

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

319



FROM: Redevelopment Agency

SUBMITTAL DATE:
April 14, 2011

SUBJECT: First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement with Mission Village Senior Apartments, L.P.

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement with Mission Village Senior Apartments, L.P.;
2. Approve the attached Amendment to Deed of Trust and Amendment to Promissory Note;
3. Authorize the Chairman of the Board of Directors to sign the attached First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement, Amendment to Deed of Trust and Amendment to Promissory Note;
4. Authorize the Executive Director, or designee, to execute a Subordination Agreement with U.S. Bank National Association in an amount up to \$3,200,000, subject to approval by Agency Counsel; and

(Continued)

Robert Field

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 650,000	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

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Buster, 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: April 26, 2011
xc: RDA Auditor

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

Prev. Agn. Ref.: 4.9 of 3/25/2008 and 4.7 of 9/2/2008 **District:** 2

Agenda Number: 4.8

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 4/13/11
 DANIEL SAMUEL WONG
 FORM APPROVED COUNTY COUNSEL
 BY: *Anita C. Willis* 4-6-11
 ANITA C. WILLIS

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

Redevelopment Agency

First Amendment to Amended and Restated Disposition and Development Agreement / Affordable Housing Agreement with Mission Village Senior Apartments, L.P.

April 14, 2011

Page 2

RECOMMENDED MOTION: (Continued)

5. Authorize the Executive Director, or designee, to take all necessary steps to implement the First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement, Amendment to Deed of Trust and Amendment to Promissory Note including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: On March 25, 2008, the Board of Directors approved and executed the Disposition and Development / Affordable Housing Agreement (DDA) between the Redevelopment Agency for the County of Riverside and Mission Village Senior Apartments, L.P. (MVSA) for the development and construction of a 102-unit affordable senior apartment complex (Mission Village Senior Apartments) in the unincorporated community of Glen Avon. The DDA authorized the sale of approximately 3.95 acres of real property located on Mission Boulevard and provided a loan in the amount of \$9,243,334 in Redevelopment Low- and Moderate-Income Housing funds.

On September 2, 2008, the Board of Directors approved and executed the Amended and Restated DDA to amend applicable sections of the DDA affected by the elimination of the State Low Income Housing Tax Credit as a funding source. The loan amount was increased by \$580,681 for gap financing for a total loan sum amount of \$9,824,015.

On May 17, 2010, MVSA completed the development and construction of Mission Village Senior Apartments and leased it to full occupancy by the end December of 2010.

MVSA is requesting an additional \$650,000 to pay for additional building and permit fees, architectural and engineering fees and costs for hazardous toxic abatement.

Staff recommends the amount of the Redevelopment Agency loan to be increased from \$9,824,015 to \$10,474,015. The Redevelopment Agency loan will remain in second position behind a construction loan with Housing Capital Company that will convert to a permanent loan with U.S. Bank National Association. The Redevelopment Agency will enter into a subordination agreement with U.S. Bank to grant first lien status in an amount up to \$3,200,000. The Affordable Housing Program loan from the Federal Home Loan Bank will subordinate as third lien status to the Redevelopment Agency.

MVSA's acquisition, construction, and operation of the senior 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.

Agency Counsel has reviewed and approved as to form the attached First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement, Amendment to Deed of Trust and Amendment to Promissory Note. Staff recommends that the Board approve the attached First Amendment to Amended and Restated Disposition and Development / Affordable Housing Agreement, Amendment to Deed of Trust and Amendment to Promissory Note.

1 No Fee for Recording Pursuant to
6103 Government Code

2 RECORDING REQUESTED BY AND
3 WHEN RECORDED MAIL TO:

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

7 SPACE ABOVE THIS LINE FOR RECORDERS USE

8 **FIRST AMENDMENT TO AMENDED AND RESTATED DISPOSITION AND**
9 **DEVELOPMENT / AFFORDABLE HOUSING AGREEMENT**

10 This First Amendment to Amended and Restated Disposition and Development /
11 Affordable Housing Agreement ("First Amendment") is made and entered this 26th
12 day of April, 2011, by and between the REDEVELOPMENT AGENCY
13 FOR THE COUNTY OF RIVERSIDE ("AGENCY"), a public body, corporate and
14 politic, and MISSION VILLAGE SENIOR APARTMENTS, L.P. ("OWNER"), a
15 California limited partnership.

16 WITNESSETH:

17 WHEREAS, AGENCY and OWNER entered into the Disposition and
18 Development / Affordable Housing Agreement (the "DDA") for the development and
19 construction of a 102-unit affordable senior apartment complex ("Mission Village
20 Senior Apartments" or the "Project"), dated March 25, 2008, including a loan for Nine
21 Million Two Hundred Forty Three Thousand Three Hundred Thirty Four Dollars
22 (\$9,243,334)(the "Loan"); and

23 WHEREAS, AGENCY and OWNER amended the DDA, on September 2, 2008,
24 to modify applicable sections of the DDA affected by the elimination of the State Low
25 Income Housing Tax Credit as a funding source and increase the Loan by \$580,681
26 for gap financing for a total loan sum amount of \$9,824,015 (the "Amended and
27 Restated DDA"); and

28 WHEREAS, concurrent to the Amended and Restated DDA, a promissory note

1 was executed by OWNER evidencing the Loan and secured by a deed of trust in favor
2 of AGENCY (the "Deed of Trust"), which was recorded on September 23, 2008 in the
3 Official Records of the County of Riverside, California, as Instrument No. 2008-
4 0518206; and

5 WHEREAS, OWNER has obtained a loan for the Project in the original principal
6 amount of \$11,200,000 from the proceeds of the Multifamily Housing Revenue Bonds
7 (Mission Village Apartments) 2008 Series A (the "Bond Loan"), and a loan for the
8 Project in the amount of \$500,000 (the "AHP Loan") from Mississippi Valley Life
9 Insurance Corporation (the "AHP Lender"); and

10 WHEREAS, AGENCY executed a Subordination Agreement which
11 subordinates the Loan to the Bond Loan; and

12 WHEREAS, the AHP Loan is subordinate to the Loan pursuant to the
13 provisions of the recorded deed of trust which secures the AHP Loan; and

14 WHEREAS, on May 17, 2010, OWNER completed the development and
15 construction of Mission Village Senior Apartments and leased it to full occupancy by
16 the end December of 2010; and

17 WHEREAS, OWNER has requested an additional \$650,000 to pay for
18 additional building and permit fees, architectural and engineering fees and costs for
19 hazardous toxic abatement, as shown in Exhibit C which is attached hereto and by
20 this reference incorporated herein, for a total loan sum amount of \$10,474,015; and

21 WHEREAS, AGENCY and OWNER desire to increase the total amount of the
22 Loan from \$9,824,015 to \$10,474,015; and

23 WHEREAS, an amendment to the Deed of Trust documenting the increase in
24 the amount of the Loan (the "Deed of Trust Amendment") will be executed and
25 recorded in the Official Records of the County of Riverside, California, as shown in
26 Exhibit "A", which is attached hereto and by this reference incorporated herein, and an
27 amendment to the Promissory Note documenting the increase in the amount of the
28 Loan (the "Note Amendment") will be executed, as shown in Exhibit "B", which is

1 attached hereto and by this reference incorporated herein; and

2 WHEREAS, the parties intend that the Loan, as modified by this First
3 Amendment, the Deed of Trust Amendment and the Note Amendment, will continue to
4 be subject and subordinate to the Bond Loan, and will continue to be prior and
5 superior to the AHP Loan; and

6 WHEREAS, the acquisition, construction and operation of the Project serve the
7 interests of the community served by AGENCY and of the health, safety and welfare
8 of the residents of the County of Riverside by providing additional affordable units to
9 the community. The Project meets the public purposes and provisions of applicable
10 federal, state and local laws and requirements which govern the AGENCY.

11 NOW, THEREFORE, in consideration of the foregoing, and the promises and
12 mutual covenants and conditions hereinafter set forth, AGENCY and OWNER do
13 hereby agree as follows:

- 14 1. The total amount of the Loan shall be modified and increased from
15 \$9,824,015 to \$10,474,015.
- 16 2. The Deed of Trust Amendment shall be executed by AGENCY and
17 OWNER and recorded in the Official Records of the County of Riverside,
18 California, and the Note Amendment shall be executed by AGENCY and
19 OWNER and retained by AGENCY.
- 20 3. As a condition of AGENCY's execution of the Deed of Trust Amendment
21 and Note Amendment, OWNER shall cause the AHP Lender to sign and
22 record in the official records of Riverside County an amendment or
23 supplement to the AHP Deed of Trust, or a subordination agreement, in a
24 form reasonably acceptable to AGENCY, which subordinates the lien of
25 the AHP Loan to the Loan and the Deed of Trust, as modified by the
26 Deed of Trust Amendment and the Note Amendment.
- 27 4. As a condition of AGENCY's execution of the Deed of Trust Amendment
28 and Note Amendment, OWNER shall cause the title company which

1 issued the lender's policy of title insurance to AGENCY to provide
2 AGENCY an endorsement to such policy which insures that the lien
3 priority of the Deed of Trust, as modified by the Deed of Trust
4 Amendment, is prior and superior to the lien of the AHP Loan and any
5 other financial liens, other than the Bond Loan. OWNER shall be
6 responsible for the cost of such title policy endorsement from the
7 proceeds of the Loan.

- 8 5. All other terms and conditions of the Amended and Restated DDA shall
9 remain unmodified and in full force and effect.
- 10 6. This First Amendment, the Amended and Restated DDA and the DDA set
11 forth and contain the entire understanding and agreement of the parties
12 hereto. There are no oral or written representations, understandings, or
13 ancillary covenants, undertakings or agreements, which are not contained
14 or expressly referred to within this First Amendment, the Amended and
15 Restated DDA and the DDA.
- 16 7. Each of the attachments and exhibits attached hereto are incorporated
17 herein by this reference.
- 18 8. This First Amendment may be signed by the different parties hereto in
19 counterparts, each of which shall be an original, but all of which together
20 shall constitute one and the same agreement.
- 21 9. The effective date of this First Amendment is the date set forth in the first
22 paragraph hereof.
- 23 10. This First Amendment is not binding until approved by the Board of
24 Directors of the Redevelopment Agency for the County of Riverside.

25 ///

26 ///

27

28

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

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

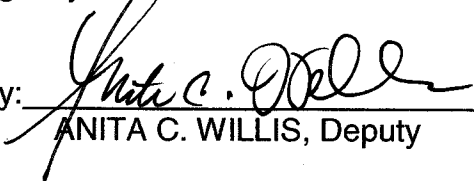
OWNER:
MISSION VILLAGE SENIOR
APARTMENTS, L.P.,
a California limited partnership

8 By: Its Managing General Partner,
9 Southern California Housing
10 Development Corporation of the
11 Inland Empire, a California nonprofit
12 public benefit corporation

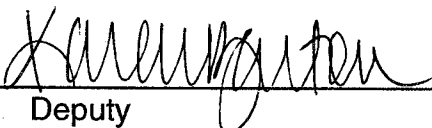
12 By: 
13 BOB BUSTER, Chairman
14 Board of Directors

By: 
RICHARD J. WHITTINGHAM,
Chief Financial Officer

15 APPROVED AS TO FORM:
16 PAMELA J. WALLS
17 Agency Counsel

18 By: 
19 ANITA C. WILLIS, Deputy

20
21 ATTEST:
22 KECIA HARPER-IHEM
23 Clerk of the Board

24 By: 
25 Deputy

26 (Signatures on this page need to be notarized)
27
28

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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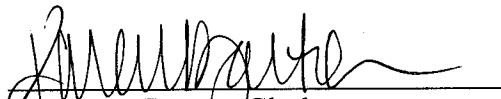
On April 26, 2011, before me, Karen Barton, Board Assistant, personally appeared Bob Buster, Chairman of the Redevelopment Agency Board of Directors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he 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 ACKNOWLEDGMENT

State of California

County of San Bernardino }

On April 4, 2011 before me, CLAUDINE MORALES, Notary Public
Date Here Insert Name and Title of the Officer

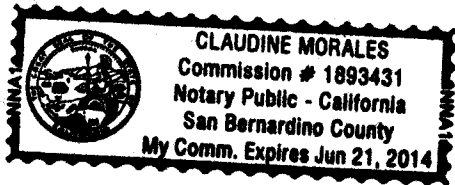
personally appeared Richard J. Whittingham
Name(s) of Signer(s)

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 Claudia Morales
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: First Amendment To Amend and Reestate Disposition

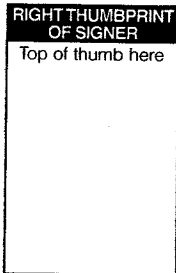
Document Date: _____ Number of Pages: 6

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

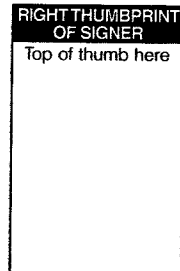
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

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"

Deed of Trust Amendment

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

AMENDMENT TO DEED OF TRUST

This AMENDMENT TO DEED OF TRUST is made on this ____ day of _____, 2011, by and between MISSION VILLAGE SENIOR APARTMENTS, L.P., a California limited partnership ("TRUSTOR" or "Borrower"), whose address is 9065 Haven, Suite 100, Rancho Cucamonga, California 91730, FIDELITY TITLE COMPANY, a California corporation ("TRUSTEE"), and the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic ("AGENCY" or "Beneficiary" or "Lender"), whose address is 3403 10th Street, Suite 500, Riverside, CA 92501, or such other place as AGENCY may provide in writing.

A. Trustor executed that certain Deed of Trust with Assignment of Rents (Short Form) (the "Deed of Trust"), dated as of September 15, 2008, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Nine Million Eight Hundred Twenty-Four Thousand and Fifteen Dollars (\$9,824,015).

B. The Deed of Trust was recorded in the official records of Riverside County on September 23, 2008, as Document No. 2008-0518206.

C. The parties have executed an Amendment to Promissory Note ("Note Amendment"), of even date herewith, which increases the principal amount of the

Promissory Note by Six Hundred Fifty Thousand Dollars (\$650,000) to Ten Million Four Hundred Seventy-Four Thousand and Fifteen Dollars (\$10,474,015).

NOW, THEREFORE, the Deed of Trust is hereby amended as follows:

1. **Amendment to Secured Amount.** Paragraph (1) of the Deed of Trust is hereby revised to read as follows: "(1) Payment of the sum of \$10,474,015, with interest thereon, according to the terms of a promissory note or notes of even date herewith, as amended by the Amendment to Promissory Note dated concurrently with the Amendment to Deed of Trust, made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof;"

2. **AHA Amendment.** All references in the Deed of Trust to the Amended and Restated Disposition and Development/Affordable Housing Agreement or "AHA" shall mean the Amended and Restated Disposition and Development/Affordable Housing Agreement, as amended by the First Amendment to Amended and Restated Disposition and Development/Affordable Housing Agreement dated _____, 2011.

3. **Remaining Terms Unaffected.** Except as expressly provided herein, nothing in this Amendment to Deed of Trust shall be deemed to waive or modify any of the other provisions of the Deed of Trust. In the event of any conflict between this Amendment to Deed of Trust and the Deed of Trust, the terms of this Amendment to Deed of Trust shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Deed of Trust as of the date first set forth above.

(SIGNATURES ON NEXT PAGE)

TRUSTOR:

MISSION VILLAGE SENIOR APARTMENTS, L.P.,
a California limited partnership

By: Its Managing General Partner,
Southern California Housing Development
Corporation of the Inland Empire,
a California nonprofit public benefit corporation

By: 

RICHARD J. WHITTINGHAM,
Chief Financial Officer

BORROWER SIGNATURE MUST BE NOTARIZED

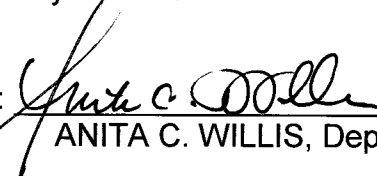
(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY AGENCY:

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

By: 
BOB BUSTER, Chairman
Board of Directors

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By: 
ANITA C. WILLIS, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

AGENCY SIGNATURE MUST BE NOTARIZED

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

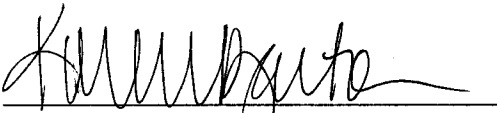
} §

On April 26, 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 ACKNOWLEDGMENT

State of California

County of San Bernardino }

On April 4, 2011 before me, Claudine Morales, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Richard J. Whittingham
Name(s) of Signer(s)

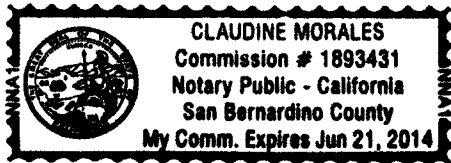
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),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

Claudine Morales
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment To Deed of Trust

Document Date: _____ Number of Pages: 5

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

EXHIBIT "B"

Note Amendment

AMENDMENT TO PROMISSORY NOTE

THIS AMENDMENT TO PROMISSORY NOTE (this "Note Amendment") is hereby made and entered into as of _____, 2011, by MISSION VILLAGE SENIOR APARTMENTS, L.P., a California limited partnership ("Borrower"), in favor of the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic ("AGENCY").

A. Borrower executed a Promissory Note dated September 15, 2008 ("Original Note"), pursuant to which Borrower agreed to pay Lender the principal sum of Nine Million Eight Hundred Twenty-Four Thousand and Fifteen Dollars (\$9,824,015), together with interest (the "Note Amount").

B. Pursuant to a First Amendment to Amended and Restated Disposition and Development/Affordable Housing Agreement, dated _____, 2011, the parties now desire to increase the Note Amount by Six Hundred Fifty Thousand Dollars (\$650,000), to Ten Million Four Hundred Seventy-Four Thousand and Fifteen Dollars (\$10,474,015).

NOW, THEREFORE, Borrower and Agency agree that the Original Note shall be amended as follows:

1. **Defined Terms.** Unless otherwise defined in this Note Amendment, initially capitalized terms shall have the meaning set forth in the Original Note.

2. **Note Amount.** The Note Amount, as set forth in the first paragraph of the Original Note, is hereby amended to Ten Million Four Hundred Seventy-Four Thousand and Fifteen Dollars (\$10,474,015) (the "Amended Note Amount").

3. **Deed of Trust Amendment.** Section 4 of the Note is amended to provide as follows: "This Note is secured by a Deed of Trust dated the same date as this Note, as modified by that certain Amendment to Deed of Trust dated the same date as the Amendment to Promissory Note."

4. **Miscellaneous.** Except as expressly provided herein, nothing in this Note

Note Amendment shall be deemed to waive or modify any of the other provisions of the Original Note. In the event of any conflict between this Note Amendment and the Original Note, the terms of this Note Amendment shall prevail.

IN WITNESS WHEREOF, Borrower and Agency have executed this Note Amendment as of the date set forth above.

BORROWER:

MISSION VILLAGE SENIOR APARTMENTS, L.P.,
a California limited partnership

By: Its Managing General Partner,
Southern California Housing Development
Corporation of the Inland Empire,
a California nonprofit public benefit corporation

By: 

RICHARD J. WHITTINGHAM,
Chief Financial Officer

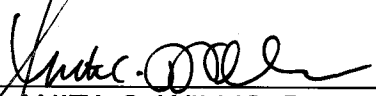
(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY AGENCY:

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

By: 
BOB BUSTER, Chairman
Board of Directors

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By: 
ANITA C. WILLIS, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

EXHIBIT "C"

Allocation of Loan Increase:

Building & Impact Fees/Permits	\$	474,621
Environmental Toxic Abatement	\$	88,843
Architectural and Engineering fees	\$	86,536
	\$	650,000

Permanent Sources and Uses of Funds:

Sources:

US Bank Conventional Loan	\$	3,019,918
Limited Partner Tax Credit Equity	\$	5,620,353
Redevelopment Agency for the County of Riverside Loan	\$	10,474,015
Federal Home Loan Bank Affordable Housing Program Loan	\$	500,000
Accrued Construction Loan Interest	\$	371,513
Deferred Developer Fee	\$	487,410
Total Sources	\$	20,473,209

Uses:

Demolition	\$	33,836
New construction costs	\$	14,231,618
Architectural and Engineering costs	\$	1,156,917
Construction Interest & Fees	\$	1,267,652
Permanent Financing costs	\$	21,140
Attorney fees	\$	198,606
Reserves	\$	273,570
Appraisals	\$	11,930
TCAC Fees	\$	49,905
Environmental Toxic Abatement	\$	338,843
Building & Impact Fees/Permits	\$	915,984
Permit Processing Fees	\$	299,054
Other Fees, Marketing & Furnishings	\$	274,154
Developer's fee	\$	1,400,000
Total Uses	\$	20,473,209