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

FROM: Redevelopment Agency

SUBMITTAL DATE:
October 21, 2010

SUBJECT: Loan Agreement with Inland Empire Rescue Mission, Inc.

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached loan agreement for the use of Redevelopment Agency Funds between the Redevelopment Agency for the County of Riverside and Inland Empire Rescue Mission, Inc.;
2. Authorize the Chairman of the Board to sign the attached loan agreement; and
3. Authorize the Executive Director, or designee, to take all necessary steps to implement the loan agreement including, but not limited to, signing the attached deed of trust, covenant agreement, and subsequent essential and relevant documents subject to approval by Agency counsel.

BACKGROUND: (Commences on Page 2)

Robert Field
 Robert Field
 Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 996,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*
 Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: November 9, 2010
 xc: RDA, Auditor

Kecia Harper-Ihem
 Clerk of the Board
 By: *[Signature]*
 Deputy

Prev. Agn. Ref.: N/A

District: 3

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

4.1
RDA-001a-F (doc)
FRM 10-REV (10)

FISCAL PROCEDURES APPROVED BY: SAMUEL WONG 10/21/10
 FORM APPROVED COUNTY COUNSEL BY: ANITA C. WILLIS 10/21/10
 DEPT. RECOMM.: Consent
 PER EXEC. OFF.: Consent
 POLICY: Policy

BACKGROUND:

Inland Empire Rescue Mission, Inc., a California nonprofit corporation, DBA Temecula Murrieta Rescue Mission (TMRM), has applied for Redevelopment funds to acquire, rehabilitate, and rent 3 single-family homes (Project) to very low-income persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed 50% of the area median family income for Riverside County. The Strong Beginnings Program is a program run by TMRM that provides families with counseling, education, job training, housing, food, clothing, and health care, in an effort to assist those families to be self sufficient. TMRM proposes to buy the homes within the unincorporated areas of the County of Riverside in the third Supervisorial District.

Agency staff has reviewed the application and is recommending a maximum loan of \$996,000.

The maximum purchase price shall be the appraised value of the property, not-to-exceed \$330,000. Additionally, all acquisitions must be at least 1% below the current market appraised value as determined within 60 days of the date of the final purchase price offer. TMRM agrees to enforce the affordability period for 55 years as required by the California Health and Safety Code Section 33334.3.

Agency counsel has reviewed and approved the attached loan agreement, Deed of Trust with Assignment of Rents, Promissory Note, and covenant agreement. Staff recommends that the Board approve the attached documents.

1
2 **LOAN AGREEMENT FOR THE USE OF**
3 **REDEVELOPMENT LOW AND MODERATE INCOME HOUSING FUNDS**

4 This Agreement is made and entered into this 9th day of November, 2010
5 by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a
6 public body, corporate and politic (hereinafter referred to as the "AGENCY") and Inland
7 Empire Mission, Inc., a California nonprofit corporation, DBA Temecula Murrieta Rescue
8 Mission (hereinafter referred to as "TMRM").

9 **WITNESSETH:**

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

14 WHEREAS, the AGENCY, pursuant to Section 33334.2 of the California
15 Health and Safety Code, wishes to utilize its Low- and Moderate-Income Housing Set-Aside
16 Funds to improve and increase the supply of affordable housing in the unincorporated area of
17 the County of Riverside (hereinafter referred to as the "County"); and

18 WHEREAS, TMRM has proposed that the AGENCY loan its funds to acquire,
19 rehabilitate, and rent a minimum of three (3) single-family properties to very low-income
20 households ("VLI"), within the unincorporated areas of the County of Riverside in the third
21 Supervisorial District (the "Project"), as further described in **Exhibit A** which is attached
22 hereto and by this reference incorporated herein; and

23 WHEREAS, eligible single-family homes (hereinafter referred to as the
24 "Assisted Units") are also more fully described in **Exhibit A**; and

25 WHEREAS, the Assisted Units will be made available as rental housing to
26 households whose income does not exceed 50% of the County area median income; and

27 WHEREAS, on July 16, 2002, the Riverside County Board of Supervisors
28 adopted Ordinance No. 821 and No. 822 approving the merger of the 5-1986 Project Area and
the 5-1987 Project Area forming the redevelopment plan for the I-215 Project Area (hereinafter

1 referred to as "Project Area"); and

2 WHEREAS, the Project may be located inside or outside the Project Area; and

3 WHEREAS, on December 20, 2005, the AGENCY adopted Resolution RDA
4 2005-35 finding that the use of Low- and Moderate-Income Housing Set-Aside Funds outside
5 the Project Area is of benefit to the Project Area; and

6 WHEREAS, on December 20, 2005, the County Board of Supervisors adopted
7 Resolution No. 2005-374 making a similar finding; and

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

10 WHEREAS, the Project will alleviate blighting conditions as set forth in Section
11 33031 of the California Health and Safety Code; and

12 WHEREAS, TMRM has represented that it has the necessary expertise, skill, and
13 ability to carry out the commitments contained in this Agreement; and

14 WHEREAS, AGENCY agrees to loan Low- and Moderate-Income Housing Set-
15 Aside Funds (hereinafter referred to as "AGENCY Funds") to TMRM to complete the Project
16 and maximize the affordability of the Assisted Units; and

17 WHEREAS, concurrently with the acquisition of the single-family home, a deed
18 of trust and a covenant restriction evidencing this loan will be recorded;

19 NOW, THEREFORE, the AGENCY and TMRM mutually agree as follows:

20 1. PURPOSE. The AGENCY agrees to lend up to Nine Hundred Ninety Six
21 Thousand Dollars (\$996,000) of AGENCY funds to TMRM (" AGENCY Loan") upon the
22 terms and conditions set forth herein. TMRM promises and agrees to undertake and assist with
23 the AGENCY assisted activities by utilizing such AGENCY Funds, as identified in **Exhibit A.**

24 2. TMRM'S OBLIGATIONS. TMRM hereby agrees to undertake and
25 complete the following activities:

26 a. Timeline. Carry out the Project in accordance with the timeline
27 set forth in **Exhibit A.**

28 b. Recordation. TMRM shall, for each Assisted Unit of the Project,

1 execute a promissory note, as shown in **Exhibit C**, which is
2 attached hereto and by this reference incorporated herein, and
3 execute and record a corresponding deed of trust in the official
4 records of Riverside County, as shown in **Exhibit B**, which is
5 attached hereto and by this reference incorporated herein.

6 c. Permits and Environmental Compliance. Before commencement
7 of rehabilitation or other works of improvement upon the Assisted
8 Units, TMRM shall, at its own expense, secure or cause to be
9 secured any and all permits and approvals that may be required
10 for rehabilitation of such Assisted Units pursuant to the applicable
11 rules and regulations of the County and any other governmental
12 agency affected by such rehabilitation of work. TMRM shall,
13 without limitation, apply for and secure any and all necessary
14 studies required for environmental review, as described herein,
15 and pay all costs, charges and fees associated therewith.

16 d. Performance. Acquire and complete rehabilitation of the Assisted
17 Units in accordance with the timeline set forth in **Exhibit A** and
18 **Section 29.**

19 e. Approval of Assisted Units. Submit Agency required information
20 for the proposed Assisted Units for AGENCY review and written
21 approval prior to acquisition.

22 f. Affordability. Operate the Project, in such a manner so that it will
23 remain affordable to qualified VLI households for an
24 Affordability Period as defined in **Section 14.**

25 g. Compliance. Implement and pursue the Project in full compliance
26 with all applicable Federal, State and local codes, laws,
27 regulations and ordinances as described in **Section 20.**

28 3. AGENCY'S OBLIGATIONS. AGENCY agrees to undertake and

1 complete the following activities:

- 2 a. Provide a total amount identified in **Section 1** in AGENCY Funds
3 to TMRM for financing acquisition and rehabilitation costs of the
4 Project.
5 b. Comply with all of its obligations as participating recipient under
6 the applicable regulations set forth in California Redevelopment
7 Law.

8 4. PRIOR AGENCY APPROVAL. TMRM shall obtain AGENCY'S
9 approval of all items requiring such approval as described in this Agreement. AGENCY shall
10 not unreasonably withhold or delay its approval.

11 5. AGENCY Loan. TMRM shall borrow the AGENCY Funds from the
12 AGENCY for the purpose of financing each Assisted Unit of the Project under the following
13 terms and conditions:

- 14 a. Term. This Agreement shall become effective upon execution (the
15 "Effective Date"), as defined in **Section 50**, and the maturity of
16 the Agency Loan shall be the first to occur of (i) July 1, 2067 or
17 (ii) fifty-five (55) years from the issuance of the Certificate of
18 Occupancy (the "Term").
19 b. Principal. The principal of that portion of the AGENCY Loan
20 attributable to the Assisted Unit shall be the amount of Agency
21 funds provided for acquisition and rehabilitation of such Property
22 evidenced by a promissory note ("Note"), as shown in **Exhibit C**,
23 which is attached hereto and by this reference incorporated herein,
24 executed by TRMC in favor of the AGENCY in a form
25 satisfactory to the AGENCY.
26 c. Interest. The interest rate for the Note shall be zero percent (0%)
27 per annum.
28 d. Repayment. The Note shall provide the following:

1) It is intended that the full amount of the AGENCY Loan attributable to the Assisted Units will be forgiven at the end of the Affordability Period; provided, that TMRM is not in default of the Note or this Agreement.

2) The AGENCY Loan will accrue interest at a rate of zero percent (0%) per annum, except in the case of default as hereinafter provided, and shall forgiven at the end of the Affordability Period; provided, that TMRM is not in default of the Note or this Agreement.

e. Security. The AGENCY Loan shall be secured by a “Deed of Trust” as shown in **Exhibit B**, which is attached hereto and by this reference incorporated herein, recorded against each Assisted Unit (the “Deed of Trust”). TMRM hereby agrees that the Deed of Trust shall be in the first position. Any additional loan beyond the AGENCY Loan shall be subordinate and must receive prior written approval from the AGENCY.

f. REQUEST FOR NOTICE. TMRM shall cause to be filed for record in the Office of the Recorders of Riverside County, California a request for a copy of any notice of default and notice of sale under any deed of trust or mortgage with power of sale of the Assisted Unit pursuant to California Civil Code Section 2924(b) or any successor statute thereto. Such notice shall be mailed to the Agency as follows: Executive Director, Redevelopment Agency of the County of Riverside, 3403 Tenth, Suite 500, Riverside, CA 92501. A copy of the notice is attached as **Exhibit D**.

g. Prepayment. Prepayment of principal and/or interest may occur at any time without penalty. The requirements of **Section 20**,

1 Compliance with Laws and Regulations, however, shall remain in
2 full force and effect for a term specified in **Section 6** hereof.

3 6. TERM OF AGREEMENT. This Agreement shall become effective upon
4 execution (the "Effective Date"), as defined in **Section 50**, and the maturity of the AGENCY
5 Loan shall be the later to occur of (i) July 1, 2067 or (ii) fifty-five (55) years from the issuance
6 of the Certificate of Occupancy (the "Term").

7 7. TMRM REPRESENTATIONS. TMRM represents and warrants to
8 AGENCY as follows:

9 a. Authority. TMRM is a duly organized nonprofit corporation
10 under the laws of the State of California. The copies of the
11 documents evidencing TMRM's organization that have been
12 delivered to the AGENCY, are true and complete copies of the
13 originals, amended to the date of this Agreement. TMRM has full
14 right, power and lawful authority to accept the conveyance of
15 eligible properties for the Project and undertake all obligations as
16 provided herein. TMRM's execution, performance and delivery of
17 this Agreement has been fully authorized by all requisite actions
18 on the part of TMRM.

19 b. No Conflict. To the best of TMRM's knowledge, TMRM's
20 execution, delivery and performance of its obligations under this
21 Agreement will not constitute a default or a breach under contract,
22 agreement or order to which TMRM is a party or by which it is
23 bound.

24 c. No Bankruptcy. TMRM is not the subject of a bankruptcy
25 proceeding.

26 d. Prior to Closing. TMRM shall, upon learning of any fact or
27 condition which would cause any of the warranties and
28 representations in this Agreement not to be true as of Closing,

1 immediately give written notice such fact or condition to
2 AGENCY. Such exception(s) to a representation shall not be
3 deemed a breach by TMRM hereunder, but shall constitute an
4 exception which AGENCY shall have the right to approve or
5 disapprove if such exception would have an effect on the value or
6 operation of the Project.

7 8. COMPLETION SCHEDULE. TMRM shall proceed consistent with the
8 completion schedule set forth in **Exhibit A** and with **Section 29**, as the same may be amended
9 in writing by the parties from time to time, and subject to force majeure delays.

10 9. EXTENSION OF TIME. AGENCY may grant an extension to the
11 completion schedule for the purpose of completing TMRM's activities which cannot be
12 completed as outlined in **Exhibit A**. TMRM shall request said extension in writing, stating the
13 reasons therefore, and may be granted only by receiving written approval from AGENCY.
14 Every term, condition, covenant, and requirement of this Agreement shall continue in full force
15 and effect during the period of any such extension.

16 10. LETTER TO PROCEED. TMRM shall neither initiate nor incur any
17 expenses for AGENCY funded activity covered under the terms of this Agreement prior to
18 receiving written authorization to proceed.

19 11. REALLOCATION OF FUNDS. If eighty percent (80%) of AGENCY
20 Funds have not been drawn down after four (4) months from the date of this Agreement, then
21 the balance of the AGENCY Funds which have not been drawn down may be reallocated by
22 AGENCY after thirty (30) days' prior written notice is given and an opportunity to cure is
23 given to TMRM for a period of sixty (60) days. Upon such reallocation, this Agreement shall
24 be terminated and be of no further force and effect and TMRM shall be released and
25 discharged from any obligations under this Agreement.

26 12. CONDITIONS FOR DISPOSITION OF FUNDS. AGENCY shall: (1)
27 make payments of the AGENCY Loan to TMRM as specified in **Exhibit A**, and (2) monitor
28 the Project to ensure compliance with applicable federal, state and local laws, regulations,

1 ordinances and the terms of this Agreement.

2 There will be no disbursement of funds for acquisition costs for the Assisted
3 Units into escrow until the following events first occur:

- 4 a. TMRM shall execute this AGENCY Loan Agreement.
- 5 b. TMRM shall provide documentation to support compliance with
6 eligibility requirements for such property.
- 7 c. TMRM shall provide the seller of the property ("Seller") with a
8 letter of "Voluntary Acquisition of Foreclosed Property" as shown
9 in **Exhibit E**, which is attached hereto and by this reference
10 incorporated herein.
- 11 d. TMRM shall provide and cause the Seller of the property to
12 provide a signed Initial Notice form, as shown in **Exhibit E**,
13 acknowledging that both TMRM and Seller have read and
14 understood:
 - 15 1) The letter of Voluntary Acquisition of Foreclosed
16 Property;
 - 17 2) The purchase price discount requirements of the
18 transaction;
 - 19 3) The initial purchase price negotiated by TMRM and Seller
20 (the "Initial Offer") is contingent and subject to the
21 discount requirement of AGENCY Loan and the Current
22 Market Appraised Value ("CMAV"), as defined in
23 **Exhibit A**.
 - 24 4) If Assisted Unit is not an owner occupied home the Seller
25 must certify that the home has been vacant for a period of
26 at least ninety (90) days prior to the Initial Notice and
27 Offer.
- 28 e. Prior to closing of escrow, TMRM shall provide at its expense, a

1 Preliminary Title Report, signed Purchase and Sale Agreement
2 and estimated closing cost statement for the property from escrow
3 to AGENCY.

4 f. TMRM shall provide to AGENCY Escrow Instructions with
5 respect to the property to be acquired.

6 g. TMRM provides at its expense an ALTA Lenders policy insuring
7 the deed of trust.

8 h. TMRM shall provide and cause Seller to provide signed Final
9 Notice and Offer forms for each Assisted Unit, as shown in
10 Exhibit E, acknowledging that both TMRM and Seller have
11 mutually accepted a final purchase price that is one percent (1%)
12 or more below the CMAV as determined within sixty (60) days of
13 the date of the final purchase offer. At AGENCY's discretion,
14 AGENCY may modify the percentage discount requirement
15 below the CMAV.

16 There will be no disbursement of funds for rehabilitation costs for the Assisted
17 Units until the following events first occur with respect to the Assisted Unit:

18 i. TMRM shall provide at its expense an updated Preliminary Title
19 Report for the property evidencing the recordation of all
20 documents to AGENCY.

21 j. If California state prevailing wages are required to be paid, then
22 TMRM must hire a qualified professional firm or assign
23 experienced staff to review and monitor prevailing wage
24 compliance for all submissions of contractors certified payrolls to
25 the AGENCY.

26 k. TMRM must provide satisfactory evidence that it has secured any
27 and all permits and approvals which may be required for
28 rehabilitation of the Assisted Units pursuant to the applicable

1 rules and regulations of the County and Cities where the Assisted
2 Units are located and any other governmental agency affected by
3 such construction of work.

4 1. TMRM shall provide a detailed Rehabilitation Plan and timetable
5 to complete the acquisition and rehabilitation of the Assisted
6 Units and rental of the Assisted Units in accordance with the
7 completion schedule shown in **Exhibit A** including a detailed line
8 item rehabilitation cost budget per unit for review and approval by
9 AGENCY.

10 m. TMRM shall provide duly executed documents and instruments
11 showing the ownership of the Assisted Units as specifically
12 identified in **Exhibit A**.

13 AGENCY will retain ten percent (10%) of the final AGENCY fund
14 disbursement. AGENCY shall release final draw down of AGENCY Funds for rehabilitation
15 applicable to the Assisted Units following receipt of all of the following Closing Documents
16 from TMRM with respect to the Assisted Unit:

- 17 1) unconditional lien release from general contractor and any
18 subcontractors;
- 19 2) recorded Notice of Completion;
- 20 3) if applicable, all remaining California state prevailing
21 documentation, if any, including, but not limited to,
22 complete certified payrolls, Section 3 certifications, fringe
23 benefit forms, and certificates of authorization and
24 understanding;
- 25 4) tenant checklist;
- 26 5) proposed rents;
- 27 6) final development costs and project budget; and
28 final sources and uses of funds.

7) final sources and uses of funds.

13. DISTRIBUTION OF FUNDS. Any disbursement of funds is expressly conditioned upon the satisfaction of conditions set forth in **Section 12**. Subsequent to acquisition of the Assisted Units, AGENCY shall pay TMRM for rehabilitation costs on a "cost-as-incurred" basis for all AGENCY-eligible approved costs on a monthly basis. All disbursements of AGENCY Funds for rehabilitation will be made within thirty (30) days after TMRM has submitted its letter identifying payments made and requesting reimbursement.

14. TERMS OF AFFORDABILITY. The period of affordability for the Assisted Units (the "Affordability Period") shall be fifty-five (55) years from the issuance of the Certificate of Occupancy.

15. DEVELOPER'S FEE. No developer's fee shall be allowed. TMRM promises and agrees to utilize AGENCY Funds, as identified in **Exhibit A**.

16. INSURANCE. Without limiting or diminishing TMRM's obligation to indemnify or hold the AGENCY harmless, TMRM shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

a. Worker's Compensation Insurance.

If TMRM has employees as defined by the State of California, TMRM shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the AGENCY and the County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b. Commercial General Liability Insurance.

Commercial General Liability insurance coverage, including but

1 not limited to, premises liability, contractual liability, products
2 and completed operations liability, personal and advertising
3 injury, and cross liability coverage, covering claims which may
4 arise from or out of TMRM'S performance of its obligations
5 hereunder. Policy shall name the AGENCY and the County of
6 Riverside as additionally insured. Policy's limit of liability shall
7 not be less than \$1,000,000 per occurrence combined single limit.
8 If such insurance contains a general aggregate limit, it shall apply
9 separately to this Agreement or be no less than two (2) times the
10 occurrence limit.

11 c. Vehicle Liability Insurance.

12 If vehicles or mobile equipment are used in the performance of
13 the obligations under this Agreement, then TMRM shall maintain
14 liability insurance for all owned, non-owned or hired vehicles so
15 used in an amount not less than \$1,000,000 per occurrence
16 combined single limit. If such insurance contains a general
17 aggregate limit, it shall apply separately to this Agreement or be
18 no less than two (2) times the occurrence limit. Policy shall name
19 the AGENCY and the County of Riverside as Additionally
20 Insured.

21 d. General Insurance Provisions – All Lines.

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

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

13 3) TMRM shall cause TMRM's insurance carrier(s) to
14 furnish the Redevelopment Agency with either 1) a properly
15 executed original Certificate(s) of Insurance and certified original
16 copies of Endorsements effecting coverage as required herein, and
17 2) if requested to do so orally or in writing by the AGENCY Risk
18 Manager, provide original Certified copies of policies including
19 all Endorsements and all attachments thereto, showing such
20 insurance is in full force and effect. Further, said Certificate(s)
21 and policies of insurance shall contain the covenant of the
22 insurance carrier(s) that thirty (30) days written notice shall be
23 given to the AGENCY prior to any material modification,
24 cancellation, expiration or reduction in coverage of such
25 insurance. In the event of a material modification, cancellation,
26 expiration, or reduction in coverage, this Agreement shall
27 terminate forthwith, unless the AGENCY receives, prior to such
28 effective date, another properly executed original Certificate of

1 Insurance and original copies of endorsements or certified original
2 policies, including all endorsements and attachments thereto
3 evidencing coverage's set forth herein and the insurance required
4 herein is in full force and effect. TMRM shall not commence
5 operations until the AGENCY has been furnished original
6 Certificate(s) of Insurance and certified original copies of
7 endorsements and if requested, certified original policies of
8 insurance including all endorsements and any and all other
9 attachments as required in this Section. An individual authorized
10 by the insurance carrier to do so, on its behalf, shall sign the
11 original endorsements for each policy and the Certificate of
12 Insurance.

13 4) It is understood and agreed to by the parties hereto that
14 TMRM's insurance shall be construed as primary insurance, and
15 the AGENCY's insurance and/or deductibles and/or self-insured
16 retention's or self-insured programs shall not be construed as
17 contributory.

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

1 become inadequate.

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

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

8 8) TMRM agrees to notify AGENCY of any claim by a
9 third party or any incident or event that may give rise to a claim
10 arising from the performance of this Agreement.

11 17. FINANCIAL RECORDS. TMRM shall maintain financial,
12 programmatic, statistical and other supporting records of its operations and financial activities.
13 Said records shall be retained for no less than five (5) years after the Project completion date.
14 If any, records of individual tenant income verifications, Project rents, if any, and Project
15 inspections must be retained for the most recent five (5) year period, until five (5) years after
16 the affordability period terminates. If any litigation, claim, negotiation, audit, or other action
17 has been started before the expiration of the regular period specified, the records must be
18 retained until completion of the action and resolution of all issues which arise from it, or until
19 the end of the regular period, whichever is later.

20 18. PROJECT MONITORING AND EVALUATION. Except as otherwise
21 provided for in this Agreement, TMRM shall maintain and submit records to the AGENCY
22 within ten (10) business days of the AGENCY's request which clearly documents TMRM's
23 performance under each requirement of AGENCY. A list of document submissions and
24 timeline are shown in **Exhibit A** and such list may be amended from time to time subject to
25 AGENCY reporting requirements.

26 19. ACCESS TO PROJECT SITE. The AGENCY shall have the right to
27 visit any Project site (s) at all reasonable times, and upon completion of the Project upon
28 reasonable written notice to TMRM, to review the operation of the Project in accordance with

1 this Agreement.

2 20. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this
3 Agreement, TMRM hereby certifies that it will adhere to and comply with all federal, state and
4 local laws, regulations and ordinances. In particular, TMRM shall comply with the following
5 as they may be applicable:

- 6 a. Obligation to Refrain from Discrimination. TMRM covenants by
7 and for itself and any successors in interest that there shall be no
8 discrimination against or segregation of any person or group of
9 persons on account of race, religion, sex, sexual orientation,
10 marital status, nationality, familial status, source of income or
11 disability in the sale, lease, sublease, transfer, use, occupancy,
12 tenure or enjoyment of the Properties, nor shall TMRM itself or
13 any person claiming under or through it establish or permit any
14 such practice or practices of discrimination or segregation with
15 reference to the election, location, number, use or occupancy of
16 tenants, lessees, subtenants, sublessees or vendees of the real
17 Project.
- 18 b. Environmental Review. TMRM must comply with the California
19 Environmental Quality Act (CEQA) and its implementation
20 regulations.
- 21 c. Prevailing Wages and Compliance with State Laws. The
22 exclusive and sole public funds used to construct the Project will
23 be Redevelopment Low- and Moderate-Income Housing Set-
24 Aside Funds. TMRM shall comply with any applicable labor
25 regulations and all other State Laws in connection with the
26 construction of the improvements which comprise the Project,
27 including if applicable, requirements relating to prevailing wages.
28 TMRM believes that the payment of California state prevailing

1 wages, as defined by the California Department of Industrial
2 Relations, is not required and agrees and acknowledges that it is
3 the responsibility of TMRM to obtain a legal determination, if
4 necessary, at TMRM'S sole cost and expenses as to whether
5 prevailing wages must be paid for during the construction of the
6 Project. TMRM agrees to indemnify, defend, and hold AGENCY
7 harmless from and against any and all liability arising out of and
8 related to TMRM'S failure to comply with any and all applicable
9 prevailing wage requirements.

10 d. All construction contract and professional services for the Project
11 must be performed by persons or entities licensed or otherwise
12 authorized to perform the applicable construction work or service
13 in the State of California.

14 e. Lead-Based Paint. TMRM shall comply with any and all
15 applicable requirements of the Lead-Based Paint Poisoning
16 Prevention Act; Residential Lead-Based Paint Hazard Reduction
17 Act (Title X, Sections 1012 and 1013, of the 1992 Housing and
18 Community Development Act); and Housing and Urban
19 Development Lead Safe Housing Regulations (24 Code of Federal
20 Regulations Part 35).

21 f. Displacement, Relocation, and Acquisition. TMRM shall comply
22 with any and all applicable requirements for relocation
23 requirements and acquisition requirements of the laws of the State
24 of California. Prior to rehabilitation, TMRM shall provide a
25 Relocation Plan as set forth herein of this Agreement that
26 describes and makes findings for any and all relocation that is
27 temporary, permanent or involves no relocation.
28

1 21. PURCHASE PRICE REQUIREMENT. The purchase price of Assisted
2 Units must be at least one percent (1%) below the CMAV of the home (the "Discount").
3 Properties may be purchased in bulk, but the Discount applies to each property, and not an
4 overall discount. The final offer meeting the Discount must be received by AGENCY within
5 sixty (60) days of the completed AGENCY appraisal or the property will be denied. At
6 AGENCY's discretion, AGENCY may modify the percentage discount requirement below the
7 CMAV.

8 22. INCOME TARGETING REQUIREMENTS. TMRM agrees to reserve
9 the Project for very low-income ("VLI") housing to persons and households, as required by
10 Section 33334.2 and 33334.3 of the California Health and Safety Code. Project shall be
11 limited to VLI persons that are actively participating in TMRM Strong Beginnings Program
12 whose incomes do not exceed fifty percent (50%) of the area median family income for the
13 Riverside County, adjusted by family size, at the time of occupancy, as defined by California
14 Health and Safety Code Sections 50079.5, 50105 and 50106, as defined in **Exhibit F**, which is
15 attached hereto and by this reference incorporated herein.

16 23. RENT LIMITATIONS. TMRM agrees that the entire Project shall
17 remain affordable in accordance with the rent limitations set forth in California Health and
18 Safety Code Section 50053(b)(2), and as restricted in the Covenant Agreement for a period not
19 less than fifty-five (55) years. TMRM shall ensure that the Assisted Unit are rented to qualified
20 applicants at the rent levels not exceeding the affordable rental housing cost as defined in
21 Section 50053. The maximum monthly allowances for utilities and services (excluding
22 telephone) will not exceed utility allowance set by the Housing Authority of the County of
23 Riverside.

24 24. TENANT PROTECTIONS. TMRM shall provide protection to the
25 tenants in accordance to the requirements set forth and described as follows:

- 26 a. Provide written lease agreement for not less than one year, unless
27 by mutual agreement between the tenant and TMRM. AGENCY
28 shall review the initial form of the lease agreement prior to

1 TMRM executing any leases and, provided that TMRM uses the
2 approved lease form, TMRM shall be permitted to enter into
3 residential leases without the AGENCY's prior written consent.

4 b. Prohibited Lease Terms. The rental agreement/lease may not
5 contain any of the following provisions:

6 (1) Agreement to be sued. Agreement by the tenant to be
7 sued, to admit guilt or to a judgment in favor of TMRM in a lawsuit
8 brought in connection with the lease.

9 (2) Treatment of property. Agreements by tenant that TMRM
10 may take, hold, or sell personal property of household members without
11 notice to the tenant and a court decision on the rights of the parties. This
12 prohibition, however, does not apply to an agreement by the tenant
13 concerning disposition of personal property remaining in the housing unit
14 after the tenant has moved out of the unit. TMRM may dispose of this
15 personal property in accordance with State law.

16 (3) Excusing TMRM from responsibility. Agreement by the
17 tenant not to hold TMRM or TMRM's agents legally responsible for any
18 action or failure to act, whether intentional or negligent.

19 (4) Waiver of notice. Agreement of the tenant that TMRM
20 may institute a lawsuit without notice to the tenant.

21 (5) Waiver of legal proceeding. Agreement by the tenant that
22 the TMRM may evict the tenant or household members without
23 instituting a civil court proceeding in which the tenant has the
24 opportunity to present a defense, or before a court decision on the rights
25 of the parties.

26 (6) Waiver of a jury trial. Agreement by the tenant to waive
27 any right to a trial by jury.

28 (7) Waiver of right to appeal court decision. Agreement by the

1 tenant to waive the tenant's right to appeal, or to otherwise challenge in
2 court, a court decision in connection with the lease.

3 (8) Tenant chargeable with cost of legal actions regardless of
4 outcome. Agreement by the tenant to pay attorneys' fees or other legal
5 costs even if the tenant wins in a court proceeding by TMRM against the
6 tenant. The tenant, however, may be obligated to pay costs if the tenant
7 loses.

8 25. MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics
9 lien is filed against the Project or a stop notice affecting the AGENCY Loan is served on the
10 AGENCY, TMRM must, within twenty (20) days of such filing or service, either pay and fully
11 discharge the lien or stop notice, obtain a release of the lien or stop notice by delivering to the
12 AGENCY a surety bond in sufficient form and amount, or provide the AGENCY with other
13 assurance reasonably satisfactory to AGENCY that the lien or stop notice will be paid or
14 discharged.

15 26. STATE REQUIREMENTS. TMRM shall comply with the provisions of
16 the California Community Redevelopment Law and any amendments thereto and all applicable
17 regulations and guidelines now or hereafter enacted.

18 27. SALE OR TRANSFER OF THE PROJECT. TMRM hereby covenants
19 and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof, without
20 obtaining the prior written consent of the AGENCY, which consent shall be conditioned solely
21 upon receipt by the AGENCY of reasonable evidence satisfactory to the AGENCY that
22 transferee has assumed in writing and in full, and is reasonably capable of performing and
23 complying with TMRM's duties and obligations under this Agreement and where upon TMRM
shall be released of all obligations hereunder which accrue from and after the date of such sale.

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

28 29. PERFORMANCE REQUIREMENTS. TMRM must complete the
following activities within the time specified:

- 1 a) Acquisition of the Assisted Unit within two (2) months from the
2 date of this Agreement;
3 b) Rehabilitation of the Assisted Unit within three (3) months from
4 the date of this Agreement; and

5 30. NOTICE OF AFFORDABILITY RESTRICTIONS. In accordance with
6 Health and Safety Code, Section 33334.3, a Notice of Affordable Restrictions on Transfer of
7 Property, as shown in **Exhibit G** which is attached hereto and by this reference incorporated
8 herein, must be recorded with the County Recorder at the time of close of escrow.

9 31. EVENTS OF DEFAULT. The occurrence of any of the following events
10 shall constitute an "Event of Default" under this Agreement:

- 11 a) Monetary Default. (1) TMRM'S or any agent of TMRM'S use of
12 AGENCY Loan for costs disallowed under the California
13 Community Redevelopment Law or for uses inconsistent with
14 terms and restrictions set forth in this Agreement; (2) TMRM'S
15 failure to obtain and maintain the insurance coverage required
16 under this Agreement; (3) TMRM'S or any agent of TMRM'S
17 failure to make any other payment of any assessment or tax due
18 under this Agreement;
- 19 b) Non-Monetary Default - Operation. (1) Discrimination by TMRM
20 or TMRM'S agent on the basis of characteristics prohibited by this
21 Agreement or applicable law; (2) the imposition of any
22 encumbrances or liens on the Project (other than the Permitted
23 Liens) without the AGENCY'S prior written approval that are
24 prohibited under this Agreement or that have the effect of
25 reducing the priority or invalidating the Deed of Trust; (3) any
26 material adverse change in the condition of TMRM or the Project
27 or permanent financing or funding for the Project that gives the
28 AGENCY reasonable cause to believe that the Project cannot be

1 operated according to the terms of this Agreement;

2 c) General Performance of Grant Obligations. (i) any continuous or
3 repeated breach by TMRM or TMRM'S agents of any material
4 obligations on TMRM imposed in the Agreement, and (ii) failure
5 by TMRM to comply with all requirements specified in this
6 Agreement by May 2, 2011. All remaining AGENCY Loan funds
7 not expended will be subject to AGENCY'S sole discretion.

8 d) General Performance of Other Obligations. Any continuous or
9 repeated breach by TMRM or TMRM'S agents of any material
10 obligations on the Project imposed by any other agreement with
11 respect to the financing, development, or operation of the Project;
12 whether or not the AGENCY is a party to such agreement; but
13 only following any applicable notice and cure periods with
14 respect to any such obligation;

15 e) General Performance of Affordability Requirements. Any breach
16 by TMRM or TMRM'S agents of any housing affordability
17 requirements imposed in the AGENCY Agreement;

18 f) Representations and Warranties. A determination by the
19 AGENCY that any of TMRM'S representations or warranties
20 made in this Agreement, any statements made to the AGENCY by
21 the TMRM, or any certificates, documents, or schedules supplied
22 to the AGENCY by the TMRM were untrue in any material
23 respect when made, or that TMRM concealed or failed to disclose
24 a material fact from the AGENCY;

25 g) Damage to Project. In the event that the Project is materially
26 damaged or destroyed by fire or other casualty, and TMRM
27 receives an award or insurance proceeds for the repair or
28 reconstruction of the Project, and TMRM does not use such award

1 or proceeds to repair or reconstruct the Project; provided,
2 however, sufficient proceeds are available, no events of default
3 exists and the restoration of the Project can be completed prior to
4 maturity of the grant.

- 5 h) Bankruptcy, Dissolution and Insolvency. TMRM'S (1) filing for
6 bankruptcy, dissolution, or reorganization, or failure to obtain a
7 full dismissal of any such involuntary filing brought by another
8 party before the earlier of final relief or thirty (30) days after such
9 filing; (2) making a general assignment for the benefit of creditors;
10 (3) applying for the appointment of a receiver, trustee, custodian,
11 or liquidator, or failure to obtain a full dismissal of any such
12 involuntary application brought by another party before the earlier
13 of final relief or sixty (60) days after such filing; (4) insolvency or
14 (5) failure, inability or admission in writing of its inability to pay
15 its debts as they become due.

16 32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For
17 monetary and non-monetary Events of Default, the AGENCY shall give written notice to
18 TMRM, of any Event of Default by specifying: (a) the nature of the Event of Default or the
19 deficiency giving rise to the default, (b) the action required to cure the deficiency, if an action
20 to cure is possible, and (c) a date, which shall not be ^{more} less than sixty (60) calendar days from the
21 mailing of the notice, by which such action to cure must be taken. The AGENCY agrees that
22 TMRM shall have the right to cure any and all defaults under this Agreement within the time
23 frames set forth herein.

24 33. AGENCY REMEDIES. Upon the happening of an Event of Default and a
25 failure by TMRM to cure said default within the time specified in the Notice of Default (if an
26 action to cure is specified in said notice), the AGENCY'S obligation to disburse AGENCY
27 Loan shall terminate, and the AGENCY may also in addition to other rights and remedies
28 permitted by this Agreement or applicable law, proceed with any or all of the following

1 remedies in any order or combination the AGENCY may choose in its sole discretion:

- 2 a) Terminate this Agreement, in which event the entire amount as
3 well as any other monies advanced to TMRM by the AGENCY
4 under this Agreement including administrative costs, shall
5 become immediately due and payable;
- 6 b) Bring an action in equitable relief (1) seeking the specific
7 performance by TMRM of the terms and conditions of this
8 Agreement, and/or (2) enjoining, abating, or preventing any
9 violation of said terms and conditions, and/or (3) seeking
10 declaratory relief;
- 11 c) Demand immediate full payment of the amount outstanding under
12 the Agreement, as well as any other monies advanced to TMRM
13 by the AGENCY under this Agreement, except for developer fees
14 earned to the point of default;
- 15 d) Enter the Project and take any remedial actions necessary in its
16 judgment with respect to hazardous materials that the AGENCY
17 deems necessary to comply with hazardous materials laws or to
18 render the Project suitable for occupancy;
- 19 e) Enter upon, take possession of, and manage the Project, either in
20 person, by agent, or by a receiver appointed by a court; and
21 Pursue any other remedy available at law or in equity.

22 34. TMRM'S REMEDIES. Upon the fault or failure of the AGENCY to
23 meet any of its obligations under this Agreement, TMRM may:

- 24 a) Demand payment from the AGENCY of any sums due TMRM;
25 and/or
- 26 b) Bring an action in equitable relief seeking the specific
27 performance by the AGENCY of the terms and conditions of this
28 Agreement; and/or

1 c) Pursue any other remedy allowed at law or in equity.

2 35. TMRM'S WARRANTIES. TMRM represents and warrants (1) that it
3 has access to professional advice and support to the extent necessary to enable TMRM to fully
4 comply with the terms of this Agreement, and to otherwise carry out the Project, (2) that it is
5 duly organized, validly existing and in good standing under the laws of the State of California,
6 (3) that it has the full power and authority to undertake the Project and to execute this
7 Agreement, (4) that the persons executing and delivering this Agreement are authorized to
8 execute and deliver such documents on behalf of TMRM and (5) that neither TMRM nor any
9 of its principals is presently debarred, suspended, proposed for debarment, declared ineligible,
10 or voluntarily excluded from participation in connection with the transaction contemplated by
11 this Agreement.

12 36. HOLD HARMLESS AND INDEMNIFICATION. TMRM shall
13 indemnify and hold harmless the AGENCY, the County and their respective Agencies,
14 Districts, Special Districts, Departments, directors, officers, Board of Supervisors, elected and
15 appointed officials, employees, agents and representatives ("Indemnified Parties") from any
16 liability whatsoever, based or asserted upon any services of TMRM, its officers, employees,
17 subcontractors, agents or representatives arising out of or in any way relating to this
18 Agreement, including but not limited to property damage, bodily injury, or death or any other
19 element of any kind or nature whatsoever arising from the performance of TMRM, its officers,
20 agents, employees, subcontractors, agents or representatives from this Agreement. TMRM
21 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees,
22 cost of investigation, defense and settlements or awards, the Indemnified Parties in any claim
23 or action based upon such alleged acts or omissions.

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

1 TMRM'S obligation hereunder shall be satisfied when TMRM has provided to AGENCY
2 the appropriate form of dismissal relieving Indemnified Parties from any liability for the action
3 or claim involved.

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

7 In the event there is conflict between this clause and California Civil Code Section 2782,
8 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not
9 relieve the TMRM from indemnifying the AGENCY to the fullest extent allowed by law.

10 37. RESTRICTONS TO RUN WITH THE LAND. The AGENCY and
11 TMRM hereby declare their express intent that the restrictions set forth in this Agreement shall
12 run with the land, and shall bind all successors in title to the Project until the expiration of this
13 Agreement. Each and every contract, deed or other instrument hereafter executed covering and
14 conveying the Project or any portion thereof shall be held conclusively to have been executed,
15 delivered and accepted subject to the restrictions, regardless whether such restrictions are set
16 forth in such contract, deed or trust instrument.

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

22 39. INTERPRETATION AND GOVERNING LAW. This Agreement and
23 any dispute arising hereunder shall be governed by and interpreted in accordance with the laws
24 of the State of California. This Agreement shall be construed as a whole according to its fair
25 language and common meaning to achieve the objectives and purposes of the parties hereto,
26 and the rule of construction to the effect that ambiguities are to be resolved against the drafting
27 party shall not be employed in interpreting this Agreement, all parties having been represented
28 by counsel in the negotiation and preparation hereof.

1 40. MINISTERIAL ACTS. The Executive Director of the AGENCY or
2 designee(s) are authorized to take such ministerial actions as may be necessary or appropriate
3 to implement the terms, provisions, and conditions of this Agreement as it may be amended
4 from time to time by AGENCY.

5 41. WAIVER. Failure by a party to insist upon the strict performance of any
6 of the provisions of this Agreement by the other party, or the failure by a party to exercise its
7 rights upon the default of the other party, shall not constitute a waiver of such party's rights to
8 insist and demand strict compliance by the other party with the terms of this Agreement
9 thereafter.

10 42. JURISDICTION AND VENUE. Any action at law or in equity arising
11 under this Agreement or brought by a party hereto for the purpose of enforcing, construing or
12 determining the validity of any provision of this Agreement shall be filed in the Superior
13 Court of Riverside County, State of California, and the parties hereto waive all provisions of
14 law providing for the filing, removal or change of venue to any other court or jurisdiction.

15 43. SEVERABILITY. Each paragraph and provision of this Agreement is
16 severable from each other provision, and if any provision or part thereof is declared invalid, the
17 remaining provisions shall nevertheless remain in full force and effect.

18 44. MODIFICATION OF AGREEMENT. The AGENCY or TMRM may
19 consider it in its best interest to change, modify or extend a term or condition of this
20 Agreement. Any such change, extension or modification, which is mutually agreed upon by the
21 AGENCY and TMRM shall be incorporated in written amendments to this Agreement. Such
22 amendments shall not invalidate this Agreement, nor relieve or release the AGENCY or
23 TMRM from any obligations under this Agreement, except for those parts thereby amended.
24 No amendment to this Agreement shall be effective and binding upon the parties, unless it
25 expressly makes reference to this Agreement, is in writing and is signed and acknowledged by
26 duly authorized representatives of all parties.

27 45. ASSIGNMENT. TMRM will not make any sale, assignment,
28 conveyance, or lease of any trust or power, or transfer in any other form with respect to this

1 Agreement or the Project, without prior written approval of the AGENCY. Any proposed
2 transferee shall have the qualifications and financial responsibility, as reasonably determined
3 by the AGENCY necessary and adequate to fulfill the obligations undertaken in this
4 Agreement by TMRM. Any proposed transferee shall, by instrument in writing, for itself and
5 its successor and assigns, and expressly for the benefit of the AGENCY, assume all of the
6 obligations of the TMRM under this Agreement and agree to be subject to all the conditions
7 and restrictions to which the TMRM is subject.

8 46. NOTICES. All notices, requests, demands and other communication
9 required or desired to be served by either party upon the other shall be addressed to the
10 respective parties as set forth below or the such other addresses as from time to time shall be
11 designated by the respective parties and shall be sufficient if sent by U.S. first class, certified
12 mail, postage prepaid, or express delivery service with a receipt showing the date of delivery.

13 AGENCY

14 Assistant Director of Housing Development
15 Redevelopment Agency
16 for the County of Riverside
3403 Tenth Street, Suite 500
Riverside, CA 92501

TMRM

Executive Director
Inland Empire
Rescue Mission, Inc.
1 Hope Drive
Tustin, CA 92782

17 47. MEDIA RELEASES. TMRM agrees to allow AGENCY to coordinate
18 all media releases regarding the Project, with prior approval of TMRM. Any publicity
19 generated by TMRM for the Project must make reference to the contribution of AGENCY in
20 making the Project possible. AGENCY's and County's name shall be prominently displayed in
21 all pieces of publicity generated by TMRM, including flyers, press releases, posters, signs,
22 brochures, and public service announcements. TMRM agrees to cooperate with AGENCY in
23 any AGENCY-generated publicity or promotional activities with respect to the Project.

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

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

1 50. EFFECTIVE DATE. The effective date of this Agreement is the date the
2 parties execute the Agreement. If the parties execute the Agreement on more than one date,
3 then the last date the Agreement is executed by a party shall be the effective date.

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1 IN WITNESS WHEREOF, the AGENCY and TMRM have executed this Agreement as of the
2 date first above written.
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4
5 REDEVELOPMENT AGENCY FOR
6 THE COUNTY OF RIVERSIDE

INLAND EMPIRE RESCUE MISSION, Inc.,
a California nonprofit corporation,
DBA Temecula Murrieta Rescue Mission

7
8 By: Marion Ashley By: Jim Palmer
9 MARION ASHLEY JIM PALMER
10 Chairman, Board of Directors President

11
12 APPROVED AS TO FORM:

13 PAMELA J. WALLS
14 Agency Counsel

15 By: Anita Willis
16 Deputy, Anita Willis
17

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

22 By: Kecia Harper-Ihem
23 Deputy
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STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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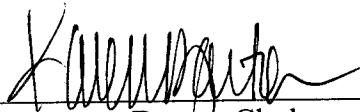
On November 9, 2010, before me, Karen Barton, Board Assistant, personally appeared Marion Ashley, Chairman of the Redevelopment Agency Board of Directors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that 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)

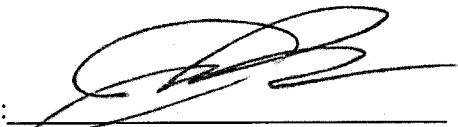
1 IN WITNESS WHEREOF, the AGENCY and TMRM have executed this Agreement as of the
2 date first above written.

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REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

INLAND EMPIRE RESCUE MISSION, Inc.,
a California nonprofit corporation,
DBA Temecula Murrieta Rescue Mission

By: _____
MARION ASHLEY
Chairman, Board of Directors

By: 
_____ JIM PALMER
President

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By: _____
Deputy, Anita Willis

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Orange }

On October 6, 2010, before me, Patricia Estrella
Date Here Insert Name and Title of the Officer

personally appeared Jim Palmer
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.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature Patricia Estrella
Signature of Notary Public

Exhibit A

TMRM: Inland Empire Rescue Mission, Inc., DBA Temecula Murrieta Rescue Mission, Inc.
Address: 1 Hope Drive, Tustin, CA 92782
Project Title: Temecula Rescue Mission Homes

Project Description:

The Redevelopment Agency for the AGENCY of Riverside ("AGENCY") will provide up to \$996,000.00 in AGENCY Funds for acquisition and rehabilitation of a minimum of three (3) foreclosed and bank-owned single-family properties ("Property" or "Assisted Unit") and for rent to very low-income ("VLI") persons, as defined herein, within the unincorporated areas of the County of Riverside 3rd Supervisorial District.

The AGENCY Assisted Unit's will target VLI persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed fifty percent (50%) of the area median family income for Riverside County. The Strong Beginnings Program is a program run by TMRM that provides families with counseling, education, job training, housing, food, clothing, and health care, in an effort to assist those families to be self sufficient.

TMRM will utilize AGENCY Funds for acquisition and rehabilitation costs of the Properties for the Project. The period of affordability for the Assisted Unit's (the "Affordability Period") shall be fifty-five (55) years from the issuance of the Certificate of Occupancy.

Eligible Property ("Assisted Unit")

Any single-family home, condominium or town home that meets all of the following minimum criteria:

1. The home must be foreclosed or abandoned and bank-owned or real estate owned.
2. The home must be permanently fixed to a permanent foundation.
3. The home must be owner occupied or Seller must certify that the home has been vacant for a period of at least 90 days prior to the Initial Notice and Offer form (Exhibit E).
4. The home must be built after 1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.
5. The home must be assessed in accordance with the provisions of the California Environmental Quality Act (CEQA).

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 _____
Signature of Notary Public

Place Notary Seal Above

Exhibit A

TMRM: Inland Empire Rescue Mission, Inc., DBA Temecula Murrieta Rescue Mission, Inc.
Address: 1 Hope Drive, Tustin, CA 92782
Project Title: Temecula Rescue Mission Homes

Project Description:

The Redevelopment Agency for the AGENCY of Riverside (“AGENCY”) will provide up to \$996,000.00 in AGENCY Funds for acquisition and rehabilitation of a minimum of three (3) foreclosed and bank-owned single-family properties (“Property” or “Assisted Unit”) and for rent to very low-income (“VLI”) persons, as defined herein, within the unincorporated areas of the County of Riverside 3rd Supervisorial District.

The AGENCY Assisted Unit’s will target VLI persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed fifty percent (50%) of the area median family income for Riverside County. The Strong Beginnings Program is a program run by TMRM that provides families with counseling, education, job training, housing, food, clothing, and health care, in an effort to assist those families to be self sufficient.

TMRM will utilize AGENCY Funds for acquisition and rehabilitation costs of the Properties for the Project. The period of affordability for the Assisted Unit’s (the “Affordability Period”) shall be fifty-five (55) years from the issuance of the Certificate of Occupancy.

Eligible Property (“Assisted Unit”)

Any single-family home, condominium or town home that meets all of the following minimum criteria:

1. The home must be foreclosed or abandoned and bank-owned or real estate owned.
2. The home must be permanently fixed to a permanent foundation.
3. The home must be owner occupied or Seller must certify that the home has been vacant for a period of at least 90 days prior to the Initial Notice and Offer form (Exhibit E).
4. The home must be built after 1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.
5. The home must be assessed in accordance with the provisions of the California Environmental Quality Act (CEQA).

Target Area

Assisted Unit must reside within the unincorporated areas of the County of Riverside 3rd Supervisorial District.

Purchase Price Requirement

The home must be foreclosed or abandoned and bank-owned or real estate owned. The maximum purchase price shall be the appraised value of the property, not to exceed Three Hundred Thirty Thousand Dollars (\$330,000). The final purchase price must be at least one percent (1%) below the CMAV. The appraised value of the property shall be established through an appraisal made by one of the AGENCY's approved appraisers. The AGENCY will be responsible for ordering the appraisal.

Appraisals

1. Initial Notice and Offer. Upon receipt of a completed and signed Initial Notice and Offer form for property in consideration, as provided in **Exhibit E**, AGENCY will conduct an appraisal of the property through an independent fee contract appraiser ("Appraiser"). The Appraiser contracted by AGENCY will be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
2. Final Notice and Offer. The final purchase price must be at least one percent (1%) below the CMAV. Properties may be purchased in bulk, but the minimum one percent (1%) discount applies to each property, and not an overall discount.
 - a) If the Initial Offer does meet or exceed the minimum one percent (1%) discount, then the Seller and RECIPIENT ("Buyer") will be required to submit a Final Notice and Offer form, as provided in **Exhibit E**, and the Initial Offer will be considered as the Final Offer. The Final Notice and Offer form must be received and dated within sixty (60) days of the completed AGENCY appraisal report. Failure to submit this in a timely manner will result in denial of the property.
 - b) If the Initial Offer does not meet the minimum one percent (1%) discount below CMAV, then the Buyer will be required to re-negotiate to meet the minimum one percent (1%) discount. If the Seller and Buyer cannot reach an amicable agreement for the purchase price of the property, then the property by the Buyer will be denied and the cost of the appraisal will be paid for by AGENCY.

Project Sources and Uses of Fund:

Sources:

AGENCY Loan	\$ 996,000
Total Sources	\$ 996,000

Uses:

	Total Project Costs
Acquisition	900,000
Rehabilitation	37,500
Appraisals	3,000
Escrow, Title and Recording	12,000
Insurance	4,500
Marketing	1,500
Contingency	10,500
Subtotal	969,000
Broker Fees	27,000
Total Project Cost	996,000,000

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. AGENCY Loan Agreement executed	November 2, 2010
2. Acquisition of Assisted Unit*	January 2, 2010
3. Marketing Plan Status and Outreach	February 2, 2011
4. Rehabilitation of Assisted Unit completed*	April 2, 2011
5. Submission of Closing Documents	May 2, 2011

* Section 29 – Performance Requirements

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. AGENCY Activities Reporting and Project Photos	Monthly, due by the 15 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for TMRM and General Contractor	TMRM – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the County of Riverside and AGENCY as additionally insured.
3. Notice of Completion	End of Construction
4. Certificate of Occupancy	End of Construction
5. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Rehabilitation
6. Rehabilitation Completion Report	Close of Rehabilitation
7. Final Development Cost - Sources and Uses	Close of Rehabilitation
8. Qualified Tenant Selection Policy	Marketing Stage
9. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage

EXHIBIT B

Sample Deed of Trust

FEE EXEMPT GOV'T CODE 6103
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Riverside County
Economic Development Agency
3403 Tenth St., Suite 500
Riverside, CA 92501
ATTN: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST is made on this _____ day of _____, 2010. The trustor is Inland Empire Rescue Mission, Inc., a California nonprofit corporation, DBA Temecula Murrieta Rescue Mission ("Borrower" or "TMRM"), and whose address is 1 Hope Drive, Tustin, CA 92782. The trustee is REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("Trustee"). The lender is the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("AGENCY" or "Lender"), a public body, corporate and politic, organized and existing under the laws of the State of California, and whose address is 3403 Tenth St. Suite 500, Riverside, CA 92501.

Pursuant to the terms of the AGENCY Loan Agreement, dated _____ (the "Agreement"), Borrower owes Lender the sum of **Three Hundred Thirty Two Thousand Dollars (U.S. \$332,000)** (the "AGENCY Loan") for acquisition and rehabilitation of property at _____ (the "Property"), as legally described in **Exhibit B-1** which is attached hereto and by this reference incorporated herein, and rental of Assisted Unit. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. This debt is evidenced by Borrower's Note dated _____ ("Note").

The Note shall provide the following:

It is intended that the full amount of the AGENCY Loan attributable to the Property will be forgiven at the end of the Affordability Period as defined in the Agreement; provided, that so long as TMRM is not in default of the Note or this Agreement.

The AGENCY Loan will accrue interest at a rate of zero percent (0%) per annum, except in the case of default as provided in the Agreement, and shall be and shall forgiven at the end of the Affordability Period; provided, that so long as TMRM is not in default of the Note or this Agreement.

The AGENCY Loan is evidenced by the Note and secured by this Deed of Trust ("Security Instrument"). The Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest as provided in the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest as provided in the Note, advanced under paragraph 8 to protect the security of this Security Instrument; and (c) the

performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, all of Borrower's right, title and interest in and to the Assisted Unit located in Riverside County, California, which is further described as:

LEGAL DESCRIPTION: See **Exhibit B-1**.

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".

BORROWER COVENANTS that the Borrower 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. Borrower 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 Borrower and Lender covenant and agree as follows:

1. **Payment of Principal; Late Charges.** Borrower shall promptly pay when due the principal of on the debt evidenced by the Note and any late charges due under the Note.
2. **Taxes and Insurance.** Borrower shall pay at least ten (10) 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 Borrower fail to make any payment or to do any act herein provided, then Lender or Trustee, but without obligation so to do and upon written notice to or demand upon Borrower and without releasing Borrower 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, Lender 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 Lender 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 Lender under paragraphs 1 and 2 shall be applied: first, to amounts payable

under paragraph 2; second, to interest due; third, to principal due; and last, to any late charges due under the Note.

- 4 Prior Deeds of Trust; Charge; Liens.** The Borrower shall perform all of the Borrower's obligations under this Deed of Trust, including Borrower's covenants to make payments when due, subject to applicable cure periods. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, subject to applicable cure periods. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.
- a) Except for the liens permitted by the Lender, Borrower shall promptly discharge any other lien which shall have attained priority over this Security Instrument unless Borrower: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender'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 Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within thirty (30) days of the giving of notice.
- 5. Subordination.** This Deed of Trust shall be recorded in first position. This Deed of Trust shall remain in a superior position over any other deed of trust that may be issued to secure additional public and/or private financing for the Project. Borrower shall obtain the express written approval from the AGENCY for any subsequent loan collateralized by this Property.
- 6. Hazard or Property Insurance.** Borrower 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 Lender requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the Loan Agreement. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 8.

- a) All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the Senior Deeds of Trust. All original policies of insurance required pursuant to the Senior Deeds of Trust shall be held by the Senior Lien Holders; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. Borrower shall promptly give to Lender certificates of insurance showing the coverage is in full force and effect and that Lender is named as additional insured. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holders and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holders or the Borrower.
- b) Unless Lender and Borrower otherwise agree in writing, and subject to the terms of the Senior Deeds of Trust, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Borrower determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Borrower 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 Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.
- c) Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under paragraph 23 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.
- d) Notwithstanding the above, the Lender's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holders to collect and apply such proceeds in accordance with the Senior Deeds Trust.

7. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise

materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Borrowers use of Property for affordable housing. If this Security Instrument is on a leasehold, Borrower shall comply with all provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

- a) The Borrower 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 persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed fifty percent (50) of the area median family income for the Riverside County. The use and occupancy restrictions may limit the Borrower's ability to sell the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Lender to the remedies provided in Section 23 hereof.

8. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender'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, Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument (including sums secured by the Senior Deeds of Trust), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 8, Lender does not have to do so.

- a. Any amounts disbursed by Lender under this paragraph 8 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.
- b. Prior to taking any actions under this Section 8, however, Lender shall notify the Senior Lien Holder of such default in the manner provided in Section 23 of this Security Instrument, and shall provide the Senior Lien Holder with the

opportunity to cure any such default under this Security Instrument. All amounts advanced by a Senior Lien Holder to cure a default hereunder shall be deemed advanced by such Senior Lien Holder and shall be secured by the applicable Senior Deed of Trust. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holders at least 60 days' prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the Senior Deeds of Trust.

- c. Lender and Borrower further agree that a default hereunder shall constitute a default under the Senior Deed of Trust. In the event of a default hereunder, the Senior Lien Holder shall have the right to exercise all rights and remedies under the Senior Deed of Trust.

9. Mortgage Insurance. (Not used)

10. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower 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 Lender, subject to the terms of the Senior Deeds of Trust.

- 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 Borrower. 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 Borrower and Lender 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 Borrower. 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 Borrower and Lender 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 Lender's lien is not impaired, any condemnation proceeds may be used by Borrower for repair and/or restoration of the project.

- b. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender 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 Lender and Borrower 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 paragraphs 1 and 2 or change the amount of such payments.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Except in connection with any successor in interest approved by lender, extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender 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 Borrower or Borrower's successors in interest. Any forbearance by Lender 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 Lender and Borrower, subject to the provisions of paragraph 18. Borrower'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 Borrower which exceeded permitted limits will be promptly refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

15. Notices. Any notice to Borrower 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 Borrower's mailing address stated herein or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to any Senior Lien Holder at such address Senior Lien Holder designates by notice to the Borrower. Any notice provided

for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

- 16. Governing Law; Severability.** This Security Instrument shall be governed by state 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 Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.
- 17. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.
- 18. Transfer of the Property or a Beneficial Interest in Borrower.** Except for a conveyance to the trustee(s) under the Senior Deeds of Trust and the sale of units in the Project, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender'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) Lender 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 Lender if exercise is prohibited by federal law as of the date of this Security Instrument.
- a. If Lender exercises the foregoing option, Lender shall give Borrower and the Senior Lien Holder 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 Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.
 - b. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holders at least 60 days' prior written notice.
 - c. The Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holders pursuant to the Senior Deeds of Trust, the Senior Lien Holders' approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

- 19. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower 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 Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the 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 Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, 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 paragraph 18.
- 20. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 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.** Until the loans secured by the Senior Deeds of Trust have been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holders' prior written consent.
- 22. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower 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. Borrower shall promptly given Lender 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 Borrower has actual knowledge. If Borrower 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, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower 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 paragraph 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 paragraph 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. Borrower and Lender further covenant and agree as follows:

23. Acceleration; Remedies. Lender shall give notice to Borrower, and the Senior Lien Holders prior to acceleration following Borrower'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 Borrower (and with respect to a Senior Lien Holder, 60 days from the date the notice is given to such Senior Lien Holder), 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 Borrower 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 Borrower to acceleration and sale. If the default is not cured by the Borrower on or before the date specified in the notice, and the Senior Lien Holders have not exercised their right to cure the default, then Lender 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. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holders at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

- a. If Lender invokes the power of sale, Lender or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Borrower, the Senior Lien Holders 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 Borrower, 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. Lender 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, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

25. Substitute Trustee. Lender, 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. Modification of Senior Deeds of Trust Loan Documents. The Lender consents to any agreement or arrangement in which a Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions of the applicable Senior Deed of Trust loan documents, including any provisions requiring the payment of money.

27. 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.

(SIGNATURES ON NEXT PAGE)

BY SIGNING BELOW, the Borrower and the Lender accept and agree to the terms and covenants contained in this Deed of Trust.

Date: _____

BORROWER:

INLAND EMPIRE RESCUE MISSION, Inc.,
a California nonprofit corporation,
DBA Temecula Murrieta Rescue Mission

By: _____
JIM PALMER
President

(SIGNATURES CONTINUE ON NEXT PAGE)

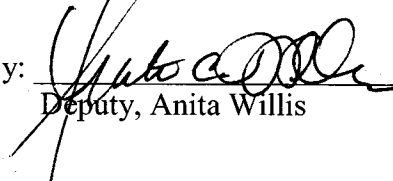
ALL SIGNATURES MUST BE NOTARIZED

LENDER:

REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

By: _____
ROBERT FIELD
Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By:  _____
Deputy, Anita Willis

ALL SIGNATURES MUST 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 _____

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.

Signature _____
Signature of Notary Public

Place Notary Seal Above

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

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

Dated: _____

EXHIBIT B-1

Project Site:

APN:

Legal Description:

EXHIBIT C

Sample Promissory Note

PROMISSORY NOTE

\$332,000

Riverside, CA

For value received, INLAND EMPIRE RESCUE MISSION, INC., a California nonprofit corporation, DBA TEMECULA MURRIETA RESCUE MISSION, INC., (“Borrower” or “TMRM”) promises to pay the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (“AGENCY”), or order, at 3403 Tenth St., Suite 500, Riverside, CA 92501, the sum of Three Hundred Thirty Two Thousand Dollars (U.S. \$332,000) (the “AGENCY Loan”), at the rate of zero percent (0%) per annum, pursuant to the terms of the AGENCY Loan Agreement, dated _____ (the “Agreement”), for acquisition and rehabilitation of property at _____ (the “Property”) and rental of Assisted Unit. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement.

This Promissory Note provides the following:

It is intended that the full amount of the AGENCY Loan attributable to the Property will be forgiven at the end of the Affordability Period as defined in the Agreement; provided, that so long as TMRM is not in default of the Note or this Agreement.

The AGENCY Loan will accrue interest at a rate of zero percent (0%) per annum, except in the case of default as provided in the Agreement, and shall be and shall forgiven at the end of the Affordability Period; provided, that so long as TMRM is not in default of the Note or this Agreement.

Pursuant to Section 50 of the AGENCY Loan Agreement, the AGENCY Loan shall become effective upon execution (the “Effective Date”) and the maturity of the AGENCY Loan with respect to the Property shall be the first to occur of (i) July 1, 2067 or (ii) fifty-five (55) years from the issuance of the Certificate of Occupancy.

In any action commenced to enforce the obligation of the Borrower to pay principal and interest under the Note, the obligations hereunder shall be non-recourse to the Borrower and the judgment shall not be enforceable personally against the Borrower, Borrower’s partners, or the Borrower’s assets, and the recourse of the AGENCY for the collection of such amounts shall be limited to actions against the Property described in the Deed of Trust executed by the Borrower to secure the Note and the rents, profits, issues, products, and income from the Property.

Should default be made in payment of principal when due and such default shall continue beyond the applicable notice and cure period provided in the Deed of Trust, the outstanding principal balance of this Note shall become immediately due at the option of the holder of this Note. Principal is payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney’s fees.

The Borrower and its partners, officers, directors, employees, and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the AGENCY Loan or the performance of the Borrower’s obligations under the AGENCY documents. The sole recourse of the AGENCY with respect to payment of the principal of, or interest on, the AGENCY Loan, shall be to the Project. No money judgment (or execution on a money judgment) entered in any action (whether legal or equitable) on the AGENCY documents shall be enforced personally against the Borrower or its partners, officers, directors, employees, and

agents, but shall be enforced only against the Project and such other property as may from time to time be hypothecated in connection with the Borrower's obligations under the AGENCY documents. This non-recourse provision does not limit or impair the enforcement against all such security for the AGENCY Loan of all the rights and remedies of the AGENCY, nor does it impair the right of the AGENCY to assert the unpaid principal amount of the Property Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this non-recourse provision does not relieve the Borrower of personal liability for damage to or loss suffered by the AGENCY as a result of any of the following (i) fraud or willful misrepresentation; (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (iv) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss, or destruction to any portion of the Project (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income arising with respect to the Project received by the Borrower after the AGENCY has properly exercised its rights under the Deed of Trust to receive such income upon an Event of Default (as defined under the Deed of Trust).

DATE: _____

BORROWER:

INLAND EMPIRE RESCUE MISSION, Inc.,
a California nonprofit corporation,
DBA Temecula Murrieta Rescue Mission

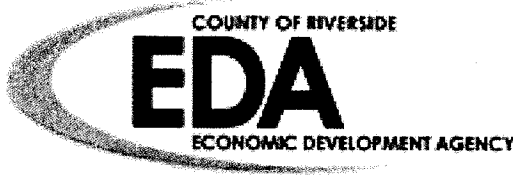
By: _____
JIM PALMER
President

EXHIBIT D

Sample Request for Notice

EXHIBIT E

- 1. INITIAL NOTICE AND OFFER**
- 2. FINAL NOTICE AND OFFER**



**INITIAL NOTICE AND OFFER
AGENCY form**

**Informational Notice To Seller
VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY**

Date	
------	--

_____, (hereinafter referred to as "Buyer")

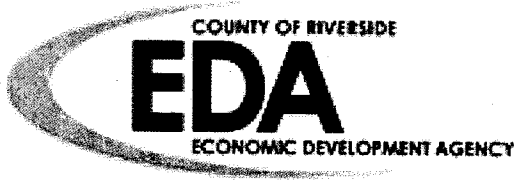
is interested in acquiring the property you own at:

_____(Address)

which may receive funding assistance from the Redevelopment Agency for the County of Riverside (AGENCY) to purchase one (1) single-family home. The Buyer intends to apply and qualify for AGENCY assistance. Acquisitions financed with AGENCY Funds are subject to California law regarding relocation of displaced persons.

Please be advised that the Buyer does not have the authority to acquire your property by eminent domain. In the event the Buyer cannot reach an amicable agreement for the purchase of your property, the proposed acquisition cannot be consummated under AGENCY Agreement and the application for the AGENCY assistance will be denied.

Owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for an Agency assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If the property is currently tenant-occupied or a tenant lawfully occupied the property within the past ninety (90) days prior to this offer, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.



INITIAL NOTICE

Under AGENCY, the Buyer is required to purchase the foreclosed and vacant property at a discount from its **Current Market Appraised Value (CMAV)**. Upon receipt of the **Initial Notice and Offer** form for the property in consideration, AGENCY, through an independent fee contract appraiser will conduct an appraisal of the property. The contract fee appraiser contracted by AGENCY must be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The initial purchase price submitted at the time the **Initial Notice and Offer** form is received by AGENCY will be considered as the **Initial Offer**. The final purchase price must be at least one percent (1%) below the appraised value. If the Initial Offer meets the one percent (1%) discount, Seller and Buyer will be required to submit a **Final Notice and Offer** form and the Initial Offer will be considered to be the **Final Offer**. The Final Notice and Offer form must be received and dated within sixty (60) days of the completed AGENCY appraisal report. Failure to submit this in a timely manner will result in denial of the AGENCY application. However, if the Initial Offer falls short of the one percent (1%) discount, the Buyer will be required to re-negotiate a minimum 1% discount. If the Seller and Buyer could not reach an amicable agreement for the purchase price of the property, the AGENCY application by the Buyer will be denied and the cost of the appraisal will be absorbed by AGENCY.

INITIAL OFFER

Initial Purchase Price Negotiated by Buyer and Seller: \$ _____

By signing below, both Buyer and Seller acknowledge that they have read and understand:

- (1) the Voluntary Acquisition of Foreclosed Property;
- (2) the purchase price discount requirements of the transaction;
- (3) Buyer's Initial Offer is contingent and subject to the discount requirement of the AGENCY and the Current Market Appraised Value.

Signature of Seller

Date

Signature of Buyer

Date

Print Name

Print Name

Seller certifies that:

- No tenant lived in the property at the time of foreclosure.
- Tenant was given 90 days notice as required by law before being asked to vacate property.
- Property was owner occupied.

Signature of Seller

Date

Print Name



FINAL NOTICE AND OFFER AGENCY form

FINAL NOTICE

(Section completed by AGENCY**)**

AGENCY has obtained an appraisal report of the property under consideration, dated _____.

The appraisal indicates the property's CMAV is \$ _____ and the one percent (1%) discount is \$(_____).

The final purchase price must be equal to or less than \$ _____ and will expire on midnight of _____.

Buyer's Initial Purchase Price, dated _____, is \$ _____.

Buyer's Initial Purchase Price

- is less than 1% of the CMAV.
- is not less than 1% of the CMAV.

FINAL OFFER

(Section completed by Buyer and Seller**)**

The Initial Offer is

- One percent (1%) or more** below the CMAV. Buyer and Seller acknowledged that they mutually accepted the Final Purchase Price of \$ _____.
- Less than one percent (1%)** below the CMAV. This offer is less than the CMAV as required by the AGENCY. Buyer is prepared to offer you \$ _____ to purchase Seller's property. The Final Offer/Purchase price must be received and dated within sixty (60) days of the completed EDA appraisal report, as stated above.

By signing below, Buyer and Seller acknowledged that they have mutually accepted the Final Purchase Price of \$ _____. Signature of **all parties below** must be dated before the expiration of offer to be valid.

Signature of Seller Date

Signature of Buyer Date

Print Name

Print Name

EXHIBIT F

California Health and Safety Codes

50053, 50079.5, 50105

Affordability Requirements

California Health and Safety Codes 50053, 50079.5 and 50105

50053. (a) For any rental housing development that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department that shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.

(b) For any rental housing development that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:

- (1) For extremely low income 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, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 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 rent be established at a level not to exceed 30 percent of gross income of the household.
- (4) For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 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 rent be established at a level not to exceed 30 percent of gross income of the household.

(c) The department's regulation shall permit alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to regulations adopted under subdivision (f) of Section 50462. The department shall, by regulation, adopt criteria defining and providing for determination of gross income, adjustments for family size appropriate to the unit, and rent for purposes of this section. These regulations may

provide alternative criteria, where necessary, to be consistent with pertinent federal statutes and regulations governing federally assisted rental and cooperative 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 developments.

For purposes of this section, "area median income," "adjustments for family size appropriate to the unit," and "moderate-income household" shall have the same meaning as provided in Section 50052.5.

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

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

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

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

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

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

EXHIBIT G

Sample Covenant Agreement

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

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
Redevelopment Agency
for the County of Riverside
3403 Tenth St., Suite 500
Riverside, CA 92501
Attn. Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

**AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
BETWEEN THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND
INLAND EMPIRE RESCUE MISSION INC.**

THIS AGREEMENT is made this ____ day of _____ 2010, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (hereinafter referred to as "AGENCY") and INLAND EMPIRE RESCUE MISSION, INC., a California nonprofit corporation, DBA Temecula Murrieta Rescue Mission (hereinafter referred to as "TMRM"), with respect to the following recitals:

RECITALS

A. On _____, AGENCY and TMRM entered into that certain Agreement for the acquisition and rehabilitation of two (2) single-family properties and rent to extremely low-income ("VLI") persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed fifty percent (50%) of the area median family income for Riverside County (hereinafter referred to as "Project" or "Property") as specifically identified and described by the following legal description:

PARCEL:

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

<Legal Description>

B. Pursuant to the AGENCY Loan Agreement, TMRM has agreed to restrict the use of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the AGENCY Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TMRM hereby declares as follows with regard to the Project, which declaration shall run with the land for the benefit of the AGENCY as follows:

1) TERMS OF AFFORDABILITY. For a period of fifty-five (55) years from the issuance of the Certificate of Occupancy, for itself and on behalf of its successors and assigns with regard to the Project, the following:

a) Affordable housing cost as defined in Section 50052.5b and 50053.b which dictates that the rent or cost for housing (including a utility allowance) shall not exceed:

i) Very low-income households - fifty percent (50%) times fifty percent (50%) of the area median income adjusted for family size.

b) TMRM shall reserve the Project for persons that that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed fifty percent (50%) of the area median family income for Riverside County.

2) MAINTENANCE REQUIREMENTS.

a) **Maintenance of Property.** TMRM shall, for the term of this Agreement, at its sole cost and expense, maintain and repair the Property and the improvements thereon, including, without limitation, the buildings, fencing, parkways, landscaping,

driveways, garages, carports, and lighting, in first class condition and repair, and in decent, safe and sanitary condition.

b) **Interior Maintenance.** TMRM shall, for the term of this Agreement, maintain the interior of the dwelling unit(s) located on the Property in a decent, safe and sanitary condition and shall immediately correct any health and safety code violations identified by staff of the County of Riverside or of AGENCY.

c) **Exterior Maintenance.** The Property shall, for the term of this Agreement, be kept free from the accumulation of debris and waste materials. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking, peeling and defacing marks. No building, patio, balcony, wall, fence or yard area, including parkways, may be left in an unmaintained condition so that any of the following exist:

- i) Buildings abandoned, boarded up, partially destroyed or left unreasonably in a state of partial construction; and
- ii) Abandoned or non-operational vehicles; and
- iii) Unpainted buildings or buildings with peeling paint; and
- iv) Cause dry rot, warping and termite infestation; and
- v) Constitute an unsightly appearance that detracts from the aesthetic or property values of neighboring properties; and
- vi) Broken windows, constituting hazardous conditions and/or inviting trespassers and malicious mischief; and
- vii) Broken or discarded furniture, appliances and other household equipment stored for periods exceeding one (1) week; and
- viii) Packing boxes, lumber, trash, dirt and other debris stored for periods exceeding one (1) week; and
- ix) Unscreened trashcans, bins or containers stored for periods exceeding fifteen (15) days in areas visible from public streets and common areas.

d) **Graffiti Removal.** All graffiti, and defacement of any type, including marks, words and pictures, must be removed and any necessary painting or repair completed within the earlier of seventy-two (72) hours of their creation or within forty-eight (48) hours after notice to TMRM from AGENCY.

e) **Trash.** All trash shall, for the term of this Agreement, be collected and placed in appropriate areas for pick-up by refuse haulers on normal trash pick-up days or hauled away, in a timely manner, by TMRM to an appropriate County approved dump site if trash service is not available.

f) **Landscaping.** All exterior areas of the Property that are not buildings, driveways or walkways shall, for the term of this Agreement, be adequately and appropriately landscaped and maintained. The landscaping shall meet minimum standards set from time to time by the AGENCY, subject to the reasonable approval of TMRM. Landscaping on the Property, including front, back and side yards and parkways shall be absent of the following:

- i) Lawns with grasses in excess of six (6) inches in height; and
- ii) Untrimmed hedges causing a nuisance to the public right of way; and
- iii) Trees, shrubbery, lawns and other plant life dying from lack of water or other necessary maintenance; and
- iv) Trees and shrubbery grown uncontrolled without proper pruning; and
- v) Vegetation so overgrown as to be likely to harbor rats or vermin; and
- vi) Dead, decayed or diseased trees, weeds and other vegetation; and Inoperative irrigation system(s), if any; and
- vii) Parkways with ground cover in excess of eighteen (18) inches in height

3) GRANT OF EASEMENT AND LICENSE TO ENTER. In addition to other remedies which AGENCY may have to enforce the covenants and agreements set forth above in Sections 1 and 2, TMRM hereby grants to AGENCY an easement and right of ingress and egress over and across the Real Property insofar as such

ingress and egress is necessary to protect, maintain, and preserve such architectural style and treatment of the facade in the event that TMRM (or its successors or assigns or successors in interest to the Real Property or any part thereof) shall cease or fail to protect, maintain, and preserve such architectural style and treatment of such facade. Pursuant to such grant, AGENCY, its agents, employees, and representatives, shall be permitted (but are not required) to enter upon the Real Property and perform such acts and work necessary to protect, maintain, and preserve such architectural style and treatment of such facade, and to attach a lien on the Real Property, or to assess the Real Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by TMRM arising from the enforcement of the covenants set forth in Sections 1 and 2 hereof. TMRM shall pay to AGENCY all amounts owed for maintenance or repairs which AGENCY has performed within thirty (30) days of being presented with an invoice with respect to such amounts; any such amounts that are not paid within thirty (30) days of delivery of an invoice with respect thereto shall bear interest at a rate equal to twelve percent (12%) per annum or the highest amount permitted by applicable law, whichever is lower. AGENCY shall not exercise the easement and right-of-entry provided herein without prior notice and a reasonable opportunity given to Grantor (or to its successors or assigns or its successors in interest to the Real Property) to comply with its covenants in Sections 1 and 2 hereof; thirty (30) days' notice shall be deemed to constitute reasonable notice and a reasonable opportunity for TMRM to comply with its covenantal obligations.

4) NONDISCRIMINATION. TMRM covenants by and for itself and any successors in interest that there shall be no unlawful 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 Properties, nor shall TMRM 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 real property. The foregoing covenants shall run with the land. Pursuant to Health and Safety Code Section 33435, TMRM shall refrain from restricting the sale of the Properties on the basis of race, religion, sex, sexual orientation, marital status, nationality, familial status, source of income or disability of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or no segregation clauses:

- a) **In deeds:** “The Grantee herein covenants by and for himself for herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them that there shall be no unlawful 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 land herein conveyed, nor shall the grantee himself or herself nor any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, numbers use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”
- b) **In leases:** “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:
 - i) There shall be no unlawful 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 leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.”

- c) **In contracts:** “There shall be no unlawful 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 premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

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

AGENCY
Assistant Director of Housing Development
Redevelopment Agency
for the County of Riverside
3403 Tenth Street, Suite 500
Riverside, CA 92501

TMRM
Executive Director
Inland Empire
Rescue Mission, Inc.
1 Hope Drive
Tustin, CA 92782

- 6) BINDING EFFECT. The rights and obligations of this Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties.
- 7) ATTORNEY'S FEES. If any party hereto brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the Court.
- 8) SEVERABILITY. In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from the agreement and the remaining provisions of this Agreement shall remain in full force and effect.
- 9) INTERPRETATION AND GOVERNING LAW.
 - a) This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.
- 10) AUTHORITY TO EXECUTE.
 - a) The persons executing this Agreement on behalf of the parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective parties to this Agreement to the performance of its obligations hereunder.
- 11) ENTIRE AGREEMENT.
 - a) It is expressly agreed that this Agreement embodies the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or

understanding, verbal or otherwise, relative to this subject matter, exists between the parties at the time of execution.

12) ASSIGNMENT.

a) TMRM will not make any sale, assignment, conveyance or lease of any trust or power, or transfer in any other form with respect to this Agreement without prior written approval of the AGENCY.

13) AMENDMENTS AND MODIFICATIONS.

a) Any amendments or modifications to this Agreement must be in writing and shall be effective only if executed by TMRM and AGENCY.

14) JURISDICTION AND VENUE.

a) Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the consolidated Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

15) 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.

16) EFFECTIVE DATE.

a) The effective date of this Agreement is the date the parties sign the Agreement. If the parties sign the Agreement on more than one date, then the last date the Agreement is signed by a party shall be the effective date.

END OF AGREEMENT
(SIGNATURES ON NEXT PAGE)

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

AGENCY
REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

TMRM
INLAND EMPIRE RESCUE
MISSION, Inc.,
a California nonprofit corporation,
DBA Temecula Murrieta Rescue Mission

By: _____
ROBERT FIELD
Executive Director

By: _____
JIM PALMER
President

APPROVED AS TO FORM:
PAMELA J. WALLS
AGENCY Counsel

By:  _____
Deputy, Anita Willis

Signatures Must Be Notarized

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

Exhibit H

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

Recording Requested By:
Redevelopment Agency for
COUNTY OF RIVERSIDE

AND WHEN RECORDED MAIL TO:
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE
3403 Tenth St. 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 units that are occupied by and affordable to very low income households.

A Covenant and Restriction with an expiration of _____ is recorded under Recording No. _____ on _____, in book _____, page _____, Official Records of Riverside County, California, on the property located at: _____ with assessors parcel number of _____ 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.

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

(This area for official notarial seal)