

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

506C-C



**FROM:** Housing Authority

**SUBMITTAL DATE:**  
April 21, 2011

**SUBJECT:** Disposition and Development Agreement with the Redevelopment Agency for the County of Riverside for Real Property in the Unincorporated Community of Rubidoux

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Find that the project is exempt from the California Environmental Quality Act pursuant to Section 15303(a) New Construction of Small Structures;
2. Approve the attached Disposition and Development Agreement between the Redevelopment for the County of Riverside and Housing Authority of the County of Riverside;

(Continued)

*Chilton*  
Contact # 951-353-3333

*Robert Field*  
Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 372,557	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

<b>COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:</b> Yes	
<b>SOURCE OF FUNDS:</b> Redevelopment Low- and Moderate-Income Housing Funds and Housing Authority Development Fund	Positions To Be Deleted Per A-30 <input type="checkbox"/>
	Requires 4/5 Vote <input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY *Jennifer L. Sargent*  
Jennifer L. Sargent

County Executive Office Signature

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY *Samuel Wong 4/26/11*  
 SAMUEL WONG  
 CONTACT # 951-353-3333  
 DEPARTMENT DATE  
 FORM APPROVED COUNTY COUNSEL  
 BY *ANITA C. WILLIS 4/20/11*  
 ANITA C. WILLIS

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

Prev. Agn. Ref.: N/A      District: 2      Agenda Number: **10.1**

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

**RECOMMENDED MOTION:** (Continued)

3. Authorize the Chairman of the Board of Commissioners to execute said attached agreement; and
4. 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 including the sale of the home to a qualified homebuyer.

**BACKGROUND:**

The Redevelopment Agency for the County of Riverside (RDA) owns a vacant parcel located at 5580 Molino Way with Assessor's Parcel Number 181-082-050 in the unincorporated community of Rubidoux within the Jurupa Valley Project Area. RDA intends to sell real property for \$1 to the Housing Authority of the County of Riverside (Authority), a public body, corporate, and politic of the State of California, to facilitate residential development and construction of an affordable homeownership opportunity in the community of Rubidoux (the "Project").

Authority is requesting a total of \$173,000 in Redevelopment Low- and Moderate-Income Housing Funds to be used towards development and construction of the single-family home reserved for qualified low and moderate-income households who are first-time homebuyer. Funding sources include \$199,557 from the Authority's Development Fund. The estimated total development and construction cost of the project is approximately \$372,557. An affordability covenant will restrict occupancy to low and moderate-income owner-occupants for a minimum period of 45 years.

The project is exempt from Health and Safety Code Section 33433(a) and Section 33433(b), which requires a published report, per Section 33433(c). Section 33433(c) allows for exemption of small housing projects. In addition, 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.

Authority counsel has reviewed and approved as to form the attached Disposition and Development Agreement. Staff recommends that the Board of Commissioners approve the Disposition and Development Agreement.

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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency  
6 for the County of Riverside  
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 THE**  
15 **HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

16 This Disposition and Development Agreement (Agreement) is made and entered this  
17 \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the REDEVELOPMENT AGENCY FOR  
18 THE COUNTY OF RIVERSIDE (AGENCY), a public body, corporate and politic and the  
19 HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (DEVELOPER), a public  
20 body, corporate and politic of the State of California.

21 WITNESSETH:

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

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

1 WHEREAS, California CRL provides that the territorial jurisdiction of a county  
2 redevelopment agency is the unincorporated territory in that county; and

3 WHEREAS, the County adopted Ordinance No. 638, on December 23, 1986, a  
4 redevelopment plan for an area within the County known as Jurupa Valley Project Area  
5 (“Project Area”); and

6 WHEREAS, DEVELOPER has proposed the development and construction of one (1)  
7 new single-family home for a low to moderate-income household who is a first-time  
8 homebuyer (Project) located at 5580 Molino Way, Riverside, California 92509 with Assessor  
9 Parcel Number 181-082-050 (Property) as fully described in **Attachment A**, which is  
10 attached hereto and by this reference incorporated herein; and

11 WHEREAS, Property is located inside the Jurupa Valley Project Area in the  
12 unincorporated community of Rubidoux;

13 WHEREAS, a transfer at below market rate is necessary to assure an affordable  
14 homeownership opportunity; and

15 WHEREAS, AGENCY intends to sell Property to DEVELOPER for the sum amount of  
16 One Dollar (\$1.00) to facilitate residential construction of an affordable homeownership  
17 opportunity; and

18 WHEREAS, AGENCY endeavors to preserve, protect, improve and increase the  
19 affordable housing stock and eliminate blight; and

20 WHEREAS, the Project will alleviate blighting condition on Property as set forth in  
21 Section 33031 of the California Health and Safety Code; and

22 WHEREAS, DEVELOPER has represented that it has the necessary expertise, skill, and  
23 ability to carry out the commitments contained in this AGREEMENT.

24 NOW, THEREFORE, AGENCY and DEVELOPER mutually agree as follows:

25 **1) DEFINITIONS.**

- 26 a. **Agency.** The Redevelopment Agency for the County of Riverside.  
27 b. **Agency Funds.** Grant by the AGENCY to DEVELOPER to assist in the  
28 development and construction of the Project, not to exceed **One Hundred**

1                   **Thirty-Three Thousand Dollars (\$133,000).**

- 2           c. **Assisted Unit.** Development of one (1) single-family home to be restricted  
3           to a low or moderate income household, who is a first-time homebuyer.
- 4           d. **Closing.** Closing of escrow for the conveyance of the Property.
- 5           e. **Completion.** The date the Project is complete and evidenced by a Certificate  
6           of Occupancy or its equivalent issued by the Riverside County  
7           Transportation and Land Management Agency.
- 8           f. **Escrow.** The escrow established pursuant to this Agreement for the  
9           conveyance of title to Property.
- 10          g. **Developer.** Housing Authority of the County of Riverside, a public body,  
11          corporate and politic of the State of California.
- 12          h. **Down Payment Assistance.** A loan by the AGENCY to a Qualified  
13          Homebuyer to assist with the down payment of the Property, not to exceed  
14          twenty percent (20%) of the purchase price or a maximum of **Forty**  
15          **Thousand Dollars (\$40,000).**
- 16          i. **First-Time Homebuyer.** A homebuyer who has not owned a home for the  
17          previous three (3) years from the date the homebuyer enters into a purchase  
18          agreement.
- 19          j. **Low and Moderate Income Household.** The homebuyer's annual income  
20          must not exceed one hundred twenty percent (120%) of the area median  
21          income (AMI) for Riverside County, adjusted for household size, as  
22          computed in accordance with Community Redevelopment Law and the  
23          regulations promulgated pursuant thereto or incorporated therein, including,  
24          without limitation, all regulations promulgated pursuant to Health and Safety  
25          Code Section 50093, or any successor statute. The income and assets of all  
26          person age eighteen (18) and older who will reside in the home must be  
27          included in the calculation to determine income eligibility.
- 28          k. **Property.** Those specific parcel of real property identified with Assessor

1 Parcel Number 181-082-050 and more particularly legally described in  
2 Attachment A and as follows:

3 LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14  
4 PAGE 29 IN THE OFFICE OF THE COUNTY RECORDER OF  
5 RIVERSIDE COUNTY.

6 1. **Project.** All of the improvements required to be constructed by the  
7 DEVELOPER on the Property pursuant to this Agreement, including, but  
8 not limited to, construction of all on and off site improvements per the  
9 "Project Description," as described and attached hereto as **Attachment A**.  
10 The Project will consist of one (1) single-family home upon completion.

11 m. **Purchase Price.** One dollar (\$1) to be paid as consideration for the purchase  
12 of the Property.

13 n. **Qualified Homebuyer.** A homebuyer who has not owned a home within the  
14 last three (3) years and who is a low to moderate income household, more  
15 particularly defined in **Section 20**.

16 o. **Regulatory Agreement.** Specific agreement entitled, "Regulatory  
17 Agreement," attached hereto as **Attachment B**.

18 p. **Title Company.** The company the AGENCY and the DEVELOPER  
19 mutually agree to utilize.

20 **2) PURPOSE of AGREEMENT.**

21 a. AGENCY agrees to convey title to real property owned by AGENCY,  
22 herein defined as Property, to DEVELOPER for the development and  
23 construction of one (1) single-family home to be made available to a Low  
24 and Moderate Income Household, who is a First-Time Homebuyer.

25 b. AGENCY agrees to provide a grant to DEVELOPER in an amount not to  
26 exceed **One Hundred Thirty-Three Thousand Dollars (\$133,000)** of  
27 AGENCY Low- and Moderate-Income Housing Set-Aside Funds (Grant) to  
28 fund the development and construction of the Project.

1 c. AGENCY agrees to provide a loan to a Qualified Homebuyer in an amount  
2 to not exceed twenty percent (20%) of the purchase price or a maximum of  
3 **Forty Thousand Dollars (\$40,000)** to be used as a Down Payment  
4 Assistance to the Homebuyer.

5 d. DEVELOPER shall create one (1) homeownership opportunity to be made  
6 available to Low and Moderate Income Households whose income is at or  
7 below one hundred twenty percent (120%) of the Area Median Income  
8 (AMI), adjusted by family size at the time of occupancy, for the County of  
9 Riverside, who is a first-time homebuyer.

10 **3) AGENCY'S OBLIGATIONS.** The Agency agrees to undertake and complete the  
11 following activities:

12 a. AGENCY agrees to sell Property to DEVELOPER for the agreed upon  
13 Purchase Price under the terms and conditions hereinafter provided.

14 b. Provide a total amount identified in **Section 2** in AGENCY Funds to  
15 DEVELOPER for development and construction of the Project.

16 c. Provide Down Payment Assistance to the Qualified Homebuyer.

17 **4) DEVELOPER OBLIGATIONS.** DEVELOPER hereby agrees to undertake and  
18 complete the following activities, subject to its receipt of PROPERTY and  
19 AGENCY Funds:

20 a. Submit to the AGENCY the plans and specifications ("Plans and  
21 Specifications") and the construction contract prior to commencement of the  
22 construction of the PROJECT, as described in **Attachment A.**

23 b. Complete the PROJECT according to the Implementation Schedule as  
24 described in **Attachment A** as the same is subject to Force Majeure Delays,  
25 as defined in **Section 15**, and may be amended in writing by AGENCY and  
26 DEVELOPER.

27 c. Submit all required documents according to the Document Submission  
28 Schedule, as described in **Attachment A.**

- 1 d. Develop the Project or cause the Project to be developed in accordance with
- 2 the Plans and Specifications.
- 3 e. Obtain all of the necessary and required permits and licenses including, but
- 4 not limited to, land use, development and construction of the Project.
- 5 f. Secure all financing in sufficient amount to complete the Project.
- 6 g. Obtain payment and performance bond naming the AGENCY as obligee prior
- 7 to construction as show in **Attachment A** in the Document Submission
- 8 Schedule.
- 9 h. Market the home as available for sale and occupancy to a Qualified
- 10 Homebuyer.
- 11 i. DEVELOPER shall submit the following documents for review and where
- 12 appropriate, approval by AGENCY:
  - 13 i. Final Development Budget.
  - 14 ii. Final Construction Cost Estimate.
  - 15 iii. Final Design Plans.
- 16 j. Identify the homebuyer and submit to AGENCY for final approval.
- 17 k. DEVELOPER will record the following documents:
  - 18 i. A Regulatory Agreement, which will regulate and restrict the use of
  - 19 PROPERTY, as shown in **Attachment B**, which is attached hereto
  - 20 and this reference incorporated herein.
  - 21 ii. A Grant Deed, conveying Property to DEVELOPER, as shown in
  - 22 **Attachment C**, which is attached hereto and by this reference
  - 23 incorporated herein.
  - 24 iii. A Covenant Agreement, restricting the sale and occupancy of the
  - 25 Assisted Unit as shown in **Attachment D**, which is attached hereto
  - 26 and by this reference incorporated herein.
  - 27 iv. A Request for Notice, to be recorded, as show in **Attachment G**,
  - 28 which is attached hereto and by this reference incorporated herein.



1 v. A Notice of Affordability Restrictions on Transfer of Property,  
2 which will restrict the affordability of the Assisted Unit as shown in  
3 **Attachment I**, which is attached hereto and by this reference  
4 incorporated herein.

5 **5) PURCHASE AND SALE.** AGENCY agrees to sell and DEVELOPER agrees to  
6 purchase Property for the sum amount of One Dollar (\$1.00) under the terms and  
7 conditions hereinafter provided.

8 **6) PROPERTY TO BE CONVEYED.** This AGREEMENT conveys fee simple  
9 ownership of Property from AGENCY to DEVELOPER. Conveyance will be  
10 effective as of the closing of escrow with a "Grant Deed", as shown in **Attachment**  
11 **C**, which is attached hereto and by this reference incorporated herein.

12 **7) TITLE TO PROPERTY.** Title to PROPERTY shall be conveyed by Grant Deed  
13 and shall be evidenced by a CLTA policy of title insurance including such  
14 reasonable endorsements as may be requested by DEVELOPER issued by title  
15 company, insuring good and marketable fee simple title to Property as vested in  
16 DEVELOPER, free and clear of all covenants conditions, rights of way, easements,  
17 liens, encumbrances or any other matters affecting title to or use of Property.

18 **8) ESCROW.**

19 a. Opening. The purchase of Property will be consummated through escrow.  
20 This Agreement shall be considered as the escrow instructions between the  
21 parties, with such further instructions mutually agreed upon, as escrow may  
22 be required to clarify the duties and responsibilities of escrow. If escrow  
23 shall require further escrow instructions, DEVELOPER shall request that  
24 escrow promptly prepare escrow instructions, on its usual form, for the  
25 purchase and sale of Property upon the terms and provisions hereof. Said  
26 escrow instructions shall be promptly signed by DEVELOPER and  
27 AGENCY.

28 b. Closing. The term Closing is used herein to mean the time the grant deed is

1 filed for record by escrow in the office of the County Recorder of Riverside  
2 County.

3 c. Buyer Required Delivery. On or before Closing, DEVELOPER shall deliver  
4 to escrow a signed, executed and binding Regulatory Agreement.

5 d. Seller Required Delivery. On or before Closing, AGENCY shall deliver to  
6 escrow the following:

7 i. A duly executed and acknowledged grant deed in recordable form,  
8 conveying fee simple title to Property, as required by this Agreement,  
9 in favor of DEVELOPER subject to conditions required by law.

10 ii. Such information and documents in AGENCY's possession or  
11 control as may be required by the title company to issue the title  
12 policy.

13 e. Proration. The following shall be prorated as of Closing based on a thirty  
14 (30) day month:

15 i. All non-delinquent real property taxes related to Property.

16 ii. All sums and other charges payable under any of the documents  
17 identified under this Agreement.

18 f. AGENCY's Costs. AGENCY shall pay the following:

19 i. All escrow fees and recording costs.

20 ii. All costs of the title policy.

21 iii. The documentary transfer tax, if any.

22 iv. Any other costs and expenses not expressly provided for herein  
23 which the seller in a real estate transaction in Riverside County  
24 customarily pays.

25 9)  **HOMEBUYER LOAN DOCUMENTS.** The homebuyer shall execute and deliver  
26 to AGENCY all Homebuyer Loan Documents, which includes a Covenant  
27 Agreement, Promissory Note, Subordinate Deed of Trust, and Request for Notice,  
28 as shown in **Attachments D, E, F, and G**, which is attached hereto and by this

1 reference incorporated herein.

2 **10) DEVELOPER REPRESENTATIONS AND WARRANTIES.** DEVELOPER

3 hereby represents and warrants that it is a public body, corporate and politic of the  
4 State of California, duly organized and validly existing under the laws of the State  
5 of California, is qualified to do business in the State of California and that the  
6 person executing this Agreement has full right, power and authority to enter into  
7 this Agreement and to consummate the transactions contemplated herein.

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

9 a. Entitlement of the Property.

10 i. DEVELOPER, at its sole cost and expense, shall fully and  
11 completely entitle Property, including but not limited to all necessary  
12 parcels divisions, mergers and lot line adjustments, as required by the  
13 Riverside County Transportation Land Management Agency to  
14 permit the construction and occupancy of one (1) single-family home  
15 on Property.

16 b. Development of Property.

17 i. DEVELOPER shall, at its sole cost and expense, construct, or cause  
18 to be constructed, one (1) single-family home.

19 ii. DEVELOPER shall construct the home after having obtained all  
20 necessary entitlements, permits, and authorities for grading,  
21 construction and occupancy, including on and off site improvements,  
22 as required by the Riverside County Transportation Land  
23 Management Agency (RCTLMA) and shall ensure receipt of a  
24 Certificate of Occupancy or its equivalent from the RCTLMA for the  
25 single-family home.

26 iii. DEVELOPER shall construct the home in a manner consistent with  
27 professional residential construction industry standards for  
28 competent workmanship in accordance with codes and applicable

1 building standards.

2 c. Agency Funding.

3 i. AGENCY agrees to provide DEVELOPER with AGENCY Funds  
4 for the Property.

5 ii. DEVELOPER shall be eligible to receive the AGENCY Funds on a  
6 "cost-as-incurred" basis for eligible expenses.

7 **12) RESALE RESTRICTIONS.**

8 a. Recapture Provision. The principal amount of the AGENCY Down Payment  
9 Assistance becomes due and must be repaid to the AGENCY upon the sale,  
10 transfer, lease, or any other disposition, including refinancing or incurring of  
11 additional debt secured by the Property within the 45 year affordability  
12 period.

13 b. Equity Share. Equity share is required upon the sale of the Property within  
14 the 45 year affordability period.

15 i. Equity. Equity is defined as the dollar amount that constitutes the  
16 difference between the sales price of the Property and the sum of the  
17 following amounts:

- 18 1. Principal on the Promissory Note and Deed of Trust;
- 19 2. Qualified Homebuyer's actual down payment amount  
20 whether subsidized or paid with cash;
- 21 3. All costs of sale, including costs of broker's commissions,  
22 escrow fees, title costs and fees, recording costs, etc.;
- 23 4. Costs of any capital improvements to the Property, provided  
24 such improvements have been documented to the satisfaction  
25 of the AGENCY; and
- 26 5. Any remainder to AGENCY and the Qualified Homebuyer as  
27 agreed in the Equity Share portion of this Agreement.

28 ii. Equity share between the AGENCY and the Qualified Homebuyer

1 will be based on a forty-five (45) year period according to the  
2 following:

- 3 1. Commencing year one (1) thru year forty (40) any equity  
4 earned will be forgiven at a rate of ten percent (10%) per  
5 complete five (5) year increment, through the term of this  
6 AGREEMENT.  
7 2. Commencing year forty-one (41) through year forty-five (45),  
8 any equity earned will be forgiven at a rate of twenty percent  
9 (20%).  
10 3. The profit will belong solely to the Qualified Homebuyer  
11 upon the completion of the 45 year term.

12

13 Number of	Homebuyer's Profit	Agency's Profit
14 Years	Share	Share
15 5	10	90
16 10	20	80
17 15	30	70
18 20	40	60
19 25	50	50
20 30	60	40
21 35	70	30
22 40	80	20
23 45	100	0

24

25 **13) AFFORDABLE HOUSING COSTS.**

- 26 a. For homes restricted to moderate-income households, the Affordable  
27 Housing Cost shall not be less than twenty-eight percent (28%) of the gross  
28 income of the household, nor exceed the product of thirty-five percent (35%)

1 times one-hundred ten percent (110%) of the area median income adjusted  
2 for family size appropriate for the unit, as more fully described in  
3 **Attachment H**. Affordable Housing Cost is not based on the actual income  
4 or the actual household size of the particular homebuyer, but on an assumed  
5 maximum income and household size for that Assisted Unit. Housing costs  
6 include all of the following associated with a housing unit: principal and  
7 interest payments on a mortgage loan; private mortgage insurance; property  
8 taxes and assessments; fire and casualty insurance covering replacement  
9 value of improvements; a reasonable allowance for utilities; and  
10 homeowner's/maintenance association fees.

- 11 i. For each bedroom unit, AGENCY will use income limit for a  
12 household size of one (1) person per bedroom plus one (1). For  
13 example, for a three-bedroom unit, AGENCY will use the income  
14 limit for a four-person household, and for a four-bedroom unit,  
15 AGENCY will use the income limit for a five-person household.
- 16 ii. DEVELOPER shall sell the single-family home and real property  
17 attached thereto under conditions subject to the Regulatory  
18 Agreement.

19 **14) AGENCY REVIEW OF PLANS.**

- 20 a. Prior to permit submission, DEVELOPER will provide AGENCY with a  
21 complete set of plans and specifications on the proposed development and  
22 construction of the single-family home.
- 23 b. AGENCY shall have ten (10) days to review and approve plans and  
24 specifications prior to permit submission. Such approval shall not be  
25 unreasonably withheld from AGENCY and DEVELOPER must obtain  
26 written approval.

27 **15) FORCE MAJEURE DELAYS.** Delay due to Force Majeure that, in each case, (i)  
28 materially adversely affects the performance by DEVELOPER of its obligations

1 hereunder, (ii) is not reasonably foreseeable and is beyond DEVELOPER's  
2 reasonable control, (iii) despite the exercise of reasonable diligence, cannot be  
3 prevented, avoided or removed by DEVELOPER and is not attributable to the  
4 negligence, willful misconduct or bad faith of DEVELOPER, and (iv) is not the  
5 result of the failure of DEVELOPER to perform any of its obligations under this  
6 Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be  
7 deemed to have occurred unless DEVELOPER has notified AGENCY of such  
8 occurrence of Force Majeure within fifteen (15) days after such occurrence and has  
9 provided AGENCY with the details of such event and the length of the anticipated  
10 delay within an additional fifteen (15) days thereafter. DEVELOPER shall  
11 diligently attempt to remove, resolve, or otherwise eliminate such event, keep the  
12 AGENCY advised with respect thereto, and shall commence performance of its  
13 obligations hereunder immediately upon such removal, resolution or elimination.  
14 During the occurrence and continuance of a Force Majeure Delay, DEVELOPER  
15 shall be excused from performance of its obligations under this Agreement to the  
16 extent the Force Majeure prevents DEVELOPER from performing such obligations.

17 **16) REVERSIONARY INTEREST FOR THE BENEFIT OF THE AGENCY**

- 18 a. DEVELOPER hereby agrees and acknowledges that conveyance of Property  
19 is at a price below the real market value and is conveyed at below market  
20 value price for the purpose of encouraging and providing for the  
21 development and construction of the Project.
- 22 b. Without waiving any right of remedy in law or equity to any breach of this  
23 Agreement, AGENCY and DEVELOPER hereby agree that in the event the  
24 PROJECT has not achieved Completion within twenty-four (24) months  
25 after approval of this Agreement, unless such date is extended by mutual  
26 agreement, DEVELOPER shall be deemed in default and subject to default  
27 remedies contained in this Agreement, then fee simple absolute title, to  
28 Property shall automatically revert back to AGENCY.

- 1 c. Upon reversion, AGENCY shall have full and complete rights of fee simple  
2 ownership of the reverted parcel.
- 3 d. After reversion of Property, AGENCY shall retain fee simple ownership of  
4 all improvements completed upon Property by DEVELOPER.
- 5 e. Upon the reversion in AGENCY of possession and ownership of Property  
6 and improvements, AGENCY shall use its best efforts to resell Property or  
7 any part thereof, as soon and in such manner as AGENCY shall find feasible  
8 and consistent with the objectives of this Agreement to a qualified and  
9 responsible party or parties, as determined by AGENCY, who will assume  
10 the obligation of making or completing the improvements, or such other  
11 improvements in the DEVELOPER's stead, as shall be satisfactory to  
12 AGENCY and in accordance with this 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 Property,  
19 but less any income derived by AGENCY from Property or part  
20 thereof in connection with such management; all taxes, assessments  
21 and water and sewer charges with respect to Property; any payments  
22 made or necessary to be made to discharge or prevent from attaching  
23 or being made any subsequent encumbrances or liens due to  
24 obligations incurred with respect to the making or completion of the  
25 agreed improvements or any part thereof on Property or part thereof;  
26 and amounts otherwise owing to AGENCY by DEVELOPER, its  
27 successors, or transferees; and
- 28 ii. SECOND. To reimburse DEVELOPER, its successor or transferee,



1 up to an amount equal to:

- 2 1. The sum of the Purchase Price paid to AGENCY by
- 3 DEVELOPER for Property;
- 4 2. The costs incurred for the development of Property and for
- 5 the agreed improvements existing on Property at the time of
- 6 the re-entry and repossession, less;
- 7 3. Any gains or income withdrawn or made by the
- 8 DEVELOPER from the Property or the improvements
- 9 thereon.

10 iii. THIRD. Any balance remaining after such reimbursements shall be

11 retained by AGENCY as its property.

12 g. The rights established by this section are to be interpreted in light of the fact

13 that AGENCY will transfer Property to DEVELOPER for less than fair

14 market value for development as an affordable housing project.

15 h. Disposition of proceeds in the event of resale by the Agency shall be

16 subordinate to the immediate repayment of any construction loan recorded

17 against Property. Any construction loans recorded against PROPERTY shall

18 be fully repaid and reconveyed prior to disposing of any resale proceeds by

19 AGENCY.

20 **17) PREVAILING WAGES.** The Project will be constructed in compliance with state

21 prevailing wages.

22 **18) INSURANCE.** Without limiting or diminishing the DEVELOPER's obligation to

23 indemnify or hold the AGENCY harmless, DEVELOPER shall procure and

24 maintain or cause to be maintained, at its sole cost and expense, the following

25 insurance coverage's during the term of this Agreement.

26 a. Worker's Compensation Insurance. If DEVELOPER has employees as

27 defined by the State of California, DEVELOPER shall maintain statutory

28 Workers' Compensation Insurance (Coverage A) as prescribed by the laws

1 of the State of California. Policy shall include Employers' Liability  
2 (Coverage B) including Occupational Disease with limits not less than One  
3 Million Dollars (\$1,000,000) per person per accident. The policy shall be  
4 endorsed to waive subrogation in favor of AGENCY, and if applicable, to  
5 provide a Borrowed Servant/Alternate Employer Endorsement.

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

19 c. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the  
20 performance of the obligations under this Agreement, then DEVELOPER  
21 shall maintain liability insurance for all owned, non-owned or hired vehicles  
22 so used in an amount no less than One Million Dollars (\$1,000,000) per  
23 occurrence combined single limit. If such insurance contains a general  
24 aggregate limit, it shall apply separately to this Agreement or be no less than  
25 two (2) times the occurrence limit. Policy shall name AGENCY, the County  
26 of Riverside and its Agencies, Districts, Special Districts, and Departments,  
27 their respective directors, officers, Board of Supervisors, employees, elected  
28 or appointed officials, agents or representatives as Additional Insured.

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

4 e. General Insurance Provisions – All Lines

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

11 ii. The DEVELOPER's insurance carrier(s) must declare its insurance  
12 self-insured retentions. If such self-insured retentions exceed Five  
13 Hundred Thousand Dollars (\$500,000) per occurrence such  
14 retentions shall have the prior written consent of the AGENCY's  
15 Risk Manager before the commencement of operations under this  
16 Agreement. Upon notification of self insured retention unacceptable  
17 to the AGENCY, and at the election of the AGENCY's Risk  
18 Manager, DEVELOPER's carriers shall either:

19 a. Reduce or eliminate such self-insured retention as respect this  
20 Agreement with the AGENCY; or

21 b. Procure a bond which guarantees payment of losses and  
22 related investigations, claims administration, and defense  
23 costs and expenses.

24 iii. DEVELOPER shall cause DEVELOPER's insurance carriers(s) to  
25 furnish AGENCY with either:

26 a. A properly executed original Certificate(s) of Insurance and  
27 certified original copies of Endorsements effecting coverage  
28 as required herein; and

1                   b. If requested to do so orally or in writing by AGENCY Risk  
2                   Manager, provide original certified copies of policies  
3                   including all Endorsements and all attachments thereto,  
4                   showing such insurance is in full force and effect.

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

22                  iv. It is understood and agreed to by the parties hereto that  
23                  DEVELOPER's insurance shall be construed as primary insurance,  
24                  and AGENCY's insurance and/or deductibles and/or self-insured  
25                  retention's or self-insured programs shall not be construed as  
26                  contributory.

27                  v. If, during the term of this Agreement or any extension thereof,  
28                  there is a material change in the scope of services; or, there is a

1 material change in the equipment to be used in the performance of  
2 the scope of work which will add additional exposures (such as the  
3 use of aircraft, watercraft, cranes, etc.); or, the term of this  
4 Agreement, including any extensions thereof, exceeds five (5)  
5 years, AGENCY reserves the right to adjust the types of insurance  
6 required under this Agreement and the monetary limits of liability  
7 for the insurance coverage's currently required herein, if; in  
8 AGENCY Risk Manager's reasonable judgment the amount or type  
9 of insurance carried by DEVELOPER has become inadequate.

10 vi. DEVELOPER shall pass down the insurance obligations contained  
11 herein to all tiers of subcontractors working under this Agreement.

12 vii. The insurance requirements contained in this Agreement may be  
13 met with a program(s) of self-insurance acceptable to AGENCY.

14 viii. DEVELOPER agrees to notify AGENCY of any claim by a third  
15 party or any incident or event that may give rise to a claim arising  
16 from the performance this Agreement. All certificates, documents,  
17 and other written materials establishing compliance with the above  
18 enumerated conditions precedent are to be field with AGENCY at  
19 the expense of DEVELOPER. It is understood and agreed to by the  
20 parties hereto, and the insurance company(ies), Certificate of  
21 Insurance and policies shall so covenant and shall be construed as  
22 primary and AGENCY's insurance and/or deductibles and/or self-  
23 insured retention or self-insured programs shall not be construed as  
24 contributory. AGENCY reserves the right to adjust the monetary  
25 limits of insurance coverage during the term of this Agreement, or  
26 any extension thereof if in AGENCY Risk Manager's reasonable  
27 judgment, the amount or type of insurance typically carried by  
28 DEVELOPER or its contractors is inadequate.

1       **19) MAINTENANCE OF THE PROPERTY.** DEVELOPER agrees to maintain the  
2       improvements, existing or to be constructed, and all landscaping including weed  
3       abatement on the Property pursuant to the Regulatory Agreement prior to sale of the  
4       Property to the homebuyer.

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

- 7           a. **Income Limits.** In order for homebuyers to be a Qualified Homebuyer, the  
8           homebuyer's annual income must not exceed one hundred twenty percent  
9           (120%) of the AMI, for Riverside County, adjusted for applicable household  
10          size, as computed in accordance with the Community Redevelopment Law  
11          and the regulations promulgated pursuant thereto or incorporated therein,  
12          including, without limitation, all regulations promulgated pursuant to  
13          California Health and Safety Code Section 50093, or any successor statute.  
14          The income and assets of all persons age 18 and older who will reside in the  
15          home must be included in the calculation to determine income eligibility.
- 16          b. **Co-owners.** Co-owners are only permitted if they will occupy the home as  
17          their principal residence and qualify as a First-Time Homebuyer. The  
18          income of all co-owners will be included in determining if the household  
19          qualifies as a Low or Moderate Income Household. Co-signers are not  
20          permitted.
- 21          c. **First-Time Homebuyer.** In order to qualify as a first-time homebuyer, the  
22          homebuyer cannot have had ownership interest in improved-upon residential  
23          real property for the previous three years from the date of application to  
24          purchase the rehabilitated home. The homebuyer must sign a sworn  
25          application attesting that they have not owned improved-upon residential  
26          real property for the last 3 years. The borrower's most recent three years tax  
27          returns will be reviewed for any mortgage or real estate related deductions.  
28          If there is evidence of mortgage or real estate related deductions, the

1 borrower must provide acceptable documentation that the deductions are not  
2 related to improved-upon residential real property and must also provide  
3 acceptable documentation evidencing the value of the property. Asset  
4 “income” from the property must be imputed using the HUD passbook rate  
5 and added into borrower’s total qualifying income. Also, the value of  
6 borrower’s total assets (including property) must be equal to or less than  
7 HUD’s annual income limit amount based on household size for the current  
8 fiscal year. If the borrower’s total assets exceed the program’s annual  
9 income limit for their household size, the assets must be spent down  
10 accordingly. Assets (including property) disposed of for less than fair market  
11 value during the most recent 2 year period are counted as if the household  
12 still owned the asset. For the purposes of determining home ownership, a  
13 dwelling unit that was not permanently affixed to a permanent foundation  
14 (i.e. a mobile home) shall not be included in the three year requirement.

- 15 d. Principal Residence. Homebuyer must occupy Property as its primary  
16 residence during the Affordability Period.
- 17 e. Occupancy Standard. All homebuyers must meet the occupancy standard as  
18 defined in the Housing Quality Act under 982.401 that states, “The dwelling  
19 unit must have at least one bedroom or living/sleeping room for each two  
20 persons.” Children of opposite sex, other than very young children, may not  
21 be required to occupy the same bedroom or living/sleeping 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. Creditworthiness. Qualified homebuyers must be creditworthy and able to  
27 undertake traditional 30-year fixed rate loan, FHA, VA, CalHFA, Fannie  
28 Mae or Freddie Mac insured loan products with fully amortized loan

1 payments.

2 h. Cash homebuyer is not eligible.

3 **21) COVENANTS, CONDITIONS AND RESTRICTIONS.** AGENCY and  
4 DEVELOPER hereby agree that in conjunction with this Agreement providing that  
5 the land be used to develop one (1) single-family home that will be made available  
6 as affordable home ownership opportunities for Low and Moderate Income  
7 Households for a period of not less than forty-five (45) years.

8 **22) NONDISCRIMINATION and NONSEGREGATION.** Pursuant to Health and  
9 Safety Code Section 33436, DEVELOPER covenants by and for itself and any  
10 successors in interest that there shall be no discrimination against or segregation of  
11 any person or group of persons on account of race, religion, sex, sexual orientation,  
12 marital status, nationality, familial status, source of income or disability in the sale,  
13 lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor  
14 shall DEVELOPER itself or any person claiming under or through it establish or  
15 permit any such practice or practices of discrimination or segregation with reference  
16 to the election, location, number, use or occupancy of tenants, lessees, subtenants,  
17 sublessees or vendees of the real property. Pursuant to Health and Safety Code  
18 Section 33435, DEVELOPER shall refrain from restricting the sale of Property on  
19 the basis of race, religion, sex, sexual orientation, marital status, nationality, familial  
20 status, source of income or disability of any person. All such deeds, leases or  
21 contracts shall contain or be subject to substantially nondiscrimination.

22 **23) COOPERATION.** DEVELOPER and AGENCY agree to mutually cooperate and  
23 otherwise exercise their best efforts to assist each other in the performance of the  
24 duties and obligations described in this Agreement.

25 **24) INDEPENDENT CONTRACTOR.** DEVELOPER and its agents, servants and  
26 employees shall act at all times in an independent capacity during the Term of this  
27 Agreement, and shall not act as, shall not be, nor shall they in any manner be  
28 construed to be agents, officers, or employees of AGENCY.



1           **25) DEFAULT, REMEDIES AND TERMINATION.**

2           a. Defaults, Right to Cure and Termination.

3           i. Subject to any enforced delay, failure or delay by either party to  
4           timely perform any covenant of this Agreement constitutes a default  
5           under the Agreement, but only if the party who so fails or delays  
6           does not commence to cure, correct or remedy such failure or delay  
7           within thirty (30) days after receipt of a written notice specifying  
8           such failure or delay, and does not thereafter prosecute such cure,  
9           correction or remedy with diligence to completion.

10          ii. The injured party shall give written notice of default to the party in  
11          default, specifying the default complained of by the injured party.  
12          Except as required to protect against further damages, the injured  
13          party may not institute proceedings against the party in default unit  
14          thirty (30) days after giving such notice. Failure or delay in giving  
15          such notice shall not constitute a waiver of any default, nor shall it  
16          change the time of default.

17          iii. Except as otherwise provide in this Agreement, waiver by either  
18          party of the performance of any covenant, condition, or promise,  
19          shall not invalidate this Agreement, nor shall it be considered a  
20          waiver of any other covenant, condition, or promise. Waiver by  
21          either party of the time for performing any act shall not constitute a  
22          waiver of time for performing any other act or an identical act  
23          required to be performed at a later time. The delay or forbearance by  
24          either party in exercising any remedy or right as to any default shall  
25          not operate as a waiver of any default or of any actions or  
26          proceedings, which it may deem necessary to protect, assert, or  
27          enforce any such rights or remedies.

28           **26) TERMINATION BY AGENCY OR DEVELOPER.** AGENCY or DEVELOPER

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

6 **27) INDEMNIFICATION.**

- 7 a. DEVELOPER shall indemnify and hold AGENCY, its officers, agents,  
8 employees, elected officials and independent contractors free and harmless  
9 from any liability whatsoever, based or asserted upon any act or omission of  
10 DEVELOPER, its officers, agents, employees, subcontractors and  
11 independent contractors for property damage, bodily injury, or death  
12 (DEVELOPER's employees included) or any other element of damage of  
13 any kind or nature, relating to or in any way connected with or arising from  
14 its prior use of Property, and DEVELOPER shall defend, at its expense,  
15 including attorney fees, AGENCY, its officers, agents, employees and  
16 independent contractors in any legal action based upon such alleged acts or  
17 omissions.
- 18 b. Except as otherwise provided herein, DEVELOPER represents that it has  
19 inspected Property, accepts the condition thereof and fully assumes any and  
20 all risks incidental to the use thereof. AGENCY shall not be liable to  
21 DEVELOPER, its agents, employees, subcontractors or independent  
22 contractors for any personal injury or property damage suffered by them  
23 which may result from hidden, latent or other dangerous conditions in, on,  
24 upon or within Property unknown to AGENCY, its officers, agents or  
25 employees.
- 26 c. AGENCY shall indemnify and hold DEVELOPER, its officers, agents,  
27 employees and independent contractors free and harmless from any liability  
28 whatsoever, based or assert upon any act or omission of AGENCY, its

1 officers, agents, employees, subcontractors and independent contractors for  
2 property damage, bodily injury, or death (AGENCY's employees included)  
3 or any other element of damage of any kind or nature, relating to or in any  
4 way connected with or arising from its use, occupancy or operation of the  
5 PROPERTY, and AGENCY shall defend, at its expense, including attorney  
6 fees, DEVELOPER, its officers, agents, employees and independent  
7 contractors in any legal action based upon such alleged acts or omissions.

8 **28) HAZARDOUS SUBSTANCES.** As used herein, "Hazardous Substances" shall  
9 include, but not be limited to, substances defined as "hazardous substances,"  
10 "hazardous materials," or "toxic substances," in the Comprehensive Environmental  
11 Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section  
12 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801,  
13 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et  
14 seq.; and those substance defined as "hazardous wastes," in Section 25117 of the  
15 California Health and Safety Code or as "hazardous substances," in Section 25316  
16 of the California Health and Safety Code; and in the regulations adopted in  
17 publications promulgated pursuant to said laws.

18 **29) AUTHORITY TO EXECUTE.** The persons executing this Agreement or exhibits  
19 attached hereto on behalf of the parties to this Agreement hereby warrant and  
20 represent that they have the authority to bind the respective parties to this  
21 Agreement to the performance of its obligations hereunder.

22 **30) CLOSE OF ESCROW.** All warranties, covenant and other obligations stated in  
23 this Agreement shall survive delivery of the deed. All warranties, covenants, and  
24 other obligations that AGENCY discovers to be breached before Closing, and that  
25 AGENCY expressly waivers or does not object to before Closing, shall not survive  
26 delivery of the deed.

27 **31) TIME IS OF THE ESSENCE.** Time is of the essence in all phases of this  
28 Agreement and Escrow referred to herein.



1 herein and any present or future statute, law, ordinance or regulation the latter shall  
2 prevail. All other provisions of this Agreement shall remain in full force and effect.

3 **36) JURISDICTION AND VENUE.** Any action at law or in equity brought by either  
4 of the parties hereto for the purpose of enforcing a right or rights provided for by  
5 this Agreement shall be tried in a court of competent jurisdiction in the County of  
6 Riverside, State of California, and the parties hereby waive all provisions of law  
7 providing for a change of venue in such proceedings to any other county.

8 **37) ATTORNEY'S FEES.** In the event of any litigation between AGENCY and  
9 DEVELOPER to enforce any of the provisions of this Agreement or any right of  
10 either party hereto, the unsuccessful party to such litigation or arbitration agrees to  
11 pay to the successful party all costs and expenses, including reasonable attorney's  
12 fees, incurred therein by the successful party, all of which shall be included in and  
13 as a part of the judgment or ruling rendered in such litigation or arbitration.

14 **38) PARAGRAPH HEADINGS.** The paragraph headings herein are for the  
15 convenience of the parties only, and shall not be deemed to govern, limit, modify or  
16 in any manner affect the scope, meaning or intent of the provisions or language of  
17 this Agreement.

18 **39) ENTIRE AGREEMENT.**

19 a. This Agreement is intended by the parties hereto as a final expression of  
20 their understanding with respect to the subject matter hereof and as a  
21 complete and exclusive statement of the terms and conditions thereof and  
22 supersedes any and all prior and contemporaneous leases, agreements, and  
23 understandings, oral or written, in connection therewith.

24 b. No other agreement oral or written is contemplated or promised by the  
25 parties to this AGREEMENT.

26 **40) AGENCY APPROVAL.** This Agreement shall not be binding or consummated  
27 until its approval by the AGENCY's Board of Directors.

28 **41) FURTHER ASSURANCES.** Each of the parties hereto shall execute and deliver

1 any and all additional papers, documents, and other assurances, and shall do any and  
2 acts and things reasonably necessary in connection with the performance of their  
3 obligations hereunder and to carry out the intent of the parties hereto.

4 **42) MODIFICATIONS OR AMENDMENTS.** No amendment, change or modification  
5 of this Agreement shall be valid unless in writing, stating that it is an amendment to  
6 this Agreement and signed by all the parties thereto.

7 **43) NO OBLIGATIONS TO THIRD PARTIES.** The execution and delivery of this  
8 Agreement shall not be deemed to confer any rights upon, or obligate either of the  
9 parties thereto, to any person or entity other than each other.

10 **44) NUMBER AND GENDER.** In this Agreement, whenever, the context so requires,  
11 the masculine gender includes the feminine and or neuter, and vice versa, and the  
12 singular number includes the plural.

13 **45) EXPENSES.** Except as expressly otherwise provided herein, the parties shall pay  
14 their own costs and expenses in connection with the negotiation, execution and  
15 delivery of this Agreement.

16 **46) PERFORMANCE OF ACTS ON BUSINESS DAYS.** In the event that the final  
17 date of payment for any amount of performance of any act hereunder falls on a  
18 Saturday, Sunday or holiday, such payment may be made or act performed on the  
19 next succeeding business day.

20 **47) ASSIGNMENT.** DEVELOPER shall not make any sale, assignment, conveyance,  
21 or transfer in any other form with respect to this Agreement or the Project, other  
22 than the sale of Property to Qualified Homebuyers as set forth in this Agreement.

23 **48) EXHIBITS AND ATTACHMENTS.** Each of the attachments and exhibits  
24 attached hereto is incorporated herein by this reference.

25 **49) MEDIA RELEASES.** DEVELOPER agrees to allow AGENCY to coordinate all  
26 media releases regarding the PROJECT, with prior approval of AGENCY. Any  
27 publicity generated by DEVELOPER for the Project must make reference to the  
28 contribution of AGENCY in making the Project possible. AGENCY's name shall

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

be prominently displayed in all pieces of publicity generated by DEVELOPER, including flyers, press releases, posters, signs, brochures, and public service announcements. DEVELOPER agrees to cooperate with AGENCY in and AGENCY-generated publicity or promotional activities with respect to the Project.

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

**51) 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.

//  
//  
//

(END OF AGREEMENT)  
SIGNATURES ON THE NEXT PAGE

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

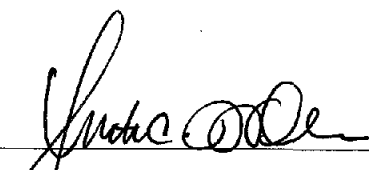
3  
4 **AGENCY:**  
5 REDEVELOPMENT AGENCY  
6 FOR THE COUNTY OF RIVERSIDE

**DEVELOPER:**  
HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE

7  
8 By: \_\_\_\_\_  
9 BOB BUSTER, Chairman  
Board of Directors

By: \_\_\_\_\_  
BOB BUSTER, Chairman  
Board of Commissioners

10  
11 APPROVED AS TO FORM:  
12 PAMELA J. WALLS  
13 Agency Counsel

14  
15  
16 By:  \_\_\_\_\_  
17 ANITA C. WILLIS, Deputy

18  
19 ATTEST:  
20 KECIA HARPER-IHEM  
21 Clerk of the Board

22  
23 By: \_\_\_\_\_  
Deputy

24  
25  
26  
27  
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.

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

**Developer:** Housing Authority of the County of Riverside

**Address:** 5555 Arlington Avenue, Riverside, CA 92504

**Project Title:** Molino Way Infill

**Location:** One (1) single parcel located in the unincorporated Community of Rubidoux within the Jurupa Valley Project Area with the following address and Assessor Parcel Number:

5580 Molino Way, Riverside, CA 92509, APN: 181-082-050

**Description:** Developer intends to utilize up to \$133,000 in Redevelopment Low- and Moderate-Income Housing funds ("RDA funds") to be used towards the development and construction of a single-family home reserved for qualified low and moderate-income first-time homebuyer households. Developer will use RDA funds for planning, engineering, administration, and construction costs. An additional, \$40,000 in RDA funds will be set aside as down payment assistance to the homebuyer. Other funding sources for the Project include additional funding of \$199,557 from the Developer. The total development costs is estimated to be \$332,557.

The home will be restricted for low to moderate-income households, whose income does not exceed 120% of the area median income for the County, adjusted for family size, and who are first-time homebuyers. The home will be restricted to a 45 year affordability covenant. The real property (Property) is described herein in **Exhibit A**.

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.

**Project Sources and Uses of Fund**

**Sources:**

Housing Authority – Development Funds	\$199,557
<u>Redevelopment Agency for the County of Riverside – Development/Construction Grant</u>	<u>\$133,000</u>
<b>Total</b>	<b>\$332,557</b>

**Uses:**

Planning and Permit Fees	\$ 20,000
Engineering	\$ 23,768
Administration	\$ 51,101
<u>Construction</u>	<u>\$ 237,688</u>
<b>Total</b>	<b>\$332,557</b>

**Implementation Schedule**

<b>Milestone</b>	<b>Completion Date</b>
1. DDA Agreement Executed	May 3, 2011
2. Plans and Specifications	September 1, 2011
3. Obtain Building Permit & Entitlements	December 1, 2011
4. Construction Contract	March 1, 2012
5. Notice to Proceed	June 1, 2012
6. Construction Begins	July, 2012
7. Certificate of Occupancy	July, 1 2013
8. Notice of Completion – Recorded Copy to RDA	July 1, 2013
9. Submission of Final Costs, Sources and Uses of Funds	August 1, 2013
10. Submission of Income & Ethnic Characteristics Report	August 1, 2013

**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 "A"**

**Project Address:** 5580 Molino Way, Riverside, CA 92507

**Assessor Parcel Number:** 181-082-050

**Legal Description:**

LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29 IN THE  
OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

**ATTACHMENT "B"**  
**REGULATORY AGREEMENT**



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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency for the  
6 County of Riverside  
7 3403 10th Street, Suite 500  
8 Riverside, CA 92501  
9 Attn: Der Xiong

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **REGULATORY AGREEMENT**

12 This Agreement is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and  
13 between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public  
14 body, corporate and politic ("AGENCY") and HOUSING AUTHORITY OF THE COUNTY  
15 OF RIVERSIDE ("DEVELOPER"), a public body, corporate and politic of the State of  
16 California:

17 **RECITALS:**

18 I. On \_\_\_\_\_, AGENCY and DEVELOPER entered into that certain  
19 Disposition and Development Agreement (DDA) with regards to certain real property  
20 conveyed by AGENCY to DEVELOPER, commonly identified with Assessor Parcel  
21 Numbers 181-082-050 (Property), in the County of Riverside, California. Property is  
22 described with the following legal description:

23 LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29  
24 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

25 II. DEVELOPER has agreed to restrict the use of the Property.

26 NOW, THEREFORE, in consideration of the mutual covenants and agreements  
27 contained in this Agreement, and for other good and valuable consideration, the receipt and  
28 sufficiency of which are hereby acknowledged, DEVELOPER hereby declares as follows  
with regard to the Restricted Areas, which declaration shall be an equitable servitude running

1 with PROPERTY for the benefit of AGENCY as follows:

2 **1. Definitions.**

- 3 a) AGENCY. AGENCY shall mean the Redevelopment Agency for the County of  
4 Riverside.
- 5 b) DEVELOPER. DEVELOPER shall mean the Housing Authority of the County  
6 of Riverside, a public body, corporate and politic of the State of California.
- 7 c) FIRST-TIME HOME BUYER. First-Time Homebuyer shall mean a buyer  
8 which has not owned a real property within the three (3) years prior to the  
9 purchase of any portion of the PROJECT, as defined herein.
- 10 d) LOW AND MODERATE-INCOME HOUSEHOLD. Low and Moderate-  
11 Income Household shall mean a household whose annual household income  
12 does not exceed one hundred twenty percent (120%) of area median income for  
13 Riverside County, adjusted for applicable household size, as computed in  
14 accordance with the Community Redevelopment Law and the regulations  
15 promulgated pursuant thereto or incorporated therein, including, without  
16 limitation, all regulation promulgated pursuant to Health and Safety Code  
17 Section 50093, or any successor statute.
- 18 e) PROPERTY. Property shall mean the real property particularly described in the  
19 first recital.

20 **2. Covenant to Develop.** DEVELOPER shall construct, or cause to be constructed  
21 one (1) single family home. DEVELOPER shall ensure completion of the home  
22 within twenty-four (24) months after the date of approval of this Agreement, unless  
23 such date is extended by mutual agreement, which completion shall be evidenced by  
24 a certificate of occupancy issued by the Riverside County Transportation Land  
25 Management Agency.

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

- 1 a) DEVELOPER shall create one (1) home ownership opportunity to be made  
2 available to a Low or Moderate-Income Household who is a First-Time  
3 Homebuyer.  
4 b) DEVELOPER shall restrict the sale of the single-family home to a Low and  
5 Moderate-Income Household.  
6 c) DEVELOPER shall sell the single-family home and real property attached  
7 thereto under a condition subject to this Agreement.

8 **4. Maintenance of the Improvements.** DEVELOPER, on behalf of itself and its  
9 successors, assigns, and each successor in interest to Property or any part thereof  
10 hereby covenants to and shall protect, maintain, and preserve the improvements  
11 located on Property in compliance with all applicable federal and state law and  
12 regulations and local ordinances.

13 **5. Compliance.** DEVELOPER, on behalf of itself and its successors, assigns, and each  
14 successor in interest to Property or any part thereof, hereby covenants to and shall  
15 comply with all applicable federal and state law and regulations and local  
16 ordinances.

17 **6. Nondiscrimination.** DEVELOPER, on behalf of itself and its successors, assigns,  
18 and each successor in interest to Property or any part thereof, covenants by and for  
19 itself and any successors in interest that there shall be no discrimination against or  
20 segregation of any person or group of persons on account of race, religion, sex,  
21 sexual orientation, marital status, nationality, familial status, source of income or  
22 disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment  
23 of Property, nor shall DEVELOPER, on behalf of itself and its successors, assigns,  
24 and each successor in interest to Property or any part thereof, itself or any person  
25 claiming under or through it establish or permit any such practice or practices of  
26 discrimination or segregation with reference to the election, location, number, use or  
27 occupancy of tenants, lessees, subtenants, sub lessees or vendees of the Real  
28 Property. The foregoing covenants shall run with the land. DEVELOPER, on behalf

1 of itself and its successors, assigns, and each successor in interest to Property or any  
2 part thereof, shall refrain from restricting the rental, sale, or lease of Property on the  
3 basis of race, religion, sex, sexual orientation, marital status, nationality, familial  
4 status, source of income or disability of any person. All such deeds, leases or  
5 contacts shall contain or be subject to substantially the following nondiscrimination  
6 or non-segregation clauses:

7 a) In deeds: "DEVELOPER, on behalf of itself and its successors, assigns, and  
8 each successor in interest to Property or any part thereof, herein covenants by  
9 and for himself, for herself, his or her heirs, executors, administrators and  
10 assigns, and all persons claiming under or through them that there shall be no  
11 discrimination against or segregation of any person or group of persons on  
12 account of race, religion, sex, sexual orientation, marital status, nationality,  
13 familial status, source of income or disability in the sale, lease, sublease,  
14 transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor  
15 shall DEVELOPER, on behalf of itself and its successors, assigns, and each  
16 successor in interest to Property or any part thereof, himself or herself nor any  
17 person claiming under or through him or her establish or permit any such  
18 practice or practices of discrimination or segregation with reference to the  
19 selection, location, numbers use or occupancy of tenants, lessees, subtenants,  
20 sub lessees or vendees in the land herein conveyed. The foregoing covenants  
21 shall run with the land."

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

26 i. There shall be no discrimination against or segregation of any person or  
27 group of persons on account of race, religion, sex, sexual orientation,  
28 marital status, nationality, familial status, source of income or disability

1 in the leasing, subleasing, transferring, use, occupancy, tenure or  
2 enjoyment of the premises herein leased nor shall the lessee himself or  
3 herself, or any person claiming under or through him or her, establish or  
4 permit any such practice or practices of discrimination or segregation  
5 with reference to the selection, location, number, use or occupancy of  
6 tenants, lessees, sub lessees, subtenants or vendees in the premises  
7 herein leased.

8 ii. In contracts, "There shall be no discrimination against or segregation of  
9 any person or group of persons on account of race, religion, sex, sexual  
10 orientation, marital status, nationality, familial status, source of income  
11 or disability in the sale, lease, sublease, transfer, use, occupancy, tenure  
12 or enjoyment of the premises, nor shall the transferee himself or herself  
13 or any person claiming under or through him or her, establish or permit  
14 any such practice or practices of discrimination or segregation with  
15 reference to the selection, location, number, use, or occupancy of  
16 tenants, lessees, subtenants, sub lessees or vendees of the premises."

17 7. **Binding Effect.** The rights and obligations of this Agreement shall bind and inure to  
18 the benefit of the respective heirs, successors and assigns of the parties.  
19 Notwithstanding anything to the contrary in this Agreement, AGENCY and  
20 DEVELOPER, on behalf of itself and its successors, assigns, and each successor in  
21 interest to Property or any part thereof, may assign its rights hereunder with prior  
22 written permission from AGENCY. The obligation of DEVELOPER, on behalf of  
23 itself and its successors, assigns, and each successor in interest to the Property or  
24 any part thereof, shall run with the land.

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

28 9. **Severability.** In the event that any provision, whether constituting a separate

1 paragraph or whether contained in a paragraph with other provisions, is hereafter  
2 determined to be void and unenforceable, it shall be deemed separated and deleted  
3 from the agreement and the remaining provisions of this Agreement shall remain in  
4 full force and effect. The foregoing covenants against discrimination or segregation  
5 shall continue in effect in perpetuity.

6 //

7 //

8 //

9 (END OF AGREEMENT)

10 SIGNATURES ON NEXT PAGE

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

3  
4 **AGENCY:**

5 REDEVELOPMENT AGENCY  
6 FOR THE COUNTY OF RIVERSIDE

**DEVELOPER:**

HOUSING AUTHORITY  
OF THE COUNTY OF RIVERSIDE

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

9 EMILIO RAMIREZ  
Assistant Director

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

Rob Field  
Executive Director

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26 **(Signatures on this page need to be notarized)**  
27  
28







**ATTACHMENT "C"**  
**GRANT DEED**

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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency for the  
6 County of Riverside  
7 3403 10th Street, Suite 500  
8 Riverside, CA 92501  
9 Attn. Der Xiong

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **GRANT DEED**

12 The REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public  
13 body, corporate and politic (AGENCY), effective as of \_\_\_\_\_, 2011,  
14 hereby grants to HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public  
15 body, corporate and politic of the State of California (DEVELOPER), the real property  
16 (Property) described in **Exhibit A** attached hereto and incorporated herein, subject to existing  
17 easements, restrictions and covenants of record, the provisions set forth in Sections 1, 2 and 3  
18 hereof and the requirements of the Disposition and Development Agreement (DDA) between  
19 the parties, dated as of \_\_\_\_\_, 2011. All capitalized terms not defined herein shall have  
20 the respective meanings established therefore in the DDA.

21 1. **Agency Right of Reentry.** AGENCY has the right, at its election, to reenter and  
22 take possession of the Property, with all improvements thereon, and terminate and  
23 revest in AGENCY the estate conveyed to DEVELOPER, as set forth in the  
24 Disposition and Development Agreement, dated as of \_\_\_\_\_, 2011, by  
25 and between AGENCY and DEVELOPER, if after the Closing and before the  
26 issuance of the Certificate of Occupancy, DEVELOPER (or its successors in  
27 interest) shall:

28 a. Fail to start the construction of the improvements as required by the DDA after

1 written notice thereof from 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  
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.

10 //

11 //

12 //

13 (END OF AGREEMENT)

14 SIGNATURES ON NEXT PAGE

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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

3  
4       **AGENCY:**

5       REDEVELOPMENT AGENCY  
6       FOR THE COUNTY OF RIVERSIDE

7  
8       By: \_\_\_\_\_

9           EMILIO RAMIREZ  
          Assistant Director

10  
11  
12  
13  
14  
15  
16  
17  
18  
19                           **(All signatures on this page need to be notarized)**  
20  
21  
22  
23  
24  
25  
26  
27  
28

## **EXHIBIT "A"**

**Project Address:** 5580 Molino Way, Riverside, CA 92507

**Assessor Parcel Number:** 181-082-050

**Legal Description:**

LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29 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.

Signature \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

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

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

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



**ATTACHMENT "D"**  
**COVENANT AGREEMENT**  
**FOR HOMEBUYER**

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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency for the  
6 County of Riverside  
7 3403 10th Street, Suite 500  
8 Riverside, CA 92501  
9 Attn: Der Xiong

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **AGREEMENT CONTAINING COVENANTS**  
12 **AFFECTING REAL PROPERTY**

13 *5580 Molino Way, Riverside, CA 92507, APN 181-082-050*

14 THIS COVENANT AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_  
15 2011, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF  
16 RIVERSIDE, a public body, corporate and politic ("AGENCY") and the <INSERT  
17 HOMEBUYER NAME> ("HOMEBUYER"), vesting, with respect to the following recitals:

18 **RECITALS**

19 A. On \_\_\_\_\_, AGENCY and HOUSING AUTHORITY  
20 FOR THE COUNTY OF RIVERSIDE ("DEVELOPER"), a public body, corporate and  
21 politics of the State of California, entered into certain Disposition and Development  
22 Agreement (the "DDA") with the purpose of developing and constructing a single-family  
23 home for a low to moderate-income household.

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

28 **1. LEGAL DESCRIPTION OF THE PROPERTY:**

Real property in the unincorporated area of the County of Riverside, State of

1 California, with Assessor Parcel Number 181-082-050 and described as follows:  
2 LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14  
3 PAGE 29 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE  
4 COUNTY.

5 C. Pursuant to the DDA, AGENCY has required DEVELOPER to restrict the sale  
6 and occupancy of the Assisted Unit.

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

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

16 a) Recapture Provision. The principal amount of the AGENCY Down  
17 Payment Assistance becomes due and must be repaid to the AGENCY  
18 upon the sale, transfer, lease or any other disposition, including  
19 refinancing or incurring of additional debt secured by the Property,  
20 within the 45 year Affordability Period.

21 i. The Down Payment Assistance and obligations are forgiven  
22 upon the completion of the Affordability Period.

23 b) Equity Share. Repayment is required upon the sale of the Property  
24 within the 45 year Affordability Period.

25 i. Equity. Equity is defined as the dollar amount that constitutes the  
26 difference between the sales price of the Property and the sum of  
27 the following:

28 1. Principal on the Promissory Note and Deed of

Trust;

2. HOMEBUYER's actual down payment amount whether subsidized or paid with cash.
3. All costs of sale, including costs of broker's commissions, escrow fees, title costs and fees, recording costs, etc.;
4. Costs of any capital improvements to the Property, provided such improvements have been documented to be to the satisfaction of the AGENCY; and
5. Any remainder to AGENCY and HOMEBUYER as agreed

ii. Equity share between the AGENCY and the HOMEBUYER will be based on a forty-five (45) year period according to the following:

1. Commencing year one (1) thru year forty (40) any equity earned will be forgiven at a rate of ten percent (10%) per complete five (5) year increment, through the term of this AGREEMENT.
2. Commencing year forty-one (41) through year forty-five (45), any equity earned will be forgiven at a rate of twenty percent (20%).
3. The profit will belong solely to the HOMEBUYER upon the completion of the 45 year term.

Number of Years	Homebuyer's Profit Share	Agency's Profit Share
5	10	90
10	20	80
15	30	70
20	40	60
25	50	50
30	60	40
35	70	30
40	80	20
45	100	0



2. MAINTENANCE OF THE IMPROVEMENTS. HOMEBUYER, 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, maintain, and preserve Assisted Unit in compliance with all applicable federal and state law and regulations and local ordinances.

3. NONDISCRIMINATION. HOMEBUYER covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, religion, sex, sexual orientation, marital status, nationality, familial status, source of income or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Assisted Unit, nor shall HOMEBUYER itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the election, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Assisted Unit. The foregoing covenants shall run with the land. HOMEBUYER shall refrain from restricting the sale of

1 the Assisted Unit on the basis of race, religion, sex, sexual orientation,  
2 marital status, nationality, familial status, source of income or disability of  
3 any person. All such deeds, leases or contracts shall contain or be subject to  
4 substantially the following nondiscrimination or no segregation clauses:

5 a) In deeds: "The Grantee herein covenants by and for himself for herself,  
6 his or her heirs, executors, administrators and assigns, and all persons  
7 claiming under or through them that there shall be no discrimination  
8 against or segregation of any person or group of persons on account of  
9 race, religion, sex, sexual orientation, marital status, nationality, familial  
10 status, source of income or disability in the sale, lease, sublease, transfer,  
11 use, occupancy, tenure or enjoyment of the land herein conveyed, nor  
12 shall the grantee himself or herself nor any person claiming under or  
13 through him or her establish or permit any such practice or practices of  
14 discrimination or segregation with reference to the selection, location,  
15 numbers use or occupancy of tenants, lessees, subtenants, sublessees or  
16 vendees in the land herein conveyed. The foregoing covenants shall run  
17 with the land."

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

22 iii. There shall be no discrimination against or segregation of any person  
23 or group of persons on account of race, religion, sex, sexual  
24 orientation, marital status, nationality, familial status, source of  
25 income or disability in the leasing, subleasing, transferring, use,  
26 occupancy, tenure or enjoyment of the premises herein leased nor  
27 shall the lessee himself or herself, or any person claiming under or  
28 through him or her, establish or permit any such practice or practices

1 of discrimination or segregation with reference to the selection,  
2 location, number, use or occupancy of tenants, lessees, sublessees,  
3 subtenants or vendees in the premises herein leased.”

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

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

18 AGENCY

19 Redevelopment Agency for the  
20 County of Riverside  
21 3403 10th Street, Suite 500  
22 Riverside, CA 92501  
23 Attn: Emilio Ramirez

DEVELOPER

<Homebuyer Name>  
<Address>  
<City, State, Zip Code>

24  
25 6) BINDING EFFECT. The rights and obligations of this Covenant Agreement  
26 shall bind and inure to the benefit of the respective heirs, successors and  
27 assigns of the parties.

28 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

1 action shall be entitled to its reasonable attorneys' fees to be paid by the  
2 losing party as fixed by the Court.

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

8 9) SUBORDINATION.

9 a) The parties acknowledge and agree that this Covenant Agreement is and  
10 shall be subject and subordinate in all respects to the liens, terms,  
11 covenants and conditions of the deed(s) of trust or other documents  
12 securing mortgage financing for the Assisted Unit (collectively, the  
13 "Senior Financing") and to all advances heretofore made pursuant to the  
14 Senior Financing including all sums advanced for the purpose of:

15 (i) protecting or further securing the lien of the Senior Financing,  
16 curing defaults by the borrower under the Senior Financing or for any  
17 other purpose expressly permitted by the Senior Financing; or

18 (ii) Constructing, renovating, repairing, furnishing, fixtures or  
19 equipping the Assisted Unit.

20 The terms and provisions of the Senior Financing are paramount and  
21 controlling, and they supersede any other terms and provisions herein  
22 conflict therewith. In the event of a foreclosure under the Senior  
23 Financing, any other provisions in any other collateral agreement  
24 restricting the use of the Property to low or moderate income households  
25 or otherwise restricting DEVELOPER's ability to sell the Property shall  
26 have no further force or effect on subsequent owners or purchasers of  
27 the Assisted Unit, any person, including his/her successors or assignees  
28 (other than DEVELOPER or a related entity of DEVELOPER),  
receiving title to the Property through a foreclosure or deed in lieu of



1 foreclosure of the Senior Financing shall receive title to the Property free  
2 and clear from such restrictions.

3 b. Further, if the Senior Lender acquires title to the Property pursuant to a  
4 deed in lieu of foreclosure, the lien of this Covenant Agreement shall  
5 automatically terminate upon the Senior Lender's acquisition of title,  
6 provided that (1) AGENCY has been given written notice of a default  
7 under the Senior Financing and (2) AGENCY shall not have cured the  
8 default under the Senior Financing, or diligently pursued curing the  
9 default as determined by the Senior Lender, within the 60-day period  
10 provided in such notice sent to the Lender.

11 //

12 //

13 //

14 (END OF AGREEMENT)

15 SIGNATURES ON THE NEXT PAGE

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



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

**ATTACHMENT "E"**  
**PROMISSORY NOTE**  
**FOR HOMEBUYER**

1 **NOTICE:** This Promissory Note requires repayment of the principal sum if certain events  
2 occur.

3 **PROMISSORY NOTE**

4  
5 The effective date of this note is:

6 <Month Day, Year>\_ Riverside, California

7  
8 <BORROWERS FULL ADDRESS> (Property Address)

9  
10 **BORROWER PROMISE TO REPAY**

11  
12 FOR VALUE RECEIVED, the undersigned, <BORROWERS FULL NAME, INSERT  
13 VESTING>, hereafter called "Borrower," hereby jointly and severally promise to pay to the  
14 REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, hereafter  
15 called "Lender," or to Lender's order, the sum total of \$ <COUNTY AMOUNT> (Spell Out  
16 Dollar Amount), secured by a Subordinate Deed of Trust, at such place as Lender may designate,  
17 in lawful money of the United States of America as hereafter set forth.

18  
19 1) **DEFINITIONS.** The following definitions shall apply throughout this Promissory Note:

- 20 a) Deferred Loan Amount. Principal Sum of the Promissory Note.
- 21 b) Fair Return of Investment. The actual down payment amount whether subsidized or paid  
22 with cash, all principal payment amount and the demonstrated / documentable costs of  
23 any major property improvement costs paid by the Borrower.
- 24 c) Lender. Redevelopment Agency for the County of Riverside.
- 25 d) Property. The real property described in **Exhibit A** attached to this Promissory Note and  
26 made a part hereof.
- 27 e) Promissory Note. Herein referred to as "Note."
- 28 f) Sale or Transfer. Any sale, transfer, lease, cash-out refinance or family trusts transfer of

1 any part of the Property will permit Lender to exercise a due-on-sale clause.

2 g) Senior Lien Holder. Actual holder of First Deed of Trust is herein referred to as the  
3 “Senior Lien Holder.”

4 **TERMS**

5 1) **INTEREST**. This Note does not bear interest.

6 2) **TIME OF PAYMENT**. The term of this Note extends until the Borrower sells, rents,  
7 refinances, conveys, transfers or changes the title of the Property designated on the  
8 accompanying Subordinate Deed of Trust. Provided that the Borrower continues to occupy  
9 the Property as their principal residence, the principal sum, as described in the accompanying  
10 Subordinate Deed of Trust, shall be repaid upon the sale, rental, refinance, conveyance,  
11 transfer or change in title to the Property. Sale, rental, refinance, conveyance, transfer or  
12 change in the title of the Property will trigger recapture of the principal, as described in the  
13 accompanying Subordinate Deed of Trust. Lender will constitute a transfer to be a sale, or  
14 otherwise conveyed, by operation of law or otherwise. No delay or omission on the part of  
15 the Lender shall operate as a waiver of such right of repayment or of any other right of this  
16 Note. The principal sum of this Note shall be due and payable on or before the date provided  
17 by the Lender in the Notice of Acceleration, which shall not be less than thirty (30) days, if  
18 all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed, or  
19 transferred or if a beneficial interest in Borrower is sold, rented, refinanced, conveyed or  
20 transferred (or if a beneficial interest in Borrower is old, rented, refinanced, conveyed, or  
21 transferred and Borrower is not a natural person) (herein called “transfer”) without the prior  
22 written consent of the Lender. The Lender shall not exercise this right of acceleration if  
23 prohibited by federal law as of the date of the Subordinate Deed of Trust or if the County of  
24 Riverside has executed a separate written waiver of this option. The following shall not  
25 constitute a transfer:

26 a) A transfer of the Property from a deceased Borrower to the surviving spouse of the  
27 Borrower if the surviving spouse is also called a Borrower;

28 b) A transfer of the Property by Borrower to his/her spouse pursuant to which the spouse

1 becomes a co-owner of the Property;

2 c) A transfer of the Property resulting from a decree of dissolution of the marriage or legal  
3 separation or from a Property settlement agreement incidental to such a decree which  
4 require the Borrower to continue to make payments on the Note and by which a spouse  
5 who is already a Borrower becomes the sole owner of the Property;

6 d) A transfer of the Property to a Borrower to an inter-vivos trust in which the Borrower is  
7 the sole beneficiary;

8 e) A transfer by means of encumbering the Property with a lien that is a junior lien to the  
9 loan to Borrower evidenced by the Subordinate Deed of Trust.

10 f) This Note shall be due and payable in full on the date of any Sale or Transfer that occurs  
11 after the date of execution of this Note. Any non-sale transfer will require that an  
12 appraiser who is a member of the American Institute of Real Estate Appraisers or any  
13 such equivalent designation establish the fair market value of the Property at the time of  
14 transfer.

15 3) **AMOUNT OF PAYMENT.** If and when this Note becomes due pursuant to **Section 2**  
16 above, Borrower shall pay to Lender the outstanding Deferred Loan Amount.

17 4) **PREPAYMENT.** Borrower shall have the right at any time to repay this Note without  
18 incurring any penalty. Borrower must notify the Lender in writing, in the event of  
19 prepayment. The amount payable in full by Borrower shall be the entire Deferred Loan  
20 Amount.

21 5) **FORGIVENESS OF NOTE.** Provided that Borrower is not in default under the terms of  
22 this Note or Loan Documents, the Note shall be forgiven in its entirety by the Redevelopment  
23 Agency for the County of Riverside forty-five (45) years from the date of the close of  
24 escrow. Nothing contained in this paragraph shall be construed as a promise by the Lender to  
25 forgive or relinquish the right to seek repayment of the Note.

26 6) **SECURITY.** A Subordinate Deed of Trust secures this Note.

27 7) **DEFAULT UNDER DEED OF TRUST.** Notwithstanding any other provisions of this  
28 Note, if default occurs in any of the covenants or agreements contained in the Deed of Trust



1 securing this Note, this Note shall immediately become due and payable in full at the option  
2 of Lender. In the event Lender exercises such option, the amount due and payable shall be  
3 the Deferred Loan Amount. Failure by Lender to exercise its option to accelerate in the event  
4 of a default shall not constitute waiver of the right to exercise such option in the event of the  
5 same or any other default.

6 8) **JOINT AND SEVERAL.** The undersigned, if more than one, shall be jointly and severally  
7 liable hereunder.

8 9) **ATTORNEYS' FEES.** If any default is made hereunder, Borrower further promises to pay  
9 reasonable attorneys' fees and costs and expenses incurred by the Lender in connection with  
10 any such default or any other action or other proceeding brought to enforce any of the  
11 provisions of this Note. The Lender's right to such fees shall not be limited to or by its  
12 representation by staff counsel, and such representation shall be valued at customary and  
13 reasonable rates for private sector legal services.

14 10) **TIME.** Time is of the essence herein.

15 11) **AMENDMENTS.** This Note may not be modified or amended except by an instrument in  
16 writing expressing such intention executed by the parties sought to be bound thereby, which  
17 writing must be so firmly attached to this Note so as to become a permanent part thereof.

18 12) **SEVERABILITY.** The covenants of this Note are several. Invalidation of any covenant or  
19 any part thereof by law, judgment, or court order shall not affect any other covenant.

20 13) **PLACE OF REPAYMENT.** Borrower will make payment of all amounts due to Lender  
21 under this Note to Lender at: **3403 10<sup>th</sup> STREET. SUITE 500, RIVERSIDE,**  
22 **CALIFORNIA 92501** or such other address as Lender may designate in writing to  
23 Borrower.

24 14) **BORROWER'S WAIVERS.** Borrower waives any rights to require the Lender to do  
25 certain things. Those things are: (A) to demand payment of amounts due (known as  
26 "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of  
27 dishonor"); and (C) to obtain an official certification of nonpayment (known as a "protest").

28 15) **GIVING OF NOTICES.** Any notice that must be given to Borrower under this Note will be

1 given by delivering it or by mailing it by certified mail addressed to Borrower at any  
2 Property Address above. Any notice that must be given to the Lender under this Note will be  
3 given by mailing it certified mail to the Lender at the address above.

4 **16) LOAN AUTHORITY.**

- 5 a) **Use of Funds** - To provide down payment assistance to ensure that affordable housing is  
6 created.
- 7 b) **Affordability Period** - Time that the Lender is required to recapture the funds based  
8 upon the amount of funds provided. The affordability period for this Note is forty-five  
9 (45) years from the date of close of escrow. The final maturity date on which this note is  
10 forgiven, even if the home has not been sold, is forty-five (45) years from the date of  
11 close of escrow.
- 12 c) **Housing Quality Standards** - The housing unit that is being assisted was inspected by  
13 the Lender and meets the physical standards that assure that the housing is free from all  
14 health and safety defects at the time of purchase.
- 15 d) **Disbursement Request** - No funds shall be provided until such time as they are needed  
16 for the payment of eligible costs, which is the mortgage assistance amount.
- 17 e) **Enforcement of this Agreement (Note)** - The means for the enforcement of the terms  
18 and conditions shall be the recordation of a Subordinate Deed of Trust, which will place a  
19 lien against the Property that has been assisted.
- 20 f) **Duration of this Agreement (Note)** - This Note is in effect for the period of affordability  
21 as noted above in **Section 16 (b)**. The final maturity date on which it is due (or forgiven),  
22 even if the home has not been sold is 45 years from the date of the close of escrow.

23 **17) SUBORDINATION** The indebtedness evidences by this Note, and any other financial  
24 obligations which may be imposed by the Lender are subordinate to the indebtedness  
25 evidenced by a Note payable to a Senior Lender, which Note is secured by the First Deed of  
26 Trust on the Property.

27 END OF AGREEMENT

28 (SIGNATURES ON THE NEXT PAGE)

1 BY SIGNING BELOW, THE BORROWER ACCEPT AND AGREE TO THE TERMS  
2 CONTAINED IN THIS NOTE.

3  
4  
5  
6 \_\_\_\_\_  
< BORROWERS FULL NAME>

DATE

7  
8  
9 \_\_\_\_\_  
< BORROWERS FULL NAME>

DATE

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28 **(All Signatures On This Page Must Be Notarized)**

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION:

LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29 IN THE  
OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

APN: 181-082-050

**ATTACHMENT "F"**  
**SUBORDINATE DEED OF TRUST**  
**FOR HOMEBUYER**

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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency  
6 for the County of Riverside  
7 3403 10th Street, Suite 500  
8 Riverside, CA 92501  
9 Attn: Der Xiong

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **SUBORDINATE DEED OF TRUST**

12 THIS SUBORDINATE DEED OF TRUST ("Security Instrument") is made this \_\_\_\_ day of  
13 MONTH, YEAR \_\_\_\_, among the Trustor(s), <BORROWERS FULL NAME, INSERT  
14 VESTING>, (herein "Borrower"), REDEVELOPMENT AGENCY FOR THE COUNTY OF  
15 RIVERSIDE (herein "Trustee"), and the Beneficiary, which is the REDEVELOPMENT  
16 AGENCY FOR THE COUNTY OF RIVERSIDE, a public agency (herein "Lender").

17 BORROWER, in consideration of the indebtedness herein recited and the trust herein created,  
18 irrevocably grants and conveys to Trustee, in trust, with the power of sale, the following  
19 described property located in the County of Riverside, State of California:

20 LEGAL DESCRIPTION:

21 LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29 IN THE  
22 OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

23 APN: 181-082-052

24 which has the address of <BORROWERS FULL ADDRESS> (Herein "Property Address").

25  
26  
27 TOGETHER with all the improvements now or hereafter erected on the property, and all  
28

1 easements, rights, appurtenances and rents (subject however to the rights and authorities given  
2 herein to Lender to collect and apply such rents), all of which shall be deemed to be and remain  
3 a part of the property covered by this Security Instrument; and all of the foregoing, together  
4 with said property (or the leasehold estate if this Security Instrument is on a leasehold) are  
5 hereinafter referred to as the "Property."  
6

7 TO SECURE to Lender the repayment of the indebtedness evidenced by Borrower's  
8 Promissory Note dated <DATE ON NOTE> and extensions and renewals thereof (herein  
9 "Note"), in the principal sum of U.S. \$<COUNTY AMOUNT (Spell Out Dollar Amount of  
10 Loan) advanced in accordance and herewith to protect the security of this Security Instrument;  
11 and the performance of the covenants and agreements of Borrower herein contained.  
12

13 In addition to the Loan, the Borrower obtained a Deed of Trust loan (The "First Deed of Trust  
14 Loan") from <LENDERS NAME AND FULL ADDRESS>, (the "Senior Lien Holder"),  
15 which loan is secured by First Deed of Trust lien on the Property.  
16

17 Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and have  
18 the right to grant and convey the Property, and except for the First Deed of Trust and other  
19 encumbrances of record acceptable to the Senior Lien Holder, that the Property is  
20 unencumbered. Borrower warrants and will defend generally the title to the Property against all  
21 claims and demands, subject to encumbrances of record.  
22

23 UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

24 1) **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal  
25 indebtedness evidenced by the Note. If payment of the indebtedness is required due to a Sale  
26 of the Property, assuming an open and competitive sale, then repayment shall be made in the  
27 following order:

28 a. Outstanding principal and interest balance of the Senior Lender's loan; and

- 1 b. The principal amount of the Beneficiary's loan; and  
2 c. Borrower's actual down payment amount whether subsidized or paid with cash; and  
3 d. All costs of sale, including broker's commissions, escrow fees, title costs and fees,  
4 recording costs, etc.; and  
5 e. Costs of any capital improvements to the Property, provided such improvements were  
6 approved by the County of Riverside prior to the construction and provided that such  
7 improvements have been documented to be to the satisfaction of the County of  
8 Riverside.

9 **2) Funds for Taxes and Insurance.**

- 10 a) Subject to applicable law, Borrower shall pay to the Senior Lien Holder a sum (herein  
11 "Funds") equal to (a) yearly taxes and assessments (including condominium and planned  
12 unit development assessments, if any) which may attain priority over this Security  
13 Instrument, and ground rents on the Property, if any; (b) yearly leasehold payments or  
14 ground rents on the Property, if any; (c) yearly premium installments for hazard  
15 insurance; (d) yearly premium installments for mortgage insurance, if any, that are  
16 reasonably estimated initially and from time to time by the Senior Lien Holder on the  
17 basis of assessments and bills and reasonable estimates thereof. If there is no Senior  
18 Lien Holder, Borrower is to make all payments for taxes and insurance to the Lender.  
19 Borrower shall not be obligated to make such payments to the holder of a prior mortgage  
20 or Deed of Trust if such holder is an institutional Lender. Said payments shall be made  
21 on the first day of each month commencing on the date of first payment.  
22 b) If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits  
23 or accounts of which are insured or guaranteed by a federal or state agency. Lender  
24 shall apply the Funds to pay said taxes, assessments, insurance premiums and ground  
25 rents. Lender may not charge for so holding and applying the Funds, analyzing said  
26 account or verifying and compiling said assessments and bills, unless Lender pays  
27 Borrower interest on the Funds and applicable law permits Lender to make such a  
28 charge. Borrower and Lender may agree in writing at the time of execution of this



1 Security Instrument that interest to be paid, Lender shall not be paid to Borrower, and  
2 unless such agreement is made or applicable law requires such interest to be paid,  
3 Lender shall not be required to pay Borrower any interest or earnings on the Funds.  
4 Lender shall give to Borrower, without charge, an annual accounting of the Funds  
5 showing credits and debits to the Funds and the purpose for which each debit to the  
6 Funds was made. The Funds are pledged as additional security for the sums secured by  
7 this Security Instrument.

8 c) If the amount of the Funds held by Lender, together with the future monthly installments  
9 of Funds payable prior to the due dates of taxes, assessments, insurance premiums and  
10 ground rents exceed the amount required to pay said taxes, assessments, insurance  
11 premiums and ground rents as they fall due, such excess shall be, at Borrower's option,  
12 either promptly repaid to Borrower or credited to Borrower on monthly installments of  
13 Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes,  
14 assessments, insurance premiums and ground rents as they fall due, Borrower shall pay  
15 to Lender any amount necessary to make up the deficiency in one or more payments as  
16 Lender may require.

17 d) Upon payment in full of all sums secured by this Security Instrument, Lender shall  
18 promptly refund to Borrower any Funds held by Lender. If the Property is sold or the  
19 Property is otherwise acquired by Lender, Lender shall apply, no later than immediately  
20 prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender  
21 at the time of application as a credit against the sums secured by this Security  
22 Instrument.

23 3) **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of  
24 Borrower's obligations under any mortgage, Deed of Trust or other security agreement with  
25 a lien which has priority over this Deed of Trust, including Borrower's covenants to make  
26 payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other  
27 charges, fines and impositions attributable to the Property, which may attain a priority over  
28 this Security Instrument and leasehold payments or ground rents, if any.

1 **4) Subordination.**

2 a) Lender and Borrower acknowledge and agree that this Security Instrument is subject and  
3 subordinate in all respects to the liens, terms, covenants and conditions of the First Deed  
4 of Trust and to all advances heretofore made pursuant to the First Deed of Trust  
5 including all sums advanced for the purpose of (a) protecting or further securing the lien  
6 of the First Deed of Trust, curing defaults by the Borrower under the First Deed of Trust  
7 or for any other purpose expressly permitted by the First Deed of Trust or (b)  
8 constructing, renovating, repairing, furnishing, fixtures or equipping the Property. The  
9 terms and provisions of the First Deed of Trust are paramount and controlling, and they  
10 supersede any other terms and provisions herein conflict therewith. In the event of a  
11 foreclosure of the First Deed of Trust, any other provisions in any other collateral  
12 agreement restricting the use of the Property to low or moderate income households or  
13 otherwise restricting the Borrower's ability to sell the Property shall have no further  
14 force or effect on subsequent owners or purchasers of the Property, any person,  
15 including his/her successors or assignees (other than the Borrower or a related entity of  
16 the Borrower), receiving title to the Property through a foreclosure or deed in lieu of  
17 foreclosure of the First Deed of Trust shall receive title to the Property free and clear  
18 from such restrictions.

19 b) Further, if the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu  
20 of foreclosure, the lien of the Security Instrument shall automatically terminate upon the  
21 Senior Lien Holder's acquisition of title, provided that (1) the Lender has been given  
22 written notice of a default under the First Deed of Trust and (2) the Lender shall not  
23 have cured the default under the First Deed of Trust, or diligently pursued curing the  
24 default as determined by the Senior Lien Holder, within the 60-day period provided in  
25 such notice sent to the Lender.

26 **5) Hazard Insurance.**

27 a) Borrower shall keep the improvements now existing or hereafter erected on the Property  
28 insured against loss by fire, hazards included within the term "extended coverage," and

1 such other hazards, including floods or flooding. This insurance shall be maintained in  
2 the amounts and for the periods that the Senior Lien Holder and/or the Lender may  
3 require and in such amounts and for such periods as the Senior Lien Holder and the  
4 Lender may require.

- 5 b) The insurance carrier providing the insurance shall be chosen by Borrower. All  
6 insurance policies and renewals thereof shall include a standard mortgage clause in favor  
7 of and in a form acceptable to Lender. Lender shall have the right to hold the policies  
8 and renewals thereof, subject to the terms of any mortgage, deed of trust or other  
9 security agreement with a lien, which has priority over this Security Instrument. All  
10 original policies of insurance required pursuant to the First Deed of Trust shall be held  
11 by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as  
12 its interest may appear and may be named as an additional insured. If Lender requires,  
13 Borrower shall promptly give to Lender copies of all receipts of paid premiums and  
14 renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance  
15 carrier, the Senior Lien Holder and the Lender. Lender may make proof of loss if not  
16 made promptly by the Senior Lien Holder or the Borrower.
- 17 c) Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be  
18 applied to restoration or repair of the Property damaged, if the restoration or repair is  
19 economically feasible, or Lender's security would be lessened, the insurance proceeds  
20 shall be applied to the sums secured by this Security Instrument, whether or not then  
21 due, with any excess paid to Borrower.
- 22 d) If the Property is abandoned by Borrower, or if the Borrower fails to respond to Lender  
23 within 30 days from the date notice is mailed by Lender to Borrower that the insurance  
24 carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and  
25 apply the insurance proceeds at Lender's option either to restoration or repair of the  
26 Property or to the sums secured by this Security Instrument.
- 27 e) Notwithstanding the above, the Lender's rights to collect and apply the insurance  
28 proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien

1 Holder to collect and apply such proceeds in accordance with the First Deed of Trust.

2 6) **Occupancy, Preservation and Maintenance and Protection of the Property.** Borrower  
3 shall occupy, establish, and use the Property as the Borrower's principal residence and shall  
4 keep the Property in good repair and shall not commit waste or permit impairment or  
5 deterioration of the Property and shall comply with the provisions of any lease if this Deed  
6 of Trust is on a leasehold.

7 7) **Protection of Lender's Security.**

8 a) If Borrower fails to perform the covenants and agreements contained in this Security  
9 Instrument, or if any legal action or proceeding is commenced which materially affects  
10 Lender's interest in the Property, then Lender, at Lender's option, upon notice to  
11 Borrower, may make such appearances, disburse such sums, including reasonable  
12 attorneys' fees, and take such action as is necessary to protect Lender's interest.  
13 Lender's actions may include paying any sums secured by a lien, which has priority over  
14 this Security Instrument.

15 b) Any amounts disbursed by Lender pursuant to this **Paragraph 7**, with interest thereon,  
16 at the Note rate, shall become additional indebtedness of Borrower secured by this  
17 Security Instrument. Unless Borrower and Lender agree to other terms of payment, such  
18 amounts shall be payable upon notice from Lender to Borrower requesting payment  
19 thereof. Nothing contained in this **Paragraph 7** shall require Lender to incur any  
20 expense or take any action hereunder.

21 c) Prior to taking any actions, Lender shall notify the Senior Lien Holder and shall provide  
22 the Senior Lien Holder with opportunity to cure a default hereunder advanced by the  
23 Senior Lien Holder and shall be secured by the First Deed of Trust. The Senior Lien  
24 Holder shall have the right to exercise all rights and remedies under the First Deed of  
25 Trust.

26 8) **Mortgage Insurance.** If Lender requires mortgage insurance as a condition of making the  
27 loan secured by this Security Instrument, Borrower shall pay the premiums required to  
28 maintain the mortgage insurance in effect.

1 9) **Inspection.** Lender or its agent may make or cause to be made reasonable entries upon and  
2 inspections of the Property, provided that Lender shall give Borrower notice prior to any  
3 such inspection specifying reasonable cause therefore related to Lender's interest in the  
4 Property.

5 10) **Condemnation.**

6 a) The proceeds of any award or claim for damages, direct or consequential, in connection  
7 with any condemnation or other taking of the Property, or part thereof, or for  
8 conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender,  
9 subject to the terms of any mortgage, deed of trust or other security agreement with a  
10 lien which has priority over this Deed of Trust.

11 b) In the event of a total taking of this Property, the proceeds shall be applied to the sums  
12 secured by this Security Instrument, whether or not then due, with any excess paid to the  
13 Borrower.

14 11) **Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time  
15 for payment or modification of the sums secured by this Security Instrument granted by  
16 Lender to any successor in interest of Borrower shall not operate to release, in any manner,  
17 the liability of the original Borrower and Borrower's successors in interest. Lender shall not  
18 be required to commence proceedings against such successor or refuse to extend time for  
19 payment or otherwise modify the sums secured by this Security Instrument by reason of any  
20 demand made by the original Borrower and Borrower's successors in interest. Any  
21 forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded  
22 by applicable law, shall not be a waiver of or preclude the exercise of any such right or  
23 remedy.

24 12) **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants  
25 and agreements herein contained shall bind, and the rights hereunder shall inure to, the  
26 respective successors and assigns of Lender and Borrower. All covenants and agreements of  
27 Borrower shall be joint and several.

28 13) **Notices.** Except for any notice required under applicable law to be given in another manner,

1 (a) any notice to Borrower provided for in this Security Instrument shall be given by  
2 delivering it or by mailing such notice by certified mail addressed to Borrower at the  
3 Property Address or at such other address as Borrower may designate by notice to Lender as  
4 provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's  
5 address at: **3403 10<sup>th</sup> Street, Suite 500, Riverside, CA 92501**. Any notice provided for in  
6 this Security Instrument shall have been given to Borrower or Lender when given in the  
7 manner designated herein. Any notices required to be given to the Senior Lien Holder shall  
8 be given by first class mail to such address the Senior Lien Holder designates by notice to  
9 the Borrower.

10 **14) Governing Law; Severability.** The state and local laws applicable to this Security  
11 Instrument shall be the laws of the jurisdiction in which the Property is located. The  
12 foregoing sentence shall not limit the applicability of federal law to this Security Instrument.  
13 In the event that any provision or clause of this Security Instrument or the Promissory Note  
14 conflicts with applicable law, such conflict shall not affect other provisions of this Security  
15 Instrument or the Promissory Note which can be given effect without the conflicting  
16 provision, and to this end the provisions of this Security Instrument and the Promissory  
17 Note are declared to be several. As used herein, "costs," "expenses" and "attorneys' fees"  
18 include all sums to the extent not prohibited by applicable law or limited herein.

19 **15) Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and Security  
20 Instrument at the time of execution or after recordation hereof.

21 **16) Transfer of the Property or a Beneficial Interest in Borrower.**

22 a) Except for a conveyance to the Trustee under the First Deed of Trust, if all or any part of  
23 the Property or any interest in it is sold or transferred without Lender's prior written  
24 consent, Lender may, at its option, require immediate payment in full of all sums  
25 secured by this Security Instrument. The Lender shall not exercise this option if federal  
26 law as of the date of this Security Instrument prohibits the exercise.

27 b) If the Lender exercises this option, Lender shall give Borrower and the Senior Lien  
28 Holder prior written notice of acceleration. The notice shall provide a period of not less

1 than 30 days from the date the notice is delivered or mailed within which the Borrower  
2 must pay all sums secured by this Security Instrument. If Borrower fails to pay these  
3 sums prior to the expiration of this period, Lender may invoke any remedies permitted  
4 by this Security Instrument without further notice or demand on Borrower.

5 **17) Borrower's Right to Reinstate.**

- 6 a) If Borrower meets certain conditions, Borrower shall have the right to have enforcement  
7 of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days  
8 before the sale of the Property pursuant to any power of sale contained in this Security  
9 Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those  
10 conditions are that Borrower: (a) pays Lender all sums which then would be due under  
11 this Security Instrument and the Promissory Note as if no acceleration had occurred; (b)  
12 cures any default of any other covenants or agreements; (c) pays all expenses incurred in  
13 enforcing this Security Instrument, including, but not limited to reasonable attorneys'  
14 fees; and (d) takes such action as Lender may reasonably require to assure that the lien  
15 of this Security Instrument, Lender's rights in the Property and Borrower's obligation to  
16 pay the sums secured by this Security Instrument shall continue unchanged. Upon  
17 reinstatement by Borrower, this Security Instrument and the obligations secured hereby  
18 shall remain fully effective as if no acceleration had occurred. However, this right to  
19 reinstate shall not apply in the case of acceleration.
- 20 b) Notwithstanding, Lender's right to invoke any remedies hereunder, Lender agrees that it  
21 will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or  
22 exercise any other rights or remedies hereunder until it has given the Senior Lien Holder  
23 at least 60 days prior written notice.
- 24 c) The Borrower and the Lender agree that whenever the Promissory Note or this Security  
25 Instrument gives the Lender the right to approve or consent with respect to any matter  
26 affecting the Property or otherwise, and a right of approval or consent with regard to the  
27 same matter is also granted to the Senior Lien Holder pursuant to the First Deed of  
28 Trust, the Senior Lien Holder's approval or consent or failure to approve or consent, as

1 the case may be, shall be binding on the Borrower and the Lender.

2 **18) Sale of Note; Change of Loan Servicer.** The Promissory Note or a partial interest in the  
3 Promissory Note (together with this Security Instrument) may be sold one or more times  
4 without prior notice to the Borrower. A sale may result in a change in the entity (known as  
5 the "Loan Servicer") that may collect monthly payments under the Promissory Note and  
6 Security Instrument. There also may be one or more changes of the Loan Servicer unrelated  
7 to a sale of the Promissory Note. If there is a change in the Loan Servicer, Borrower will be  
8 given written notice of the change in accordance with applicable laws. The notice will state  
9 the name and address of the new Loan Servicer and the address to which payments, if any,  
10 should be made. The notice will also contain any other information required by applicable  
11 law.

12 **19) No Assignment.** Until the loan secured by the First Deed of Trust has been satisfied in full,  
13 Lender and the Borrower agree that the Promissory Note and the Security Instrument will  
14 not be assigned without the Senior Lien Holder's prior written consent.

15 **20) Hazardous Substances.**

16 a) Borrower shall not cause or permit the presence, use, disposal, storage, or release of any  
17 Hazardous Substances on or in the Property. Borrower shall not allow anyone else to do  
18 anything affecting the Property that is in violation of any Environmental Law. The  
19 preceding two sentences shall not apply to the presence, use, or storage on the Property  
20 of small quantities of Hazardous Substances that are generally recognized to be  
21 appropriate to normal residential uses and to maintenance of the Property.

22 b) Borrower shall promptly give Lender written notice of any investigation, claim, demand,  
23 lawsuit or other action by any governmental or regulatory agency or private party  
24 involving the Property and any hazardous substance or Environmental Law of which  
25 Borrower has actual knowledge. If Borrower learns, or is notified by any governmental  
26 or regulatory authority, that any removal or other remediation of any hazardous  
27 substance affecting the Property is necessary, Borrower shall promptly take all necessary  
28 remedial actions in accordance with Environmental Law. Prior to taking any such



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

4 c) As used in this Section, "Hazardous Substances" are those substances defined as toxic or  
5 hazardous substances by Environmental Law and the following substances: gasoline,  
6 kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides,  
7 volatile solvents, materials containing asbestos or formaldehyde, and radioactive  
8 materials.

9 d) As used in this Section, "Environmental Law" means federal laws and the laws of the  
10 jurisdiction where the Property is located that relate to health, safety and environmental  
11 protection.

12 NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

13 **21) Acceleration; Remedies.**

14 a) Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of  
15 Trust, including the covenants to pay when due any sums secured by this Security  
16 Instrument, Lender prior to acceleration shall give notice to Borrower as provided in  
17 Section 13 hereof specifying: (1) the breach; (2) the action required to cure such breach;  
18 (3) a date, not less than 30 days from the date of notice is mailed to Borrower (and with  
19 respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior  
20 Lien Holder), by which such breach must be cured; and (4) that failure to cure such  
21 breach on or before the date specified in the notice may result in acceleration of the  
22 sums secured by this Security Instrument and sale of the Property. The notice shall  
23 further inform Borrower of the right to reinstate after acceleration and the right to bring  
24 a court action to assert the nonexistence of a default or any other defense of Borrower to  
25 acceleration and sale. If the breach is not cured on or before the date specified in the  
26 notice, and the Senior Lien Holder has not exercised its right to cure the breach, then  
27 Lender, at Lender's option, may declare all of the sums secured by this Security  
28 Instrument to be immediately due and payable without further demand and may invoke

1 the power of sale and acceleration of the sums secured by this Security Instrument and  
2 sale of the Property.

3 b) Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees  
4 that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure,  
5 or exercise any other rights or remedies hereunder until it has given the Senior Lien  
6 Holder at least 60 days prior written notice. Lender shall be entitled to collect all  
7 expenses incurred in pursuing the remedies, including, but not limited to, reasonable  
8 attorneys' fees and costs of title evidence.

9 c) If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a  
10 written notice of the occurrence of an event of default and of Lender's election to cause  
11 the Property to be sold and shall cause such notice to be recorded in each county in  
12 which the Property or some part thereof is located. Lender or Trustee shall mail copies  
13 of such notice in the manner prescribed by applicable law. Trustee shall give public  
14 notice of sale to the persons and in the manner prescribed by applicable law. After the  
15 lapse of such time as may be required by applicable law, Trustee, without demand on  
16 Borrower, shall sell the Property at public auction to the highest bidder at the time and  
17 place and under the terms designated in the notice of sale in one or more parcels and in  
18 such order as Trustee may determine. Trustee may postpone sale of all or any parcel of  
19 the Property by public announcement at the time and place of any previously scheduled  
20 sale. Lender or Lender's designee may purchase the Property at any sale.

21 d) Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold  
22 without any covenant or warranty, expressed or implied. The recitals in the Trustee's  
23 deed shall be prima facie evidence of the truth of the statements made therein. Trustee  
24 shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and  
25 expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys'  
26 fees and costs of title evidence; (b) to all sums secured by this Security Instrument; and  
27 (c) the excess, if any, to the person or persons legally entitled thereto.

28 **22) Assignment of Rents; Appointment of Receiver; Lender in Possession.**

- 1 a) As additional security hereunder, Borrower hereby assigns to Lender the rents of the  
2 Property, provided that Borrower shall, prior to acceleration or abandonment of the  
3 Property, have the right to collect and retain such rents as they become due and payable.  
4 b) Upon acceleration hereof or abandonment of the Property, Lender, in person, by agent or  
5 by judicially-appointed receiver shall be entitled to enter upon, take possession of and  
6 manage the Property and to collect the rents of the Property, including those past due.  
7 All rents collected by Lender or the receiver shall be applied first to premiums on  
8 receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this  
9 Security Instrument. Lender and the receiver shall be eligible to account only for those  
10 rents actually received.

11 **23) Reconveyances.** Upon payment of all sums secured by this Security Instrument, Lender  
12 shall request Trustee to reconvey the Property and shall surrender this Security Instrument  
13 and all notes evidencing indebtedness secured by this Security Instrument to the Trustee.  
14 Trustee shall reconvey the Property without warranty and without charge to the person or  
15 persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if  
16 any.

17 **24) Substitute Trustee.** Lender, at Lender's option, may from time to time appoint a successor  
18 trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by  
19 Lender and recorded in the office of the recorder of the county where the Property is  
20 located. The instrument shall contain the name of the original Lender, Trustee and  
21 Borrower, the book and page where this instrument is recorded and the name and address of  
22 the successor trustee. The successor trustee shall, without conveyance of the Property,  
23 succeed to all the title, powers and duties conferred upon the Trustee herein and by  
24 applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all  
25 other provisions for substitution.

26 **25) Modification of First Deed of Trust Loan Documents.** The Lender consents to any  
27 agreement or arrangement in which the Senior Lien Holder waives, postpones, extends,  
28 reduces or modifies any provisions of the First Deed of Trust documents, including

1 provisions requiring the payment of money.

2 //

3 //

4 //

5 END OF AGREEMENT

6 (SIGNATURES ON THE NEXT PAGE)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 BY SIGNING BELOW, the Borrower accepts and agrees to the terms and covenants contained  
2 in this Security Instrument.

3  
4  
5 BORROWER

6 \_\_\_\_\_  
7 INSERT BORROWERS FULL NAME                      DATE

8 \_\_\_\_\_  
9 INSERT BORROWERS FULL NAME                      DATE

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25 **(All Signatures Must Be Notarized)**

1 REQUEST FOR RECONVEYANCE

2 TO TRUSTEE:

3 The undersigned is the holder of the Note or Notes secured by this Security Instrument (Deed  
4 of Trust). Said Promissory Note or Notes, together with all other indebtedness secured by this  
5 Security Instrument (Deed of Trust), have been paid in full. You are hereby directed to cancel  
6 said Promissory Note or Notes and this Security Instrument (Deed of Trust), which is delivered  
7 hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of  
8 Trust to the person or persons legally entitled thereto.

9 Dated: \_\_\_\_\_

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

Place Notary Seal Above

**EXHIBIT "G"**

**REQUEST FOR NOTICE  
FOR HOMEBUYER**



NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Redevelopment Agency  
for the County of Riverside  
3403 10th St., Suite 500  
Riverside, CA 92501  
Attn: Der Xiong

SPACE ABOVE THIS LINE FOR RECORDERS USE

**REQUEST for NOTICE  
UNDER SECTION 2924b CIVIL CODE**

In accordance with Civil Code, section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. concurrent herewith, in book xxxxxx, page xxxxx, Official Records of RIVERSIDE County, California, and describing land therein as

LEGAL DESCRIPTION

APN: APN NUMBER                      Property Commonly known as: PROPERTY ADDRESS

Executed by Buyer's name and vesting, as trustor in which Redevelopment Agency for the County of Riverside, a Public Agency is named as Beneficiary, and Redevelopment Agency for the County of Riverside, a Public Agency, as Trustee, be mailed to Redevelopment Agency for the County of Riverside at 3403 10<sup>th</sup> Street, Suite 500, Riverside, CA 92501.

**NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.**

Dated \_\_\_\_\_

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

\_\_\_\_\_  
Tom Fan / Principal Development Specialist

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE } S.S.

On \_\_\_\_\_ before me,  
\_\_\_\_\_ a Notary Public,  
personally appeared Tom Fan 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.

(This area for official notarial seal)

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

WITNESS my hand and official seal

Signature \_\_\_\_\_

Escrow or Loan No. FT-file no.

# **ATTACHMENT "H"**

## **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.

**ATTACHMENT "I"**

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

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: RD2-11-001

**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, all new or substantially rehabilitated housing units developed or otherwise assisted, with moneys from the Low- and Moderate-Income Housing Fund, shall remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low-income and extremely low income households for the longest feasible time, but not less than forty-five (45) years for owner-occupied units that are occupied by and affordable to very low- and low-income households.

A Covenant and Restriction with an expiration date not less than forty-five (45) years from the date of Certificate of Occupancy is recorded concurrently herewith in the Official Records of Riverside County, California, on the following property at 5580 Molino Way, Riverside, CA 92507, APN 181-082-050:

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

LOT 60 OF FORT SITE, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 29  
IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

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