, or occupancy of tenants, lessees,  
4 subtenants, sub lessees or vendees of the premises.”

5 7. **Binding Effect.** The rights and obligations of this AGREEMENT shall bind and  
6 inure to the benefit of the respective heirs, successors and assigns of the parties.  
7 Notwithstanding anything to the contrary in this AGREEMENT, AGENCY and  
8 DEVELOPER, on behalf of itself and its successors, assigns, and each successor in  
9 interest to the PROPERTY or any part thereof, may assign its rights hereunder with  
10 prior written permission from the AGENCY. The obligation of the DEVELOPER,  
11 on behalf of itself and its successors, assigns, and each successor in interest to the  
12 PROPERTY or any part thereof, shall run with the land.

13 8. **Attorneys' Fees.** If any party hereto brings an action to enforce the terms hereof or  
14 declare its rights hereunder, the prevailing party in any such action shall be entitled  
15 to its reasonable attorneys' fees to be paid by the losing party as fixed by the Court.

16 9. **Severability.** In the event that any provision, whether constituting a separate  
17 paragraph or whether contained in a paragraph with other provisions, is hereafter  
18 determined to be void and unenforceable, it shall be deemed separated and deleted  
19 from the agreement and the remaining provisions of this AGREEMENT shall  
20 remain in full force and effect. The foregoing covenants against discrimination or  
21 segregation shall continue in effect in perpetuity.

22 //

23 //

24 //

25 (END OF AGREEMENT)

26 SIGNATURES ON NEXT PAGE

1 IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of  
2 the date first above written.

3  
4 REDEVELOPMENT AGENCY  
5 FOR THE COUNTY OF RIVERSIDE

HABITAT FOR HUMANITY RIVERSIDE

6  
7 By: \_\_\_\_\_

8 ROBERT FIELD  
9 Executive Director

By: Karin Roberts

KARIN ROBERTS  
Executive Director

10 APPROVED AS TO FORM:

11 PAMELA J. WALLS  
12 Agency Counsel

13  
14 By: \_\_\_\_\_

15 ANITA WILLIS, Deputy  
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27  
28

(All signatures on this page need to be notarized)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On Nov. 16, 2010, before me, D. Bagley Poole, a Notary Poole  
Date Here Insert Name and Title of the Officer

personally appeared Karin Roberts  
Name(s) of Signer(s)

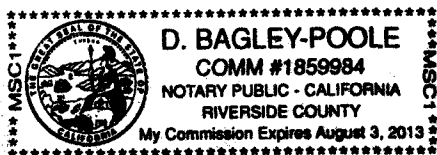
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), 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 [Signature]  
Signature of Notary Public

Place Notary Seal Above



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

\_\_\_\_\_

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public

# **ATTACHMENT “C”**

## **GRANT DEED**

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Redevelopment Agency  
3403 10th Street, Suite 500  
Riverside, CA 92501

Attn. Der Xiong

SPACE ABOVE THIS LINE FOR RECORDERS USE

### GRANT DEED

The REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (the "AGENCY"), effective as of \_\_\_\_\_, 2010, hereby grants to HABITAT FOR HUMANITY RIVERSIDE, 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, 2 and 3 hereof and the requirements of the Disposition and Development Agreement (the "DDA") between the parties, dated as of \_\_\_\_\_, 2010. All capitalized terms not defined herein shall have the respective meanings established therefore in the DDA.

1. **Agency Right of Reentry.** The AGENCY has the right, at its election, to reenter and take possession of the PROPERTY, with all improvements thereon, and terminate and revest in the AGENCY the estate conveyed to the DEVELOPER, as set forth in the Disposition and Development Agreement, dated as of \_\_\_\_\_, 2010, by and between the AGENCY and 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 DDA for a



- 1 period of ninety (90) days after written notice thereof from the AGENCY; or  
2 b. Abandon or substantially suspend construction of the improvements required by  
3 the DDA for a period of ninety (90) days after written notice thereof from the  
4 AGENCY;  
5 2. Such right to reenter, terminate and revest shall be subject to and be limited by and  
6 shall not defeat, render invalid or limit:  
7 a. Any mortgage or deed of trust permitted by the DDA; or  
8 b. Any rights or interests provided in the DDA for the protection of the holders of  
9 such mortgages or deeds of trust.

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13 (END OF AGREEMENT)

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

3  
4 REDEVELOPMENT AGENCY  
5 FOR THE COUNTY OF RIVERSIDE

6  
7 By: \_\_\_\_\_

8 ROBERT FIELD  
9 Executive Director

10 APPROVED AS TO FORM:

11 PAMELA J. WALLS  
12 Agency Counsel

13  
14  
15 By: \_\_\_\_\_

16 ANITA WILLIS, Deputy  
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28 (All signatures on this page need to be notarized)

## **EXHIBIT "A"**

**Project Address:** 3846 Pontiac Avenue, Riverside, CA 92509-6638

**Assessor Parcel Number:** 181-052-011

**Legal Description:**

LOT 18 OF FIRST ADDITION TO FORT FREMONT TRACT, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE(S) 93, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**Project Address:** 3838 Pontiac Avenue, Riverside, CA 92509-6638

**Assessor Parcel Number:** 181-052-012

**Legal Description:**

LOT 17 OF THE FIRST ADDITION TO FORT FREEMONT, IN THE COUNTY OR RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE 93 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

\_\_\_\_\_

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public

# **ATTACHMENT “D”**

## **COVENANT AGREEMENT**

6103 Government Code  
Order No.  
Escrow No.  
Loan No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:  
Redevelopment Agency  
For the County of Riverside  
3403 10th Street, Suite 500  
Riverside, CA 92507  
Attn: Der Xiong

SPACE ABOVE THIS LINE FOR RECORDERS USE

**AGREEMENT CONTAINING COVENANTS  
AFFECTING REAL PROPERTY**

*[insert property address]*

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_ 2010, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (hereinafter referred to as "AGENCY") and \_\_\_\_\_ (hereinafter referred to as "OWNER"), with respect to the following recitals:

**RECITALS**

A. On \_\_\_\_\_, AGENCY and HABITAT FOR HUMANITY RIVERSIDE, INC., ("DEVELOPER") entered into certain Disposition and Development Agreement (the "DDA") with the purpose of developing and constructing single-family homes for low-income families.

B. The parcel described below (the "PROPERTY") together with the home to be constructed on the PROPERTY is one of the "Assisted Units" as defined in the Development and Disposition Agreement ("DDA") dated \_\_\_\_\_ by and between the AGENCY and DEVELOPER and as specifically identified and described by the following legal description:

1. LEGAL DESCRIPTION OF THE PROPERTY:

Real property in the unincorporated area of the County of Riverside, State of California, described as follows:

LOT XXXX OF XXXX TRACT, UNIT NO. XXXX, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK XXXX, PAGE(S) XXXX, OF MAPS, RECORDS OF RIVERSIDE COUNTY

- C. Pursuant to the DDA, DEVELOPER has agreed to require OWNER to restrict the sale and occupancy of the Assisted Unit.

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

11. RESTRICTIONS. For a period of forty-five (45) years from the date of issuance of a certificate of occupancy for the Assisted Unit (the "Affordability Period"), for itself and on behalf of its successors and assigns with regard to such Assisted Unit, the following:

a) OWNER shall sell the Assisted Unit for an affordable housing cost, as defined in California Health & Safety Code Sections 50052.5(b)(2) and 50052.5(b)(3) which dictate that the "affordable housing cost" shall not exceed the product of thirty percent (30%) times seventy percent (70%) of the area median income adjusted for family size appropriate for the unit.

b) OWNER shall reserve this Assisted Unit for low-income households.

12. MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its successors, assigns, and each successor in interest to the Assisted Unit or any part thereof hereby covenants to and shall protect,



1 maintain, and preserve Assisted Unit in compliance with all applicable  
2 federal and state law and regulations and local ordinances.

3 13. LICENSE TO ENTER. In addition to other remedies which AGENCY may  
4 have to enforce the covenants and agreements set forth above in Sections 1  
5 and 2, OWNER hereby grants to AGENCY a right of ingress and egress  
6 over and across the Assisted Unit insofar as such ingress and egress is  
7 necessary to protect, maintain, and preserve such architectural style and  
8 treatment of the facade in the event that OWNER (or its successors or  
9 assigns of or successors in interest to the Assisted Unit or any part thereof)  
10 shall cease or fail to protect, maintain, and preserve such architectural style  
11 and treatment of such facade. Pursuant to such grant, AGENCY, its agents,  
12 employees, and representatives, shall be permitted (but are not required) to  
13 enter upon the Real Property following reasonable prior notice to the  
14 OWNER and perform such acts and work necessary to protect, maintain,  
15 and preserve such architectural style and treatment of such facade, and to  
16 attach a lien on such Assisted Unit, or to assess the Assisted Unit, in the  
17 amount of the expenditures arising from such acts and work of protection,  
18 maintenance, and preservation by OWNER arising from the enforcement of  
19 the covenants set forth in Sections 1 and 2 hereof. OWNER shall pay to  
20 AGENCY all amounts expended for maintenance or repairs which  
21 AGENCY has performed within thirty (30) days of being presented with an  
22 invoice with respect to such amounts; any such amounts that are not paid  
23 within thirty (30) days of delivery of an invoice with respect thereto shall  
24 bear interest at a rate equal to twelve percent (12%) per annum or the  
25 highest amount permitted by applicable law, whichever is lower. AGENCY  
26 shall not exercise the easement and right-of-entry provided herein without  
27 prior notice and a reasonable opportunity given to Grantor (or to its  
28 successors or assigns or its successors in interest to the Real Property) to

1 comply with its covenants in Sections 1 and 2 hereof; thirty (30) days'  
2 notice shall be deemed to constitute reasonable notice and a reasonable  
3 opportunity for OWNER to comply with its obligations.

4 14. NONDISCRIMINATION. OWNER covenants by and for itself and any  
5 successors in interest that there shall be no discrimination against or  
6 segregation of any person or group of persons on account of race, religion,  
7 sex, sexual orientation, marital status, nationality, familial status, source of  
8 income or disability in the sale, lease, sublease, transfer, use, occupancy,  
9 tenure or enjoyment of the Assisted Unit, nor shall OWNER itself or any  
10 person claiming under or through it establish or permit any such practice or  
11 practices of discrimination or segregation with reference to the election,  
12 location, number, use or occupancy of tenants, lessees, subtenants,  
13 sublessees or vendees of the Assisted Unit. The foregoing covenants shall  
14 run with the land. OWNER shall refrain from restricting the sale of the  
15 Assisted Unit on the basis of race, religion, sex, sexual orientation, marital  
16 status, nationality, familial status, source of income or disability of any  
17 person. All such deeds, leases or contracts shall contain or be subject to  
18 substantially the following nondiscrimination or no segregation clauses:

19 a) In deeds: "The Grantee herein covenants by and for himself for herself,  
20 his or her heirs, executors, administrators and assigns, and all persons  
21 claiming under or through them that there shall be no discrimination  
22 against or segregation of any person or group of persons on account of  
23 race, religion, sex, sexual orientation, marital status, nationality, familial  
24 status, source of income or disability in the sale, lease, sublease, transfer,  
25 use, occupancy, tenure or enjoyment of the land herein conveyed, nor  
26 shall the grantee himself or herself nor any person claiming under or  
27 through him or her establish or permit any such practice or practices of  
28 discrimination or segregation with reference to the selection, location,

1 numbers use or occupancy of tenants, lessees, subtenants, sublessees or  
2 vendees in the land herein conveyed. The foregoing covenants shall run  
3 with the land.”

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

8 i. There shall be no discrimination against or segregation of any person  
9 or group of persons on account of race, religion, sex, sexual  
10 orientation, marital status, nationality, familial status, source of  
11 income or disability in the leasing, subleasing, transferring, use,  
12 occupancy, tenure or enjoyment of the premises herein leased nor  
13 shall the lessee himself or herself, or any person claiming under or  
14 through him or her, establish or permit any such practice or practices  
15 of discrimination or segregation with reference to the selection,  
16 location, number, use or occupancy of tenants, lessees, sublessees,  
17 subtenants or vendees in the premises herein leased.”

18 c) In contracts: “There shall be no discrimination against or segregation of  
19 any person or group of persons on account of race, religion, sex, sexual  
20 orientation, marital status, nationality, familial status, source of income  
21 or disability in the sale, lease, sublease, transfer, use, occupancy, tenure  
22 or enjoyment of the premises, nor shall the transferee himself or herself  
23 or any person claiming under or through him or her, establish or permit  
24 any such practice or practices of discrimination or segregation with  
25 reference to the selection, location, number, use, or occupancy of  
26 tenants, lessees, subtenants, sublessees or vendees of the premises.”

27 5) NOTICES. All Notices provided for in this Agreement shall be deemed  
28 when personally delivered, or two (2) days following mailing by certified

mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

AGENCY

OWNER

Executive Director

Redevelopment Agency

For the County of Riverside

3403 10th Street, Suite 500

Riverside, CA 92501

- 6) BINDING EFFECT. The rights and obligations of this Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties.
- 7) ATTORNEY'S FEES. If any party hereto brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the Court.
- 8) SEVERABILITY. In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from the agreement and the remaining provisions of this Agreement shall remain in full force and effect.
- 9) SUBORDINATION.
- a) The parties acknowledge and agree that this Covenant Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed(s) of trust or other documents securing mortgage financing for the Assisted Unit (collectively, the "Senior Financing") and to all advances heretofore made pursuant to the Senior Financing including all sums advanced for the purpose of:

- 1 (i) protecting or further securing the lien of the Senior Financing,  
2 curing defaults by the borrower under the Senior Financing or for any  
3 other purpose expressly permitted by the Senior Financing; or  
4 (ii) Constructing, renovating, repairing, furnishing, fixtures or  
5 equipping the Assisted Unit.

6 The terms and provisions of the Senior Financing are paramount and  
7 controlling, and they supersede any other terms and provisions herein  
8 conflict therewith. In the event of a foreclosure under the Senior  
9 Financing, any other provisions in any other collateral agreement  
10 restricting the use of the Property to low or moderate income households  
11 or otherwise restricting the OWNER's ability to sell the Property shall  
12 have no further force or effect on subsequent owners or purchasers of  
13 the Assisted Unit, any person, including his/her successors or assignees  
14 (other than the OWNER or a related entity of the OWNER), receiving  
15 title to the Property through a foreclosure or deed in lieu of foreclosure  
16 of the Senior Financing shall receive title to the Property free and clear  
17 from such restrictions. The restrictions will automatically terminate if  
18 title to the mortgaged property is transferred by foreclosure or deed-in-  
19 lieu of foreclosure, or if the mortgage is assigned to the Secretary of the  
20 United States Department of Housing and Urban Development (HUD).

- 21 b. Further, if the Senior Lender acquires title to the Property pursuant to a  
22 deed in lieu of foreclosure, the lien of this Covenant Agreement shall  
23 automatically terminate upon the Senior Lender's acquisition of title,  
24 provided that (1) the AGENCY has been given written notice of a  
25 default under the Senior Financing and (2) the AGENCY shall not have  
26 cured the default under the Senior Financing, or diligently pursued  
27 curing the default as determined by the Senior Lender, within the 60-day  
28 period provided in such notice sent to the Lender.

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(END OF AGREEMENT)

SIGNATURES ON THE NEXT PAGE

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

3  
4 REDEVELOPMENT AGENCY  
5 FOR THE COUNTY OF RIVERSIDE  
6

7  
8 By: \_\_\_\_\_

9 EMILIO RAMIREZ  
Assistant Director of Housing

By: \_\_\_\_\_

OWNER

10  
11 APPROVED AS TO FORM:

12 PAMELA J. WALLS  
13 County Counsel  
14

15  
16 By: \_\_\_\_\_

17 ANITA WILLIS, Deputy  
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28 (All signatures on this page need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

Personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

Personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

# **EXHIBIT “E”**

## **AFFORDABILITY REQUIREMENTS**

**California Health and Safety Codes**

**50052.5, 50079.5, 50105**

## **Affordability Requirements**

### California Health and Safety Codes 50052.5, 50079.5 and 50105

**50052.5.** (a) For any owner-occupied housing that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" with respect to lower income households may not exceed 25 percent of gross income.

(b) For any owner-occupied housing that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" may not exceed the following:

- (1) For extremely low households the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.
- (2) For very low income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- (3) For lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.
- (4) For moderate-income households, affordable housing cost shall not be less than 28 percent of the gross income of the household, nor exceed the product of 35 percent times 110 percent of area median income adjusted for family size appropriate for the unit. In addition, for any

moderate-income household that has a gross income that exceeds 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

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

(d) With respect to moderate- and lower income households who are tenants of rental housing developments and members or shareholders of cooperative housing developments, or limited equity cooperatives "affordable housing cost" has the same meaning as affordable rent, as defined in Section 50053.

(e) Regulations of the department shall also include a method for determining the maximum construction cost, mortgage loan, or sales price that will make housing available to an income group at affordable housing cost.

(f) For purposes of this section, "area median income" shall mean area median income as published by the department pursuant to Section 50093.

(g) For purposes of this section, "moderate income household" shall have the same meaning as "persons and families of moderate income" as defined in Section 50093.

(h) For purposes of this section, and provided there are no pertinent federal statutes applicable to a project or program, "adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

**50079.5.** (a) "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

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

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

**50105.** (a) "Very low income households" means persons and families whose incomes do not exceed the qualifying limits for very low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. These qualifying limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for very low income households for all geographic areas of the state at 50 percent of area median income, adjusted for family size and revised annually.

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

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

**EXHIBIT “F”**

**NOTICE OF AFFORDABILITY RESTRICTIONS  
ON TRANSFER OF PROPERTY**

Recording Requested By:

When Recorded Return To and  
Mail Tax Statements To:

Redevelopment Agency for the County of  
Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501  
Attn: Der Xiong  
File: RD2-10-001

### **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(f)(3)(B), 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-income households for the longest feasible time, but not less than forty-five (45) years for owner-occupied units that are occupied by and affordable to low income households.

The Redevelopment Agency for the County of Riverside ("Agency") and <Insert homebuyer name> ("Owner") have entered into a Covenant Agreement with an expiration of <Insert Date> not less than forty-five (45) years from the close of escrow is recorded concurrently herewith under <Recording No. instrument number on date recorded> in the Official Records of Riverside County, California, on the property located at <Insert address> with assessor parcel number <Insert APN>.

The real property in the County of Riverside, State of California, described as:

See Exhibit "A"

**REDEVELOPMENT AGENCY  
FOR THE COUNTY OF RIVERSIDE**

Dated \_\_\_\_\_

\_\_\_\_\_  
Tom Fan, Principal Development Specialist

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

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

Personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public