

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

State of California

County of _____

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

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature of Notary Public (Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

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

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

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

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of _____

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(Here insert name and title of the officer)

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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.

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(Notary Seal)

Signature of Notary Public

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Number of Pages ____ Document Date _____

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- Securely attach this document to the signed document

ATTACHMENT NO. 7
CALCULATION OF AFFORDABLE RENT

Riverside County
Affordable Rent Worksheet
(2009 Income Figures)¹

1. Income Eligibility¹

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

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

2. Determining Affordable Rent

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

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

For **Extremely Low Income** Households:

- renting a **0 bedroom** unit, monthly rent may not exceed \$ **338.63**
- renting a **1 bedroom** unit, monthly rent may not exceed \$ **387.00**
- renting a **2 bedroom** unit, monthly rent may not exceed \$ **435.38**
- renting a **3 bedroom** unit, monthly rent may not exceed \$ **483.75**
- renting a **4 bedroom** unit, monthly rent may not exceed \$ **522.38**

For **Very Low Income** Households:

- renting a **0 bedroom** unit, monthly rent may not exceed \$ **564.38**
- renting a **1 bedroom** unit, monthly rent may not exceed \$ **645.00**
- renting a **2 bedroom** unit, monthly rent may not exceed \$ **725.63**
- renting a **3 bedroom** unit, monthly rent may not exceed \$ **806.25**
- renting a **4 bedroom** unit, monthly rent may not exceed \$ **870.63**

For purposes of determining **Affordable Rent**, "**Rent**" is an average of estimated housing costs for the next twelve months. "**Rent**" includes the total of monthly payments for all of the following:²

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

² 25 California Code of Regulations Section 6918.

ATTACHMENT NO. 8

REQUEST FOR NOTICE OF DEFAULT

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Request for Notice Under Section 2924b Civil Code

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

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, at 3403 Tenth Street, Suite 500, Riverside, California 92501, Attention: Executive Director.

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

Executive Director

Date: _____

ATTACHMENT NO. 9

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

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

II. DEVELOPMENT

The Developer shall develop an eighty (80) unit multifamily affordable housing complex on the Site, together with all on-site and off-site features described in this Scope of Development (as presented to the Board of Supervisors of the County on _____), including without limitation landscaping and all off-site and on-site improvements required under the County approvals for the Development, including zoning, general plan, environmental clearance and all conditions of approval thereunder. All such improvements collectively constitute the "Improvements."

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

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

III. DEVELOPMENT STANDARDS

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

A. General Requirements:

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

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

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

4. Landscaping. The Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming with the plans as hereafter approved by the County. Landscaping shall consist of trees, shrubs and installation

of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan, shall be subject to the County staff approval prior to planting.

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

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

7. Energy Considerations. The design of the Improvements shall include, where feasible, energy conservation construction techniques and design, including co-generation facilities and active and passive solar energy design. Developer shall be required to demonstrate consideration of such energy features during the design review process and to consistency with energy conservation provisions of the building code.

8. Site Preparation. Developer, at its cost and expense, shall prepare Site for development. Such Site preparations shall consist of the following:

a. Complete demolition and removal of all existing improvements, including the removal of asphalt, concrete, pipes, equipment, and other material debris and rubbish resulting from such demolition.

b. Complete removal of all surface improvements, foundations, walls slabs, tanks, and abandoned utilities as necessary to construction the Housing Project.

c. Disconnection, capping and removal of utility lines, installations, facilities and related equipment within or on the Site.

9. Environmental Impact Mitigation Measures. Developer shall implement any and all mitigation measures and/or mitigation monitoring requirements as identified in any certified environmental document or mitigated negative declaration certified in connection with the project.

10. Construction Fence. Developer shall install a temporary construction chain link fence. The construction fence shall be maintained free of litter and in good repair for the duration of its installation.

11. Development Identification Signs. Prior to commencement of construction on the Site, Developer shall prepare and install, at its cost and expense, one sign – on the barricade around the Site which identifies the development. The sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrians and vehicular traffic. The design of the sign, as well as the proposed location, shall be submitted to Agency for review and approval prior to installation. The sign shall, at a minimum, include:

- Illustration of development
- Development name
- Developer

- Logo of the County of Riverside and Riverside County Economic Development Agency
- Information number
- Completion Date

B. Design Features:

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

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

Fencing – The site shall be completely fenced around the exterior.

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

Housing Type – The Housing Project shall consist of development of a two and three story multi-family apartment complex with a total of eighty (80) units. Of the eighty (80) units, fifty two (52) will be two-bedroom apartment units and twenty seven (27) will be three-bedroom apartment units. One (1) additional 3-bedroom unit will be set-aside for an onsite manager’s unit.

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

Green Building Standards – Agency expects the best of energy-efficiency and green building designs. The following green building standards are to be incorporated into the Housing Project:

1. Energy Savings: goal 25% reduction over Title-24 energy standards.
2. Green Systems: goal 50% utility savings.
3. Water Conservation: goal 75% reduction in water use.
4. Indoor Air Quality: goal 80% reduction in VOC’s/formaldehyde.
5. Recycling program: goal 50% reduction in solid waste.

IV. DEMOLITION AND SOILS

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

V. SPECIAL AMENITIES

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

ATTACHMENT NO. 10

CERTIFICATE OF COMPLETION

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

(Space Above for Recorder's Use Only)

CERTIFICATE OF COMPLETION

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

RECITALS

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

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

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

NOW, THEREFORE, Agency hereby certifies as follows:

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

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

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

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

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

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

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

By: _____
Executive Director

EXHIBIT "A" TO ATTACHMENT NO. 10

LEGAL DESCRIPTION

APN: 608-340-031

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

That portion of the Northeast quarter of the Northwest quarter of Section 22, Township 5 South, Range 7 East, San Bernardino Meridian, in the County of Riverside, State of California, as shown by United States Government Survey approved May 14, 1914, described as follows:

Beginning 20.00 feet South of a point 15.00 feet West of the Northeast corner of said Northwest quarter;

Thence Westerly, parallel with the Northerly line of said Northwest quarter 412.50 feet;

Thence Southerly, parallel with the Easterly line of said Northwest quarter, 528.00 feet;

Thence Easterly parallel with the Northerly line of said Northwest quarter 412.50 feet, to a point 15.00 feet West of the East line thereof;

Thence Northerly, parallel with said Easterly line, 528.00 feet, to the point of beginning;

Except that portion included in the Easterly 30.00 feet of the Northwest quarter of said Section 22, described by deed to the County of Riverside, recorded February 29, 1956 as Instrument No. 14670 of Official Records of Riverside County, California.

Also except that portion lying within 44th Avenue.

ATTACHMENT NO. 11

INCOME VERIFICATION

Part I -- General Information

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

Part II -- Unit Information

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

Part III -- Affidavit of Tenant

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

- A. (My/Our) gross income (anticipated total annual income) **does not exceed thirty percent (30%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Assisted Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

- B. (My/Our) gross income (anticipated total annual income) **does not exceed forty percent (40%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Assisted Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

- C. (My/Our) gross income (anticipated total annual income) exceeds forty percent (40%) but **does not exceed eighty percent (80%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States

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

Tenant(s)' Initials

- D. (My/Our) gross income (anticipated total annual income) exceeds eighty percent (80%) but **does not exceed one hundred twenty percent (120%)** of the median income for the area defined by HUD which includes and consists primarily of Riverside County as such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is \$_____. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Assisted Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier.

Tenant(s)' Initials

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

Tenant(s)' Initials

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

<p>Monthly Gross Income (All Sources of Income of All Adult Household Members Must be Listed)</p>

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

Total: _____

Total x 12 _____ = Gross Annual Household Income

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

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

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

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

Date

Tenant

Date

Tenant

INCOME VERIFICATION
(for self-employed persons)

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

Signature

Date

ATTACHMENT NO. 12

AGENCY NOTE

PROMISSORY NOTE

_____ 2010
Riverside, California

\$7,900,000.00

FOR VALUE RECEIVED, NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (the "Borrower"), promises to pay to the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Agency"), or order, at the Agency's office at 3403 Tenth Street, Suite 500, Riverside, California 92501, or such other place as the Agency may designate in writing, the sum of Seven Million Nine Hundred Thousand Dollars (\$7,900,000) (the "Note Amount"), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

- 1. Agreement.** This Promissory Note (the "Note") is given in accordance with that certain Disposition and Development Agreement executed by the Agency and Borrower, dated as of _____, 2010 (the "DDA"). Excepting to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings established therefore in the DDA. The rights and obligations of the Borrower and the Agency under this Note shall be governed by the DDA and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail.
- 2. Interest.** The Note Amount shall bear simple interest at the rate of one percent (1%) per annum, from the respective date(s) and based on the amounts of moneys constituting the Agency Loan that are or have been advanced by Agency to Borrower until the date paid.
- 3. Repayment of Note Amount.** The Note Amount shall be paid by the Borrower's annual payment to the Agency of an amount equal to Fifty Percent (50%) of the Residual Receipts (as defined below) from operation of the Housing Project (as defined in the Agreement), as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year. If there are other lenders on the Housing Project where loans are repayable from Residual Receipt (for example, the MHP Loan), fifty (50%) percent shall be allocated among the Agency and such lenders in accordance with the respective original principal balances each of such loan. Annual Residual Receipts payments shall be by the Borrower by cashier's check and shall be delivered on or before April 30th of each Year (or such other annual period as may be mutually agreed upon in writing by the Agency and the Developer), of each Year during the term of this Note first following the date the Housing Project is placed in service, until the Note Amount and all unpaid interest thereon has been repaid in full. This Note shall be due and payable in full on the date of any Sale or Transfer that occurs after the date of execution of this Promissory Note. After the fifty-five (55) year affordability period outlined in this DDA (the "Affordability Period"), the loan is due full. Any remaining portion of the Note Amount shall be due and payable on the fifty-

fifth (55th) anniversary of the date of the County's issuance of a Certificate of Occupancy for all of the Units in the Housing Project. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 hereof.

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

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

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

As used herein, "Deferred Developer Fees" means any deferred developer fee allowable under the financing approved by the Agency pursuant to Section 4.4 of the DDA.

As used herein, "Operating Expenses" means actual, reasonable and customary costs, fees and expenses directly incurred and for which payment has been made and which are attributable to the operation, maintenance, and management of the Housing Project, excluding the Capital Replacement Reserve and consisting of only the following (and such additional items, if any, as to which the prior written approval of the Executive Director is first obtained. Such approval shall be granted, granted subject to conditions, or refused at the sole and absolute discretion of the Executive Director): painting, cleaning, repairs and alterations; landscaping; utilities; rubbish removal; sewer charges; costs incurred to third parties in connection with generating laundry charges (but in no event to exceed the laundry charges); real and personal property taxes and assessments; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; the actual and customary salary and benefits payable to an on-site manager which directly and exclusively benefits residents of the Housing Project; the actual and customary remuneration of one assistant manager, one on-site maintenance manager and such other personnel, if any, as incurred for the hiring of unrelated third parties for on-site management (which remuneration may include salary, rent payments/discounts for housing within the Housing Project that are part of compensation, withholding, social security and other payroll taxes or payments required in connection with such employees), which directly and exclusively benefit residents of the Housing Project, subject to the prior written approval of the Agency Executive Director at his sole and absolute discretion; a management fee ("Management Fee") not to exceed \$40/unit/month (an increased annually as of January 1st of each year based upon the applicable change in consumer price index applicable to Riverside County) per Year; purchase, repairs, servicing and installation of appliances, equipment, fixtures and furnishings; reasonable and customary fees and expenses of accountants, attorneys, consultants and other professionals as incurred commencing after the completion of the

Improvements (as evidenced by the issuance by County of a certificate of occupancy for the corresponding building developed as part of the Improvements) in connection with the operation of the Housing Project; the fee paid by Borrower to any entity which provides social support services and programs to the tenants of the Project, which fee shall be initially established at \$20 per unit per month, and which fee shall be annually adjusted based upon the corresponding increase in the consumer price index (provided that, to the extent such services are provided by an entity having one or more officers, partners or controlling parties in common with the Developer or its members, such fees shall be subject to review and concurrence by the Executive Director as to the reasonableness of amounts), tenant improvements that are not included in the costs of the Improvements, bond monitoring fees, if any, and payments made by the Developer to satisfy indemnity obligations and other payments by the Developer pursuant to this DDA other than to the Developer, the Developer's partners or other related persons; provided, however, that payments to parties related to Developer for Operating Expenses must not exceed market rates. The Operating Expenses shall not include non-cash expenses, including without limitation, depreciation. The Operating Expenses shall be reported in the Audited Financial Statement and shall be broken out in line item detail.

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

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

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

5. Waivers

a. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at the Agency's sole discretion and that the Agency may accept security

in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

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

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

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

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

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

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

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

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

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

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

12. Acceleration and Other Remedies. Upon: (a) the occurrence of an event of Default as defined in the Agreement, or (b) Borrower selling, contracting to sell, giving an option to purchase, conveying, leasing, further encumbering, mortgaging, assigning or alienating the

Borrower's interest in the Housing Project (other than (i) financing approved by the Agency or otherwise permitted pursuant to Section 7.11 of the DDA, (ii) leasing of individual Housing Units to tenants in the ordinary course of business, or (iii) grant of a purchase option and/or right of first refusal granted to Borrower's general partner(s) or affiliates thereof or exercise thereof), whether directly or indirectly, whether voluntarily or involuntarily or by operation of law, or any interest in the Housing Project, or suffering its title, or any interest in the Housing Project to be divested, whether voluntarily or involuntarily, without the consent of the Agency or as otherwise approved or permitted under the Disposition and Development Agreement, Agency may, at Agency's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Agency Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Agency Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Agency shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such Agency may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Agency in exercising any right hereunder, under the Agreement or under the Agency Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Agency's right to either require prompt payment when due of all other sums payable hereunder or to declare an event of Default for failure to make prompt or complete payment.

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

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

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

Agency as a result of fraud, misrepresentation or waste committed by Borrower to or on the Housing Project (it shall not be waste if Borrower does not repair or restore the Housing Project after any destruction, damage or partial condemnation notwithstanding the availability of insurance or condemnation proceeds), and any costs and expenses incurred by the Agency in connection therewith (including without limitation reasonable attorneys' fees and costs).

BORROWER:

National Community Renaissance of California,
a California nonprofit public benefit corporation

By: 

Richard J. Whittingham
Chief Financial Officer

ATTACHMENT NO. 13
AGENCY DEED OF TRUST

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST ("Security Instrument" or "Deed of Trust") is made on this day of _____, 2010. The Trustor is NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA ("DEVELOPER"), and whose address is 9065 Haven Avenue, Suite 100, Rancho Cucamonga, CA91730. The trustee is RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY ("COUNTY") ("Trustee" or "AGENCY"). The Beneficiary is the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("Lender"), a public body, corporate and politic, and whose address is 3403 Tenth Street, Riverside, CA 92501. Pursuant to the terms of the Agency Loan, Developer owes Agency the principal sum of Seven Million Nine Hundred Thousand and No/100 Dollars (U.S. \$7,900,000.00). This debt is evidenced by DEVELOPER's Promissory Note dated _____ ("Agency Note").

The Agency Note provides that:

The Note provides that: The Note Amount shall be paid by the Borrower's annual payment to the Agency of an amount equal to Fifty Percent (50%) of the Residual Receipts (as defined below) from operation of the Housing Project (as defined in the Agreement), as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year. If there are other lenders on the Housing Project where loans are repayable from Residual Receipt (for example, the MHP Loan), fifty (50%) percent shall be allocated among the Agency and such lenders in accordance with the respective original principal balances each of such loan. Annual Residual Receipts payments shall be by the Borrower by cashier's check and shall be delivered on or before April 30th of each Year (or such other annual period as may be mutually agreed upon in writing by the Agency and the Developer), of each Year during the term of this Note first following the date the Housing Project is placed in service, until the Note Amount and all unpaid interest thereon has been repaid in full. This Note shall be due and payable in full on the date of any Sale or Transfer that occurs after the date of execution of this Promissory Note. After the fifty-five (55) year affordability period outlined in this DDA (the "Affordability Period"), the loan is due full. Any

remaining portion of the Note Amount shall be due and payable on the fifty-fifth (55th) anniversary of the date of the County's issuance of a Certificate of Occupancy for all of the Units in the Housing Project. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 hereof.

The loan evidenced by the Agency Note and secured by this Security Instrument (the "Agreement") is being made pursuant to California Community Redevelopment Law, California Health and Safety Code Section 33000 et seq.

The Security Instrument secures to AGENCY: (a) the repayment of the debt evidenced by the Agency Note, with interest as provided in the Agency Note, and all renewals, extensions and modifications of the Agency Note; (b) the payment of all other sums, with interest as provided in the Agency Note, advanced under Section 8 to protect the security of this Security Instrument; and (c) the performance of DEVELOPER's covenants and agreements under this Security Instrument and the Agency Note. For this purpose, DEVELOPER irrevocably grants and conveys to Trustee, in trust, with power of sale, all of DEVELOPER's right, title and interest in and to the property located in Riverside County, California. The legal description of the property is further described in Exhibit "A" attached hereto;

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

DEVELOPER COVENANTS that the DEVELOPER is lawfully seized of the estate hereby conveyed and has the right to grant and convey its fee and leasehold interest in the Property, as applicable, and, the Property is unencumbered. DEVELOPER warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

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

UNIFORM COVENANTS DEVELOPER and AGENCY covenant and agree as follows:

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

a. Prepayment. Prepayment of principal or interest may occur at any time without penalty. However, the affordability requirements shall remain in full force and effect for fifty-five (55) years after the recordation of Certificate of Completion for the Housing Project. However, notwithstanding the foregoing, DEVELOPER may cause the prepayment of all principal and interest under the Agency Note in connection with the sale of the Project.

2. Taxes and Insurance. Subject to DEVELOPER's right to obtain a "welfare exemption" under California Revenue and Taxation Code Section 0214(g), DEVELOPER shall pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

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

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

4. Prior Deeds of Trust; Charge; Liens. The DEVELOPER attests that no prior Deeds of Trust, Charges or Liens exist against the Property.

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

5. Subordination. The AGENCY's Deed of Trust be recorded in second position behind a construction and permanent loan to the Borrower made by a lender to identified at a later date. Notwithstanding the foregoing, during the permanent financing phase of the Housing Project, (i) the MHP Loan will be secured by a second deed of trust, and (ii) this Deed of Trust will be a third priority deed of trust. County hereby agrees to execute any and all documents necessary to effectuate such subordination. Borrower shall request Lender approval of any additional subordination and Lender consent shall not be unreasonably withheld.

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

option, obtain coverage to protect AGENCY's rights in the Property in accordance with Section 8.

a. All insurance policies and renewals shall be acceptable to AGENCY and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the DEVELOPER complies with the insurance requirements under this Deed of Trust. All original policies of insurance required pursuant to this Deed of Trust shall be held by the AGENCY and must name the AGENCY as additional insured. DEVELOPER shall promptly give to AGENCY certificates of insurance showing the coverage is in full force and effect and that AGENCY is named as additional insured. In the event of loss, DEVELOPER shall give prompt notice to the insurance carrier, and AGENCY. AGENCY may make proof of loss if not made promptly by the DEVELOPER.

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

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

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

provisions of the lease. If DEVELOPER acquires fee title to the Property, the leasehold and the fee title shall not merge unless AGENCY agrees to the merger in writing.

a. The DEVELOPER acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing" (within the meaning of California Community Redevelopment Law) for households earning no more than forty percent (40%) of the median income within Riverside County. The use and occupancy restrictions may limit the DEVELOPER's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the AGENCY to the remedies provided in Section 23 hereof.

8. Protection of AGENCY's Rights in the Property. If DEVELOPER fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect AGENCY's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to any applicable grace periods or cure periods, AGENCY may do and pay for whatever is necessary to protect the value of the Property and AGENCY's rights in the Property.

a. Any amounts disbursed by AGENCY under this Section 8 shall become additional debt of DEVELOPER secured by this Security Instrument. Unless DEVELOPER and AGENCY agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Agency Note rate and shall be payable, with interest, upon notice from AGENCY to DEVELOPER requesting payment, subject to the nonrecourse provisions of the Agency Note secured hereby.

9. Mortgage Insurance. (Not used)

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

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

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

law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of AGENCY's lien is not impaired, any condemnation proceeds may be used by DEVELOPER for repair and/or restoration of the Project.

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

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

12. DEVELOPER Not Released; Forbearance By AGENCY Not a Waiver. Except in connection with any successor in interest approved by AGENCY, extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by AGENCY to any successor in interest of DEVELOPER shall not operate to release the liability of the original DEVELOPER or DEVELOPER's successors in interest. AGENCY shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original DEVELOPER or DEVELOPER's successors in interest. Any forbearance by AGENCY in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

13. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of AGENCY and DEVELOPER, subject to the provisions of Section 18. DEVELOPER's covenants and agreements shall be joint and several.

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

15. Notices. Any notice to DEVELOPER provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the DEVELOPER's mailing address stated herein or any other address DEVELOPER designates by notice to AGENCY. Any notice to AGENCY shall be given by first class mail to AGENCY's address stated herein or any other address AGENCY designates by notice to DEVELOPER. Any notice provided for in this

Security Instrument shall be deemed to have been given to DEVELOPER or AGENCY when given as provided in this Section. All notices to DEVELOPER shall be copied to the Tax Credit Investor, at such time as one has been admitted as a limited partner in the Tax Credit Limited Partnership, at such address as shall be provided to AGENCY.

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

17. DEVELOPER's Copy. DEVELOPER shall be given one conformed copy of the Agency Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in DEVELOPER. Except for Permitted Transfers, all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in DEVELOPER is sold or transferred and DEVELOPER is not a natural person) without AGENCY's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of California Community Redevelopment Law) AGENCY may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by AGENCY if exercise is prohibited by federal law as of the date of this Security Instrument. Nothing in this Security Instrument shall be deemed to require AGENCY's approval of a transfer of limited partnership interests in the DEVELOPER.

a. If AGENCY exercises the foregoing option, AGENCY shall give DEVELOPER prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which DEVELOPER must pay all sums secured by this Security Instrument. If DEVELOPER fails to pay these sums prior to the expiration of this period, AGENCY may invoke any remedies permitted by this Security Instrument without further notice or demand on DEVELOPER.

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

acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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

21. No Assignment. DEVELOPER agree that the Agency Note and the Security Instrument will not be assigned without the AGENCYs prior written consent.

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

a. DEVELOPER shall promptly given AGENCY written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which DEVELOPER has actual knowledge. If DEVELOPER learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, DEVELOPER shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the DEVELOPER shall notify the Senior Lien Holders that such remedial action is necessary and shall obtain the Senior Lien Holders' prior written consent for such remedial action.

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

NON-UNIFORM COVENANTS. DEVELOPER and AGENCY further covenant and agree as follows:

23. Acceleration; Remedies. AGENCY shall give notice to DEVELOPER and to the Tax Credit Investor prior to acceleration following DEVELOPER's breach of any covenant or

agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to DEVELOPER by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform DEVELOPER of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of DEVELOPER to acceleration and sale. If the default is not cured by the DEVELOPER or the Tax Credit Investor as applicable, on or before the date specified in the notice, then AGENCY at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. AGENCY shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

24. Release. Upon payment of all sums secured by this Security Instrument, AGENCY shall release this Security Instrument without charge to DEVELOPER. DEVELOPER shall pay any recordation costs.

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

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


27. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Tax Credit Limited Partnership pursuant to the terms of the Limited Partnership Agreement (as the same may be amended from time to time) shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is either appointed/selected in accordance with applicable provisions of the DDA or is reasonably acceptable to AGENCY and is selected with reasonable promptness. Any proposed General Partner replacement shall have the qualifications and financial responsibility as reasonably determined by the AGENCY necessary and adequate to fulfill the obligations undertaken in the AGENCY Agreement, as amended.


(signatures continue on next page)

BY SIGNING BELOW, the DEVELOPER and the AGENCY accept and agree to the terms and covenants contained in this Security Instrument.


AGENCY
Redevelopment Agency for the
County of Riverside

DEVELOPER
National Community Renaissance of California,
a California nonprofit public benefit corporation

By: 
MARION ASHLEY
Chairman, Board of Directors

By: 
Richard J. Whittingham, Chief Financial Officer

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By:  a/10/10
Deputy, Michelle Clack

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

(All signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

} §

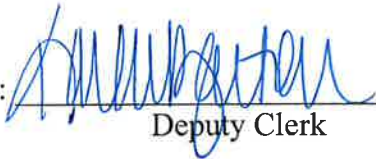
On June 29, 2010, before me, Karen Barton, Board Assistant, personally appeared Marion Ashley, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the 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

Kecia Harper-Ihem
Clerk of the Board of Supervisors

By:


Deputy Clerk

(SEAL)

ACKNOWLEDGEMENT

State of California
County of _____

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

personally appeared _____,

personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of California
County of _____

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

personally appeared _____,

personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____

(Seal)

Exhibit "A"

APN: 608-340-031

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

That portion of the Northeast quarter of the Northwest quarter of Section 22, Township 5 South, Range 7 East, San Bernardino Meridian, in the County of Riverside, State of California, as shown by United States Government Survey approved May 14, 1914, described as follows:

Beginning 20.00 feet South of a point 15.00 feet West of the Northeast corner of said Northwest quarter;

Thence Westerly, parallel with the Northerly line of said Northwest quarter 412.50 feet;

Thence Southerly, parallel with the Easterly line of said Northwest quarter, 528.00 feet;

Thence Easterly parallel with the Northerly line of said Northwest quarter 412.50 feet, to a point 15.00 feet West of the East line thereof;

Thence Northerly, parallel with said Easterly line, 528.00 feet, to the point of beginning;

Except that portion included in the Easterly 30.00 feet of the Northwest quarter of said Section 22, described by deed to the County of Riverside, recorded February 29, 1956 as Instrument No. 14670 of Official Records of Riverside County, California.

Also except that portion lying within 44th Avenue.

ATTACHMENT NO. 14
NOTICE OF RESTRICTION

Recording Requested By:
Redevelopment Agency for
COUNTY OF RIVERSIDE

AND WHEN RECORDED MAIL TO:
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE
3403 Tenth Street, Suite 500
RIVERSIDE, CA 92501
ATTN: Juan Garcia

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

This Notice is to be recorded concurrently with recordation of affordability restriction or within thirty (30) days of recording such document.

In accordance with the California Health and Safety Code Section 33334.3, all new or substantially rehabilitated housing units developed or otherwise assisted, with moneys from the Low and Moderate Income Housing Fund, shall remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households for the longest feasible time, but not less than fifty-five (55) years for rental units that are occupied by and affordable to very low and low income households.

A Covenant and Restriction with an expiration of <Insert Date> is recorded under Recording No. concurrently herewith <Insert Recording Number> on <Insert Date>, in book <Insert Book Number>, page <Insert Page Number>, Official Records of Riverside County, California, on the property located at: <Insert Address> with assessors parcel number of 608-340-031 and more fully described as:

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

Dated _____

Tom Fan, Principal Development Specialist

CALIFORNIA ALL-PURPOSE

ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } S.S.

On _____ before me,
Date

_____,
personally appeared
Name and Title of the Officer

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

(This area for official
notarial seal)

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

WITNESS my hand and official seal.

Signature of Notary Public

ATTACHMENT NO. 15
HOUSING PROJECT BUDGET

Project Construction Sources and Uses of Fund:

Construction Sources:

Construction Loan	\$12,700,000
Low Income Housing Tax Credit ("LIHTC") – 4%	\$999,956
Deferred Developer Fee	\$0
Agency Land Contribution	\$
Agency RDA Loan	<u>\$7,900,000</u>
Total	\$21,599,956

Permanent Sources:

Permanent Loan	\$236,000
LIHTC – 4%	\$6,797,000
AHP	\$1,000,000
MHP	\$6,112,655
Deferred Developer Fee	\$160,000
Solar Credits	\$150,000
Agency RDA Loan	<u>\$7,900,000</u>
Total	\$22,355,655

Uses:

Value of Agency Land	\$1
New construction (includes site work, common area bldgs and structures)	\$13,934,754
Contractor's Overhead&Profit&Gen'l Req.	\$1,950,866
General Liability Insurance	\$252,700
Architectural & Engineering Cost	\$ 700,000
Construction Interest & Fees	\$1,089,792
Construction Contingency (Hard and Soft)	\$952,224
Permanent Financing costs	\$7,080
Legal Fees	\$115,000
Reserves	\$138,513
Land Development Impact and Permit Processing Fees	\$1,200,000
TCAC Fees	\$45,107
Other Costs, Marketing & Furnishings, Performance Bond	\$621,993
Title and Escrow	\$30,000
Bond Issuance Costs	\$117,625
Developer's Overhead & Profit	<u>\$1,200,000</u>
Total Uses	\$22,355,655

