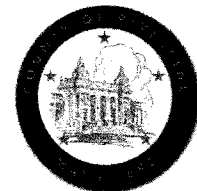


**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

110



SUBMITTAL DATE:
March 24, 2011

FROM: Redevelopment Agency

SUBJECT: Second Amendment to Acquisition and Rehabilitation Agreement with Riverside Housing Development Corporation in the Unincorporated Community of Valle Vista

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Second Amendment to Acquisition and Rehabilitation Agreement with Riverside Housing Development Corporation;
2. Approve the attached Deed of Trust with Assignment of Rents and Covenant Agreement;
3. Authorize the Chairman of the Board of Directors to sign the attached Second Amendment to Acquisition and Rehabilitation Agreement, Deed of Trust, and Covenant Agreement; and
4. Authorize the Executive Director, or designee, to take all necessary steps to implement the second amendment including, but not limited to, signing subsequent necessary and relevant documents.

(Continued)

Robert Field
Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 685,000	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*
County Executive Office Signature

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

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

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

Ayes: Buster, Tavaglione, Stone and Benoit
Nays: None
Absent: Ashley
Date: April 5, 2011
xc: RDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 4.2 of 4/8/2008 and 4.3 of 9/30/2008 | District: 3

Agenda Number: **4.3**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 3/23/11
 DATE: 3-21-11
 ANITA C. WILLIS
 Departmental Co-SAMUEL WONG

FORM APPROVED COUNTY COUNSEL
 BY: *Anita C. Willis*

Redevelopment Agency

Second Amendment to Acquisition and Rehabilitation Agreement with Riverside Housing Development Corporation in the Unincorporated Community of Valle Vista

March 24, 2011

Page 2

BACKGROUND: On April 8, 2008, the Board of Directors approved the Acquisition and Rehabilitation Agreement for \$3,300,000 in Redevelopment Low- and Moderate-Income Housing Funds with Riverside Housing Development Corporation (RHDC), a California non-profit benefit corporation, to acquire and rehabilitate seven multi-unit rental properties for low- and moderate-income households along Orange Blossom Lane, formerly Marine Drive, in the community of Valle Vista in Riverside County.

On September 30, 2008, the Board of Directors approved the First Amendment to Acquisition and Rehabilitation Agreement to acquire and rehabilitate five additional multi-unit rental properties for low- and moderate-income households along Orange Blossom Lane. The loan amount was increased by \$2,760,000 for a total sum amount of \$6,060,000.

RHDC has completed the acquisition and rehabilitation of all 12 properties for a total of 41 rental units including one resident manager unit.

RHDC is requesting an additional \$685,000 to acquire and rehabilitate a four-unit property at 41882 Orange Blossom Lane with Assessor's Parcel Number 438-110-055 for inclusion into the housing project. Staff recommends increasing the amount of the Acquisition and Rehabilitation Agreement by \$685,000 for a total sum amount of \$6,745,000. RHDC's acquisition, rehabilitation, and operation of the housing project serve the interests of the community served by the Redevelopment Agency and of the health, safety, and welfare of the residents of the County of Riverside by providing additional affordable units to the community. The project meets the public purposes and provisions of applicable federal, state, and local laws and requirements which govern the Redevelopment Agency.

The total cost of acquisition and rehabilitation for the 45-unit housing project is estimated at \$8,925,000 including a private bank loan of \$2,180,000 as a source of funding. A total of 44 units will be restricted for low- or moderate-income households for a period of 55 years. Of those units, 24 rental units will be reserved for low-income households whose incomes do not exceed 80% area median income for the county, adjusted by family size at the time of occupancy. A total of 24 rental units will be reserved for low-income households whose incomes do not exceed 120% area median income for the county, adjusted by family size at the time of occupancy.

Agency Counsel has reviewed and approved as to form the attached Second Amendment to Acquisition and Rehabilitation Agreement, Deed of Trust, and Covenant Agreement. Staff recommends that the Board approve the attached Second Amendment to Acquisition and Rehabilitation Agreement, Deed of Trust, and Covenant Agreement.

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

2/28/2011, File No: RD3-07-003, MCPA, Valle Vista
Orange Blossom Lane

1 No Fee for Recording Pursuant to
2 6103 Government Code

3 RECORDING REQUESTED BY AND
4 WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **SECOND AMENDMENT TO**
11 **ACQUISITION AND REHABILITATION AGREEMENT**

12 This Second Amendment to Acquisition and Rehabilitation Agreement ("Second
13 Amendment") is made and entered into this _____ day of _____, 2011 by
14 and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
15 ("AGENCY"), a public body, corporate and politic, and Riverside Housing
16 Development Corporation ("RHDC"), a California nonprofit public benefit corporation.

17 WITNESSETH:

18 WHEREAS, AGENCY and RHDC entered into an Acquisition and Rehabilitation
19 Agreement (the "Agreement"), dated as of April 8, 2008, to acquire and rehabilitate
20 seven (7) multi-unit rental properties located along Orange Blossom Lane, formerly
21 Marine Drive, in the unincorporated area of the County of Riverside in the community
22 Valle Vista for low- or moderate-income households; and

23 WHEREAS, under the terms and conditions of the Agreement, AGENCY agreed
24 to provide RHDC a grant in the amount of \$3,300,000 in Redevelopment Low- and
25 Moderate-Income Housing Funds; and

26 WHEREAS, on September 30, 2008, AGENCY and RHDC amended the
27 Agreement and provide an additional \$2,760,000 (the "First Amendment") to acquire
28 and rehabilitate five (5) additional multi-unit rental properties along Orange Blossom
Lane for a total sum amount of \$6,060,000; and

WHEREAS, RHDC has completed the acquisition and rehabilitation of all 12

1 properties for a total of 41 rental units including one resident manager unit; and

2 WHEREAS, RHDC has requested an additional \$685,000 to acquire and
3 rehabilitate a four-unit rental property at 41882 Orange Blossom Lane with Assessor
4 Parcel Number 438-110-055 (the "Property") for the benefit of low- or moderate-
5 income households; and

6 WHEREAS, AGENCY and OWNER desire to increase the total grant amount by
7 \$685,000 from \$6,060,000 to \$6,745,000; and

8 WHEREAS, the acquisition, rehabilitation and operation of the housing project
9 serve the interests of the community served by the Redevelopment Agency and of the
10 health, safety and welfare of the residents of the County of Riverside by providing
11 additional affordable units to the community. The project meets the public purposes
12 and provisions of applicable federal, state and local laws and requirements which
13 govern the Redevelopment Agency; and

14 WHEREAS, the total number of units will increase from 41 units to 45 units as
15 described in Exhibit A, which is attached hereto and by this reference incorporated
16 herein.

17 NOW, THEREFORE, in consideration of the foregoing, and the promises and
18 mutual covenants and conditions hereinafter set forth, AGENCY and RHDC do hereby
19 agree as follows:

- 20 1. The Agreement shall be amended and the total grant amount increased by
21 \$685,000 from \$6,060,000 to \$6,745,000.
- 22 2. The Agreement shall be amended and the total number of units increased from
23 41 units to 45 units.
- 24 3. Exhibit "A" of the Agreement is hereby replaced with the revised Exhibit "A" of
25 this Second Amendment, which is attached hereto and by this reference
26 incorporated herein.
- 27 4. The Deed of Trust, Covenant Agreement, and Notice of Affordability Restrictions
28 on Transfer of Property shall be recorded in the Official Records of the County of

1 Riverside, California, as shown in Exhibits "B," "C" and "D" respectively, which
2 are attached hereto and by this reference incorporated herein.

- 3 5. The affordability for the Property shall be restricted for a period of fifty-five (55)
4 years from the recordation of the Covenant Agreement.
- 5 6. This Second Amendment, the First Amendment and the Agreement set forth
6 and contain the entire understanding and agreement of the parties hereto.
7 There are no oral or written representations, understandings, or ancillary
8 covenants, undertakings or agreements, which are not contained or expressly
9 referred to within this Second Amendment, the First Amendment and the
10 Agreement.
- 11 7. All other terms and conditions of the Agreement remain unmodified and in full
12 force and effect.
- 13 8. Each of the attachments and exhibits attached hereto are incorporated herein by
14 this reference.
- 15 9. This Second Amendment may be signed by the different parties hereto in
16 counterparts, each of which shall be an original, but all of which together shall
17 constitute one and the same agreement.
- 18 10. The effective date of this Second Amendment is the date the parties execute
19 this Second Amendment. If the parties execute this Second Amendment on
20 more than one date, then the last date this Second Amendment is executed by a
21 party shall be the Effective Date.
- 22 11. This Second Amendment is not binding until approved by the Redevelopment
23 Agency for the County of Riverside Board of Directors.

24 //

25 //

26 //

27 //

28 //

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

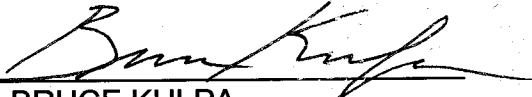
3 AGENCY:

OWNER:

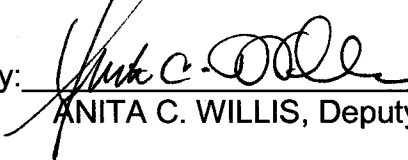
4 REDEVELOPMENT AGENCY
5 FOR THE COUNTY OF RIVERSIDE

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION, a California nonprofit
public benefit corporation

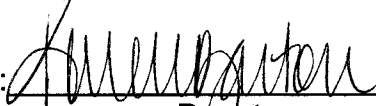
6
7
8 By: 
9 BOB BUSTER, Chairman
Board of Directors

By: 
BRUCE KULPA,
Executive Director

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

13
14 By: 
15 ANITA C. WILLIS, Deputy

16 ATTEST:
17 KECIA HARPER-IHEM
18 Clerk of the Board

19 By: 
20 Deputy

21
22 (Signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

} §

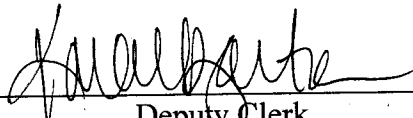
On April 5, 2011, before me, Karen Barton, Board Assistant, personally appeared Bob Buster, Chairman of the Redevelopment Agency Board of Directors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he 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)

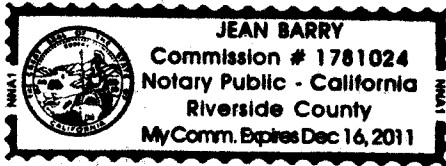
CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }
COUNTY OF Riverside }

On 3-10-11, before me, Jean Barry, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Bruce Kulpa
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 Jean Barry
Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

EXHIBIT "A"

Developer: Riverside Housing Development Corporation (RHDC)
Address: 4250 Brockton Avenue, Riverside, CA 92501
Project Title: Orange Blossom Lane (formerly Marine Drive)
Location: Thirteen (13) existing multi-unit rental properties are located along Orange Blossom Lane south of the City of Hemet in the unincorporated area of the County in the community of Valle Vista, east of Meridian Street, west of Stanford Street, south of Florida Avenue and north of Briarwood Avenue.

The properties are as follows:

Phase One (Total of 7 multi-family rental properties)

1. 41909 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-034
2. 41920 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-028
3. 41956 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-025
4. 41957 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-038
5. 41969 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-039
6. 41981 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-040
7. 41992 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-022

Phase Two (Total of 5 multi-family rental properties)

8. 41896 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-030
9. 41897 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-033
10. 41908 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-029
11. 41921 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-035
12. 41993 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-041

Additional Property

13. 41882 Orange Blossom Lane, Hemet, CA 92544, APN 438-110-055

Scope of Development:

RHDC will utilize up to \$6,745,000 in Redevelopment Low- and Moderate-Income Housing funds for the acquisition and rehabilitation of 13 multi-unit rental properties, consisting of (7) 3-unit and (6) 4-unit properties. RHDC will acquire, rehabilitate and manage the properties for rental to qualified low- or moderate-income households. The Project consists of a total of 45 units - (41) 2-bedroom units, (3) 3-bedroom units and (1) 3-bedroom unit reserved for an on-site resident manager.

RHDC agrees to reserve 44 rental units. A total of 24 units will be reserved for low-income households whose incomes do not exceed eighty percent (80%) of the area median income for the County, adjusted by family size at the time of occupancy. A total of 20 units will be reserved for moderate-income households whose incomes do not exceed one-hundred and twenty percent (120%) of the area median income for the County, adjusted by family size at the time of occupancy. The period of affordability shall be fifty-five (55) years from the recordation date of the Covenant Agreement. The Developer's Fee shall not exceed \$520,000 for the Project.

Project Permanent Sources and Uses of Fund:

Sources:

Redevelopment Agency for the County of Riverside - Acquisition and Rehabilitation Grant	\$ 6,745,000
Bank Loan	<u>\$ 2,180,000</u>
Total Sources	\$ 8,925,000

Uses:

Acquisition	\$ 5,998,549
Rehab Construction	\$ 2,136,151
Exterior Landscaping	\$ 25,000
Soft Costs (Permits, Architectural Fees, Engr., etc)	\$ 92,500
Relocation Assistance	\$ 63,000
Lead-Based Paint (LBP)/Asbestos testing and removal	\$ 10,750
Termites and Pest	\$ 15,050
Contingency	\$ 40,000
Operating & Replacement Reserves	\$ 24,000
Developer's Fees	<u>\$ 520,000</u>
Total Uses	\$ 8,925,000

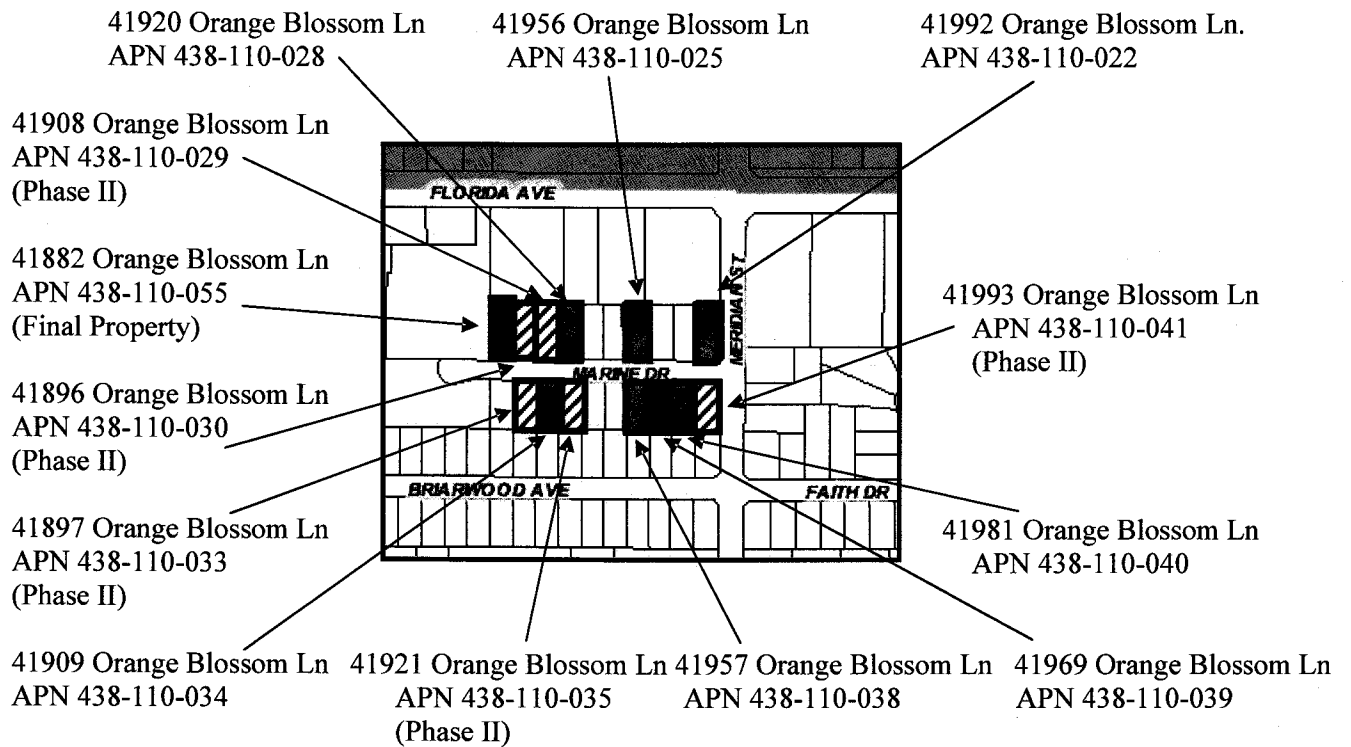
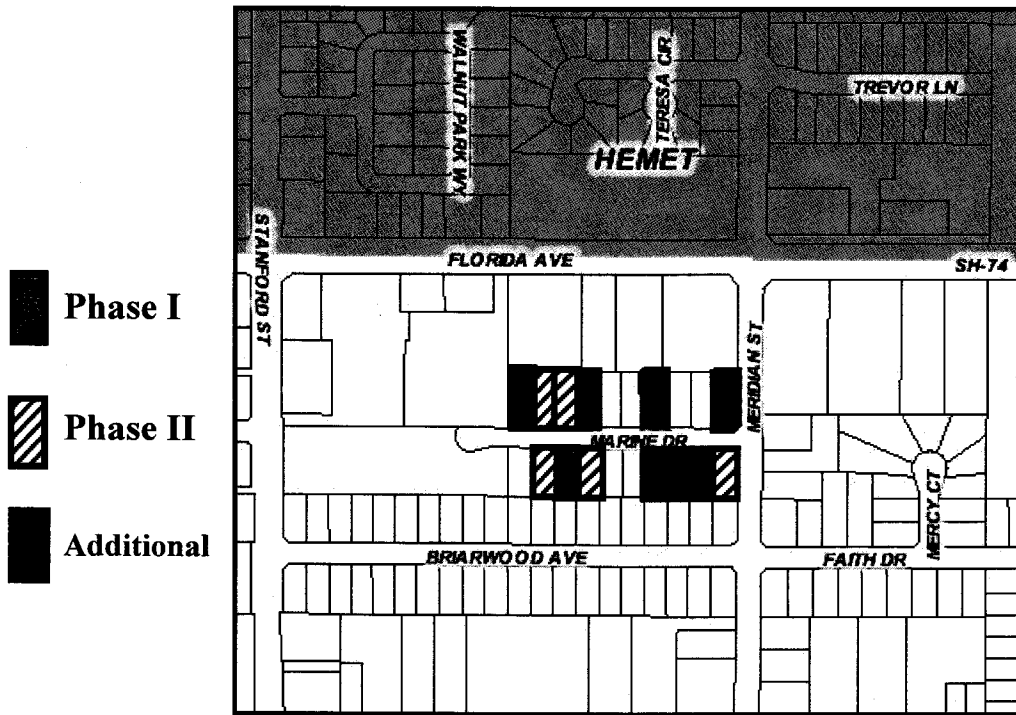
IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Rehabilitation and Relocation Plan	May 1, 2008
2. Permanent Financing Commitment	May 1, 2008
3. Obtain Building Permit	June 1, 2008
4. Begin Rehabilitation	June 1, 2008
5. Lease Agreement, Proposed Rents and Utilities	October 1, 2008
6. Acquisition of 5 additional properties (Phase Two)	November 1, 2008
7. Acquisition of 41969	April 30, 2010
8. Acquisition of 41882	April 1, 2011
9. Completion of Rehabilitation	December 1, 2011
10. Occupancy of Assisted Units	February 1, 2012
11. Submission of Final actual Project costs and Sources and Uses of Funds	April 1, 2012
12. Submission of Tenant Checklist report	April 1, 2012

DOCUMENT SUBMISSION SCHEDULE

1. Rehabilitation Activities Reporting	Monthly, due by the 25 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for RHDC	RHDC – At the execution of this Agreement. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the Agency additionally insured.
3. Rehabilitation and Relocation Plan	Before start of Rehabilitation
4. Project Site Photos	Bimonthly, due by the 5 th of each month
5. Notice of Completion	End of Construction
6. Certificate of Occupancy	If applicable, end of construction
7. Tenant Checklist Reporting	Close of Project; and Semi-Annually– Sept 30th & March 31st
8. Project Completion Report	Close of Project
9. Final Development Cost - Sources and Uses	Close of Project
10. Final Cost Certification by CPA	Close of Project and Audits Completed
11. Final 15/30 Year Cash Flow Projection	Close of Project
12. Management Plan	Marketing Stage
13. Copy of Lease Agreement	Marketing Stage
14. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
15. Project Operating Budget	Annual submission
16. Audited Yearly Income Expense Report for the Project	Annual submission

Orange Blossom Lane (formerly Marine Drive), Hemet CA 92544
 Unincorporated area of the County of Riverside in the community of Valle Vista



LEGAL DESCRIPTIONS OF SUBJECT PROPERTIES

Phase One:

41909 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-034:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 13 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

41920 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-028:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 7 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE BOOK 110, PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41956 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-025:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 4 OF TRACT NO. 11600, AS SHOWN BY MAP ON FILE IN BOOK 110 PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41957 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-038:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 17, TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGE(S) 46 AND 47, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

41969 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-039:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT(S) 18 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

41981 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-040:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 19 OF TRACT NO. 11600, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGE(S) 46 AND 47, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41992 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-022:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 1 OF TRACT 11600, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN PER MAP ON FILE IN BOOK 110, PAGES 46 TO 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Phase Two:

41896 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-030:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 9 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

41908 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-029:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 8 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGE(S) 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41897 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-033:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 12 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 110 PAGE(S) 46 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41921 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-035:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 14 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

41993 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-041:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 20 OF TRACT NO. 11600, IN THE UNINCORPORATED AREA OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 110, PAGE(S) 46 AND 47, OF MISCELALANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Final Property:

41882 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-055:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO 11600 AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

EXHIBIT "B"

Deed of Trust

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.
Grant No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO

Redevelopment Agency
For the County of Riverside
3403 10th Street, Suite 500
Riverside, CA 92501
ATTN: Mervyn Manalo

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This Deed of Trust, made on _____, by and between RIVERSIDE HOUSING DEVELOPMENT CORPORATION ("TRUSTOR" or "OWNER"), and whose address is 4250 Brockton Avenue, Riverside, CA 92501, COUNTY OF RIVERSIDE ("TRUSTEE"), and the REDEVELOPMENT AGENCY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic ("AGENCY" or "BENEFICIARY"), whose address is 3403 10th Street, Suite 500, Riverside, CA 92501, or such other place as AGENCY may provide in writing.

WITNESSETH: That TRUSTOR IRREVOCABLY GRANTS, TRANSFERS and ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, the properties in Riverside County, California, described in Exhibit "B-1" which is attached hereto and by this reference incorporated herein.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

For the Purpose of Securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein. (2) Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

To Protect the Security of this Deed of Trust, Trustor Agrees:

By the execution and delivery of this Deed of Trust and the notes secured hereby, that provisions (1) through (14), inclusive, of the deed of trust recorded in Riverside County, and in the book and at the page of Official Records in the Office of the County Recorder of the county where said properties are located as described in Exhibit "B-1", which provisions, are hereby adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that Trustor will observe and perform said provisions; and that the references to properties, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor request that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

The following is a copy of provisions (1) through (14), inclusive, of the fictitious deed of trust, recorded in Riverside County in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

- (1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property on requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- (2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (3) Not used.
- (4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor 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, Beneficiary 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 Beneficiary 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 reasonable fees.
- (5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the

Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

- (6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- (7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
- (8) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- (9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).
- (10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such, rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written

declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash of lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the proceeding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

- (12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and pages where this Deed is recorded and the name and address of the new Trustee.
- (13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
- (14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(signatures continued on next page)


IN WITNESS WHEREOF, AGENCY and OWNER have executed this Second
Amendment as of the date first above written.

AGENCY:

OWNER:

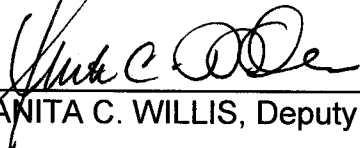
REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION, a California nonprofit
public benefit corporation


By: 
BOB BUSTER, Chairman
Board of Directors

By: 
BRUCE KULPA,
Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By: 
ANITA C. WILLIS, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

(Signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

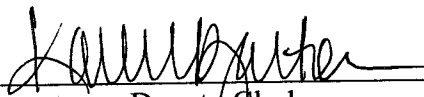
} §

On April 5, 2011, before me, Karen Barton, Board Assistant, personally appeared Bob Buster, 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)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }
COUNTY OF Riverside }

On 3-21-11, before me, Jean Barry, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Bruce Kulpa
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 Jean Barry
Signature of Notary Public



Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

REQUEST FOR FULL RECONVEYANCE

TO: _____, TRUSTEE:

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

By: _____ By: _____

Please mail Reconveyance to:

Do not lose or destroy this Deed of Trust which it secures. The original document must be delivered to the Trustee for cancellation before reconveyance will be made.

Exhibit "B-1"

LEGAL DESCRIPTION

41882 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-055:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO 11600 AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

EXHIBIT "C"

Covenant Agreement

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.
Grant No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Redevelopment Agency
For the County of Riverside
3403 10th Street, Suite 500
Riverside, CA 92501
Attn. Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS

USE

COVENANT AGREEMENT

This Covenant Agreement is made on this ____ day of _____ 2011, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("AGENCY"), a public body, corporate and politic and RIVERSIDE HOUSING DEVELOPMENT CORPORATION ("RHDC"), a California nonprofit public benefit corporation, with respect to the following recitals:

RECITALS

- i. On April 8, 2008, AGENCY and RHDC entered into that certain Acquisition and Rehabilitation Agreement (the "Agreement") for the acquisition and rehabilitation of certain real property.
- ii. Pursuant to the Agreement, as amended, RHDC has agreed to acquire and rehabilitate 45 units of affordable rental housing, including 24 units reserved for low-income households and 20 units reserved for moderate-income households ("Assisted Units") and one on-site resident manager's unit.
- iii. The property subject to this Covenant Agreement is located at 41882 Orange Blossom Lane, Hemet, California 92554 with Assessor Parcel Number 438-110-055 ("Property"), and will include all construction and improvements to be included in the project known as Orange Blossom Lane (the "Project"). The Property is legally described in Exhibit "D-1" which is attached hereto and by this reference incorporated herein.
- iv. Pursuant to the Agreement, OWNER has agreed to restrict the use of the Property.

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

1) **RESTRICTIONS.** For a period of fifty-five (55) years from the date of this Covenant Agreement, for itself and on behalf of its successors and assigns with regard to the Property, the following:

- a) **Income Restrictions:** Assisted Units in the Property as part of the Project must be reserved for persons and families of low- or moderate-income. RHDC agrees to restrict a total of 44 rental units of the Project, including 4 units of the Property. A total of 24 units will be reserved for low-income households whose incomes do not exceed 80 percent of the area median income for the County of Riverside, adjusted by family size at the time occupancy. A total of 20 units will be reserved for moderate-income households whose incomes do not exceed 120 percent of the area median income for the County of Riverside, adjusted by family size at the time of occupancy.
- b) **Affordable Rents:** As defined by California Health and Safety Code:
 - i) Section 50053(b)(3). For lower income households whose gross incomes exceeds 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, the affordable rent shall be established at a level not to exceed 30 percent of gross income of the household.
 - ii) Section 50053(b)(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 required that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

- c) **Affordability Period:** All rental units in the Project will remain affordable for a period of not less than fifty-five (55) years. The fifty-five (55) year period shall commence upon the date of this Covenant Agreement.
- 2) **MAINTENANCE OF THE IMPROVEMENTS.** RHDC, on behalf of itself and its successors, assigns, and each successor in interest to the Property or any part thereof hereby covenants to and shall protect, maintain, and preserve the improvements located on the Property in compliance with all applicable federal and state law and regulations and local ordinances.
- 3) **NONDISCRIMINATION.** RHDC covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall RHDC 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. RHDC shall refrain from restricting the sale of the Real Property on the basis of race, color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental 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 discrimination against or segregation of any person, or group of persons, on account of race, color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental 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 discrimination against or segregation of any person or group of persons on account of race, color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental 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 discrimination against or segregation of any person or group of persons on account of race, color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental 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."

4) **MONITORING.** Upon AGENCY's review of the project's annual compliance report, should there be any areas of non compliance, the project owner or his representative shall be notified in writing. The finding notification letter shall specify a 30 day grace period during which areas of non compliance must be addressed and corrected. Should the owner fail to respond by the deadline specified in the initial finding letter, a second finding letter shall be issued by AGENCY. Failure to resolve all non compliance issues within the required timeframe may result in the following actions: (1) the owner, or his representative, will be required to submit quarterly compliance reports; (2) the property shall undergo additional site inspections, or (3) the owner or his representative shall be required to attend a Monitoring Technical Assistance Workshop. Should the owner fail to resolve all areas of non compliance within the timeframe

specified in the second finding letter, a monitoring fee shall be assessed. Additional sanctions may include: (1) an extension of the project's affordability period, or (2) requiring that the property owner to utilize the services of an AGENCY approved certified property management company.

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

6) NOTICES. All Notices provided for in this Covenant 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
Executive Director
Redevelopment Agency
for the County of Riverside
3403 10th Street, Suite 500
Riverside, CA 92501

RHDC
Executive Director
Riverside Housing Development Corporation
4250 Brockton Avenue
Riverside, CA 92501

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 this Covenant Agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

9) WAIVER. Failure by a party to insist upon the strict performance of any of the provision of this Covenant Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Covenant Agreement thereafter.

10) INTERPRETATION AND GOVERNING LAW. This Covenant Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Covenant Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purpose 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 Covenant Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

11) AUTHORITY TO EXECUTE. The persons executing this Covenant Agreement on behalf of the parties to this Covenant Agreement hereby warrant and represent that they have the authority to execute this Covenant Agreement and warrant and represent that they have the authority to bind the respective parties to this Covenant Agreement to the performance of its obligations hereunder.

12) ENTIRE AGREEMENT. It is expressly agreed that this Covenant 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.

13) TERMINATION OF AGREEMENT. This Covenant Agreement shall terminate fifty-five (55) years from the date of this Covenant Agreement unless earlier termination by mutual written consent.

14) COUNTERPARTS. This Covenant 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.

END OF COVENANT AGREEMENT

The foregoing covenants against discrimination or segregation shall continue in effect for fifty-five (55) years.

IN WITNESS WHEREOF, AGENCY and OWNER have executed this Second Amendment as of the date first above written.

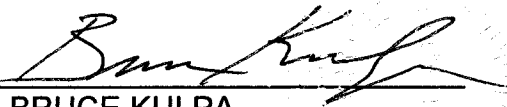
AGENCY:

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

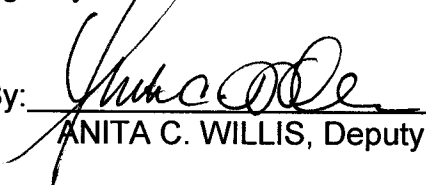
By: _____
BOB BUSTER, Chairman
Board of Directors

OWNER:

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION, a California nonprofit
public benefit corporation

By:  _____
BRUCE KULPA,
Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By:  _____
ANITA C. WILLIS, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

(Signatures on this page need to be notarized)

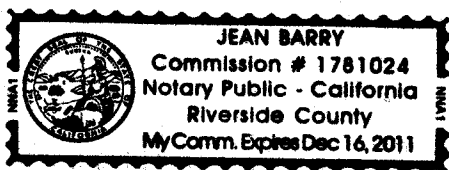
CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On 3-21-11, before me, Jean Barry, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Bruce Kulpa
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 Jean Barry
Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

Exhibit "C-1"

LEGAL DESCRIPTION

41882 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-055:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO 11600 AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

Exhibit "D"

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 10th Street, Suite 500
Riverside, CA 92501
Attn. Mervyn Manalo

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 for the longest feasible time, but not less than fifty-five (55) years for rental units that are occupied by and affordable to low- or moderate-income households.

A Covenant and Restriction with an expiration not less than fifty-five (55) years from the date of the Covenant Agreement for the Subject Property, as identified in Exhibit "D-1", which is attached hereto and by this reference incorporated herein, shall be recorded concurrently herewith in the Official Records of Riverside County, California.

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

Dated _____

TOM FAN, Principal Development Specialist

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

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

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

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____
Signature of Notary Public

EXHIBIT "D-1"

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

LEGAL DESCRIPTION

41882 Orange Blossom Lane, Hemet, CA 92544 known as APN 438-110-055:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO 11600 AS PER MAP RECORDED IN BOOK 110, PAGES 46 AND 47 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.