

Lien Holders at least 60 days' prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the Senior Deeds of Trust.

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

9. Mortgage Insurance. (Not used)

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

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

- a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Lender's lien is not impaired, any condemnation proceeds may be used by Borrower for repair and/or restoration of the project.
- b. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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

- 12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Except in connection with any successor in interest approved by lender, extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
- 13. Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18. Borrower's covenants and agreements shall be joint and several.
- 14. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be promptly refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.
- 15. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Borrower's mailing address stated herein or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to any Senior Lien Holder at such address Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.
- 16. Governing Law; Severability.** This Security Instrument shall be governed by state law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note

which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

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

- a. If Lender exercises the foregoing option, Lender shall give Borrower prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.
- b. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder.
- c. The Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holders pursuant to the Senior Deeds of Trust, the Senior Lien Holders' approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

19. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under

this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 18.

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

21. No Assignment. Until the loans secured by the Senior Deeds of Trust have been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holders' prior written consent.

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

- a. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holders that such remedial action is necessary and shall obtain the Senior Lien Holders' prior written consent for such remedial action.
- b. As used in this paragraph 22, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the

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

23. Acceleration; Remedies. Lender shall give notice to Borrower, Borrower's investment limited partner (the "Investment Limited Partner") and the Senior Lien Holders prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower and the Investment Limited Partner (and with respect to a Senior Lien Holder, 60 days from the date the notice is given to such Senior Lien Holder), by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured by the Borrower on or before the date specified in the notice, and the Senior Lien Holders or the Investment Limited Partner have not exercised their right to cure the default, then Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holders, the Special Limited Partner and the Investment Limited Partner at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

- a. If Lender invokes the power of sale, Lender or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.
- b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements

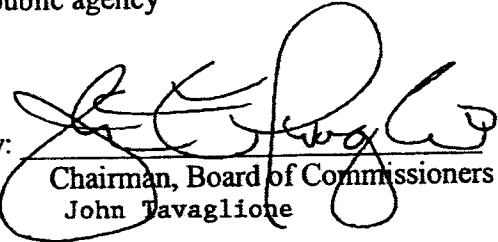
made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

24. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
25. **Substitute Trustee.** Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.
26. **Modification of Senior Deeds of Trust Loan Documents.** The Lender consents to any agreement or arrangement in which a Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions of the applicable Senior Deed of Trust loan documents, including any provisions requiring the payment of money.
27. **Prohibition against tenancy under foreclosure.** Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.
28. **General Partner Change.** The withdrawal, removal, and/or replacement of a general partner of the Borrower pursuant to the terms of the Partnership Agreement of Borrower (as the same may be amended from time to time) shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness. Any proposed General Partner replacement shall have the qualifications and financial responsibility as reasonably determined by the Lender necessary and adequate to fulfill the obligations undertaken in the Lender Agreement, as amended.
29. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one (1) and the same instrument.


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

BORROWER:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE,
a public agency

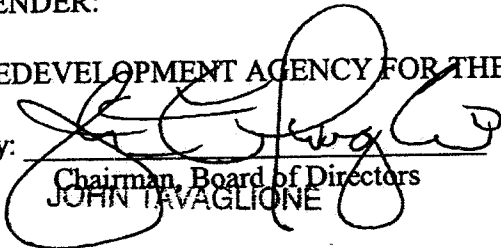
By: 
Chairman, Board of Commissioners
John Tavaglione

ATTEST:
NANCY ROMERO, Clerk of the Board

By: 
Deputy

LENDER:

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

By: 
Chairman, Board of Directors
JOHN TAVAGLIONE

ATTEST:

NANCY ROMERO
Clerk of the Board


Deputy

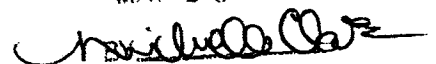
APPROVED AS TO FORM

By: 
Agency Counsel

(All signatures on this page need to be notarized)

FORM APPROVED
COUNTY COUNSEL

MAY 25 2007



STATE OF CALIFORNIA

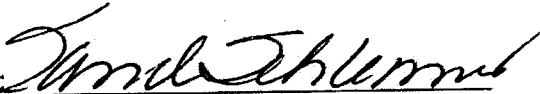
COUNTY OF RIVERSIDE

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On this 5th day of June in the year 2007, before me, Sandi Schlemmer, Deputy Clerk of the Board of Supervisors, Riverside County, State of California, and for said County and State, personally appeared John Tavaglione personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who whose name 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 on behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal.

Nancy Romero, Clerk of the Board of Supervisors

By: 
Deputy

(SEAL)

Exhibit "D1"

LEGAL DESCRIPTION

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

THAT PROTION OF TRACT 179, AS SHOWN BY INDEPENDENT RESURVEY OF TOWNSHIP 7 SOUTH, RANCE 22 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS ACCEPTED BY THE GENERAL LAND OFFICE IN 1919, LYING WESTERLY OF THE WEST BOUNDARY OF THE TOWNSITE OF RIPLEY, AS SHOWN BY MAP RECORDED IN BOOK 10, PAGE 33, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 7 OF SAID TOWNSITE OF RIPLEY AS SHOWN ON SAID MAP;

THENCE NORTH 0° 58' WEST, 150 FEET, ON THE WEST LINE OF SAID BLOCK, TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 02' WEST, 80 FEET TO THE SOUTHEAST CORNER OF THAT PARCEL DESCRIBED IN DEED TO CHARLIE LEONARD, RECORDED APRIL 1, 1955, IN BOOK 1717 PAGE 181 AS INSTRUMENT NO. 21427 OF OFFICIAL RECORDS;

THENCE ON THE EAST, NORTH AND WEST BOUNDARIES OF THE LEONARD PARCEL, THE FOLLOWING COURSES AND DISTANCES; NORTH 50 FEET, WEST 150 FEET SOUTH 50 TO A POINT ON THE NORTH LINE OF THAT PARDEL DESCRIBED IN DEED TO PALO VERDE VALLEY UNION SCHOOL DISTRICT, RECORDED SEPTEMBER 16, 1926, IN BOOK 687, PAGE 404 AS INSTRUMENT NO. 1066 OF OFFICIAL RECORDS;

THENCE SOUTH 89° 2' WEST 1108 FEET, ON THE NORTHERLY LINE OF SAID SCHOOL DISTRICT PARCEL AND THE WESTERLY EXTENSION THEREOF, TO A POINT ON THE WEST LINE OF SAID TRACT 176;

THENCE NORTH 400.00 FEET, ON THE WEST LINE OF SAID TRACT 176, TO THE SOUTHERLY RIGHT OF WAY LINE OF THE CALIFORNIA SOUTHERN RAILROAD COMPANY LAND AS DESCRIBED IN DEED RECORDED OCTOBER 11, 1921, IN BOOK 551, PAGE 480 OF DEEDS;

THENCE EASTERLY 1338 FEET, ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID RAILROAD PARCEL, TO THE WEST LINE OF SAID TOWNSITE OF RIPLEY;

THENCE SOUTH 0° 58' EAST 400 FEET, ON SAID WEST LINE, TO THE POINT OF BEGINNING.

EXHIBIT "E"

Promissory Note

PROMISSORY NOTE

\$7,500,000

Riverside, CA

In installments as hereafter stated, for value received, the Housing Authority of the County of Riverside, a public agency, organized and existing under the laws of the State of California, (hereinafter referred to as "Borrower") promises to pay the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a political subdivision of the State of California, (hereinafter referred to as "Lender"), or order, at 5555 Arlington Avenue, Riverside, California, 92504, the sum of Seven Million Five Hundred Thousand and No/100 Dollars (US \$7,500,000) with simple interest on the unpaid principal amount, at the rate of zero percent (0%) percent per annum, interest and principal payable as follows:

The principal of the loan bears simple interest of zero percent (0%) per annum. The amount due under the Promissory Note shall accrue simple interest at a rate of zero percent (0%) per annum. The term of the loan shall be fully deferred for fifty-five (55) years and the loan shall be forgiven after fifty-five (55) years.

Prepayment. Prepayment of principal or interest may occur at any time without penalty. However, the affordability requirements outlined in Section 4 iii of AGENCY's Rehabilitation of Real Property Agreement shall remain in full force and effect for fifty-five (55) years after the issuance of the Certificate of Occupancy for the Project.

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

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

The Borrower and its partners, officers, and directors shall not have direct or indirect personal liability for payment of the principal of, or interest on, the AGENCY Loan or the performance of the Borrower's obligations under the AGENCY documents. The sole recourse of the AGENCY with respect to payment of the principal of, or interest on, the AGENCY Loan, shall be to the Property. This nonrecourse provision does not limit or impair the enforcement against all such security for the AGENCY Loan of all the rights and remedies of the AGENCY, nor does it impair the right of the AGENCY to assert the unpaid principal amount of the AGENCY Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this nonrecourse provision does not relieve the Borrower of personal liability for any of the following (i) fraud or willful misrepresentation; (ii) the failure to

pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the AGENCY Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the AGENCY Deed of Trust; (iv) the willful misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss, or destruction to any portion of the Project (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income arising with respect to the Project received by the Borrower after the AGENCY has properly exercised its rights under the AGENCY Deed of Trust to receive such income upon an Event of Default (as defined under the AGENCY Deed of Trust).

Executed at Riverside, California, on June 5, 2007.

BORROWER:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE,

By:



Chairman, Board of Commissioners
John Taraglione

(All signatures on this page need to be notarized)

ATTEST:

NANCY ROMERO, Clerk of the Board

By:


Deputy

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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On this 5th day of June in the year 2007, before me, Sandi Schlemmer, Deputy Clerk of the Board of Supervisors, Riverside County, State of California, and for said County and State, personally appeared John Tavaglione personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who whose name 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 on behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal.

Nancy Romero, Clerk of the Board of Supervisors

By: *Sandi Schlemmer*
Deputy

(SEAL)

ATTACHMENT NO. 5

(Behind this page)

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1 No Fee for Recording Pursuant to
2 6103 Government Code
3 Order No.
4 Escrow No.
5 Loan No.

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 Redevelopment Agency
9 for the County of Riverside
10 1325 Spruce Street, Ste. 400
11 Riverside, CA 92507
12 Attn. Laura Ballesteros

13 SPACE ABOVE THIS LINE FOR RECORDERS USE

14 **FIRST AMENDMENT TO LOAN AGREEMENT**
15 **FOR THE REHABILITATION OF**
16 **THE RIPLEY FARM WORKER HOUSING CENTER**
17

18 This First Amendment to Loan Agreement (the "First Amendment") is entered into
19 effective this 26th day of February, 2008, by and between the REDEVELOPMENT
20 AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (herein
21 after referred to as "AGENCY") and the HOUSING AUTHORITY OF THE COUNTY OF
22 RIVERSIDE, a public agency, organized and existing under the laws of the State of California
23 (hereinafter referred to as "HOUSING AUTHORITY") for the rehabilitation of the "Ripley Farm
24 Worker Center" (hereinafter referred to as the "Project"), as specifically identified in Exhibit
25 "A" attached hereto and incorporated herein by reference.

26 **WITNESSETH:**

27 WHEREAS, the AGENCY and the HOUSING AUTHORITY entered into a Loan
28 Agreement (hereinafter referred to as the "Agency Loan Agreement"), dated June 5, 2007; and


WHEREAS, under the terms and conditions of the Agency Loan Agreement, the
AGENCY has provided to HOUSING AUTHORITY funds in the original principal amount of
Seven Million Five Hundred Thousand dollars (\$7,500,000) (hereinafter referred to as the
"Agency Loan") for the substantial increase in construction costs and operating expenses; and

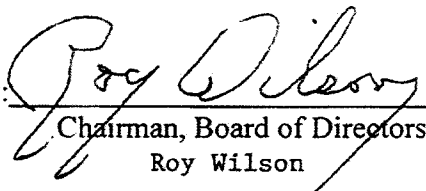
1 IN WITNESS WHEREOF, the AGENCY and the HOUSING AUTHORITY have executed this
2 Agreement as of the date first above written.

3
4 ATTEST:

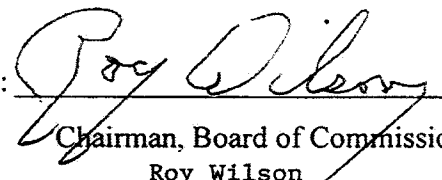
REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

5 Nancy Romero
6 Clerk of the Board

7 
8 Deputy Clerk

By: 
Chairman, Board of Directors
Roy Wilson

9
10 HOUSING AUTHORITY OF
11 THE COUNTY OF RIVERSIDE

12
13 By: 
14 Chairman, Board of Commissioners
15 Roy Wilson

16
17 APPROVED AS TO FORM

18
19 By: 
AGENCY Counsel Michelle Clark

20
21 (All signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE


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On February 26, 2008, before me, Sandi Schlemmer, Deputy Clerk, personally appeared Roy Wilson, 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.

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

Nancy Romero
Clerk of the Board of Supervisors

By 
Deputy

(SEAL)

Exhibit "A"

Address: 24-501 School Road, Ripley CA 92272

Assessor's Parcel Number: 872-210-023

LEGAL DESCRIPTION

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

THAT PROTION OF TRACT 179, AS SHOWN BY INDEPENDENT RESURVEY OF TOWNSHIP 7 SOUTH, RANCE 22 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS ACCEPTED BY THE GENERAL LAND OFFICE IN 1919, LYING WESTERLY OF THE WEST BOUNDARY OF THE TOWNSITE OF RIPLEY, AS SHOWN BY MAP RECORDED IN BOOK 10, PAGE 33, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 7 OF SAID TOWNSITE OF RIPLEY AS SHOWN ON SAID MAP;

THENCE NORTH 0° 58' WEST, 150 FEET, ON THE WEST LINE OF SAID BLOCK, TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 02' WEST, 80 FEET TO THE SOUTHEAST CORNER OF THAT PARCEL DESCRIBED IN DEED TO CHARLIE LEONARD, RECORDED APRIL 1, 1955, IN BOOK 1717 PAGE 181 AS INSTRUMENT NO. 21427 OF OFFICIAL RECORDS;

THENCE ON THE EAST, NORTH AND WEST BOUNDARIES OF THE LEONARD PARCEL, THE FOLLOWING COURSES AND DISTANCES; NORTH 50 FEET, WEST 150 FEET SOUTH 50 TO A POINT ON THE NORTH LINE OF THAT PARDEL DESCRIBED IN DEED TO PALO VERDE VALLEY UNION SCHOOL DISTRICT, RECORDED SEPTEMBER 16, 1926, IN BOOK 687, PAGE 404 AS INSTRUMENT NO. 1066 OF OFFICIAL RECORDS;

THENCE SOUTH 89° 2' WEST 1108 FEET, ON THE NORThERLY LINE OF SAID SCHOOL DISTRICT PARCEL AND THE WESTERLY EXTENSION THEREOF, TO A POINT ON THE WEST LINE OF SAID TRACT 176;

THENCE NORTH 400.00 FEET, ON THE WEST LINE OF SAID TRACT 176, TO THE SOUTHERLY RIGHT OF WAY LINE OF THE CALIFORNIA SOUTHERN RAILROAD COMPANY LAND AS DESCRIBED IN DEED RECORDED OCTOBER 11, 1921, IN BOOK 551, PAGE 480 OF DEEDS;

THENCE EASTERLY 1338 FEET, ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID RAILROAD PARCEL, TO THE WEST LINE OF SAID TOWNSITE OF RIPLEY;

THENCE SOUTH 0° 58' EAST 400 FEET, ON SAID WEST LINE, TO THE POINT OF BEGINNING.

ATTACHMENT NO. 6

(Behind this page)

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

3 Order No.
4 Escrow No.
5 Loan No.

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 County of Riverside
9 Economic Development Agency
10 1325 Spruce Street, Suite 400
11 Riverside, CA 92507
12 Attn. Der Xiong

DOC # 2010-0148937

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Page 1 of 4

Recorded in Official Records
County of Riverside

Larry W. Ward
Assessor, County Clerk & Recorder



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10 **SECOND AMENDMENT TO THE LOAN AGREEMENT FOR THE**
11 **REHABILITATION OF RIPLEY FARM WORKER HOUSING CENTER**

12 This Second Amendment to that certain Loan Agreement for the Rehabilitation of the
13 Ripley Farm Worker Housing Center dated June 5, 2007, ("Second Amendment") is entered
14 into this 19th day of May, 2009, ("Effective Date") by and between the
15 REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("AGENCY"), a
16 public body, corporate and politic and the HOUSING AUTHORITY OF THE COUNTY OF
17 RIVERSIDE, public agency, organized and existing under the laws of the State of California
18 ("HOUSING AUTHORITY").

19 **WITNESSETH:**

20 **WHEREAS**, on June 5, 2007, the AGENCY and the HOUSING AUTHORITY entered
21 into that certain Loan Agreement for the Rehabilitation of the Ripley Farm Worker Housing
22 Center in the amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000)
23 ("Agency Loan Agreement") for the rehabilitation and renovation of the Ripley Farm Worker
24 Housing Center ("Project"); and
25

26 **WHEREAS**, on February 26, 2008, the AGENCY and the HOUSING AUTHORITY
27 entered into the First Amendment to the Agency Loan Agreement, which converted the
28 AGENCY's loan into a grant ("Agency Grant"); and

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1 **WHEREAS**, the total amount of the Agency Grant is Seven Million Five Hundred
2 Thousand Dollars (\$7,500,000); and

3 **WHEREAS**, the HOUSING AUTHORITY completed the Project and renamed the
4 complex the Desert Rose Apartments; and

5 **WHEREAS**, the HOUSING AUTHORITY is facing many challenges in leasing the
6 newly renovated Desert Rose Apartments and is requesting an additional grant from the
7 AGENCY, not to exceed the amount of Two Hundred Thousand (\$200,000); and

8 **WHEREAS**, this additional grant will be used to provide subsidies to, or for the benefit
9 of, extremely low income households, very low income households, lower income households
10 or persons and families of low or moderate income; and

11 **WHEREAS**, providing this additional grant to the HOUSING AUTHORITY will assist
12 the AGENCY in increasing, improving and preserving the community's supply of low and
13 moderate income housing available at affordable housing cost; and

14 **WHEREAS**, the Agency is willing to provide an additional \$200,000 to the HOUSING
15 AUTHORITY.

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

- 19 1. The Agency Grant shall be increased by \$200,000; and
- 20 2. The Agency Loan Agreement, as amended by the First Amendment, is hereby
21 modified and amended to reflect a grant of Redevelopment Agency Low- and
22 Moderate Income Housing Funds in the total amount of \$7,700,000; and
- 23 3. The Agency Loan Agreement, First Amendment and this Second Amendment
24 contain the entire understanding and agreement of the parties hereto. There are
25 no oral or written representations, understandings, or ancillary covenants,
26 undertakings or agreements, which are not contained or expressly referred to
27 within this Agreement; and
28



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- 1 4. All other terms and conditions of the Agency Loan Agreement and the First
- 2 Amendment remain unmodified and in full force and effect; and
- 3 5. This Second Amendment may be signed by the different parties hereto in
- 4 counterparts, each of which shall be an original, but all of which together shall
- 5 constitute one and the same agreement.
- 6

7 **IN WITNESS WHEREOF**, the AGENCY and the HOUSING AUTHORITY
8 have executed this Second Amendment as of the date first above written.

9
10 REDEVELOPMENT AGENCY
11 FOR THE COUNTY OF RIVERSIDE

HOUSING AUTHORITY
OF THE COUNTY OF RIVERSIDE

12
13 By: Jeff Stone
14 JEFF STONE
Chairman, Board of Directors

By: Jeff Stone
JEFF STONE
Chairman, Board of Commissioners

15
16
17 ATTEST:
18 KECIA HARPER-IHEM, Clerk of the Board

19
20 By: [Signature]
21 Deputy

22
23 APPROVED AS TO FORM
24 PAMELA J. WALLS
25 Agency Counsel

26
27 By: [Signature]
Deputy Michelle Clark



28
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3 of 4



LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

www.riversideacr.com

CERTIFICATION

Pursuant to the provisions of Government Code 27361.7, I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

Board of Supervisors
Riverside County California
Michelle Clark
Established 1893

2010-0148337
04/01/2010 09:00A
4 of 4



Date: 4/1/2010

Signature: Mary J. Lowe

Print Name: Mary J. Lowe

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

3
4 RECORDING REQUESTED BY AND
5 WHEN RECORDED MAIL TO:
6 Housing Authority of the County of Riverside
7 5555 Arlington Avenue
8 Riverside, CA 92504
9 Attention: Leslie Trainor

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11
12 **AMENDED AND RESTATED COVENANT AGREEMENT**

13 THIS AMENDED AND RESTATED COVENANT AGREEMENT (“Covenant Agreement”)
14 is made and entered this _____ day of _____, 2016, by and between the
15 HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and
16 politic, in its capacity as housing successor to the former Redevelopment Agency for the County
17 of Riverside (“Housing Successor”) and the HOUSING AUTHORITY OF THE COUNTY OF
18 RIVERSIDE, a public entity corporate and politic (“Authority”). The Housing Successor and the
19 Authority are collectively referred to herein as the “Parties.”

20 **RECITALS**

21 WHEREAS, the Authority owns that certain real property located at 24-501 School
22 Road, Ripley, California, also known as APN 872-210-023, as described in the legal description
23 attached hereto as Attachment No. 1 and incorporated herein by this reference (“Property”);

24 WHEREAS, the Authority is a California housing authority acting under the California
25 Housing Authorities Law, Part 2 of Division 4 of the Health and Safety Code (“Housing
26 Authorities Law”);

27 //

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1 WHEREAS, the Redevelopment Agency for the County of Riverside (“RDA”), was
2 duly created pursuant to California Community Redevelopment Law (Health and Safety Code
3 Section 33000 et seq., the “CRL”);

4 WHEREAS, the Authority and the former RDA entered into that certain Rehabilitation
5 of Real Property Agreement dated November 17, 2005 and recorded in the Official Records of
6 the County of Riverside on December 6, 2005 as Document No. 2005-1007972, as amended by
7 that certain First Amendment to Rehabilitation of Real Property Agreement dated on or about
8 the date hereof and recorded concurrently herewith in the Official Records (“Official Records”)
9 of the County of Riverside (collectively “Agreement”). Capitalized terms not defined herein
10 shall have the meaning ascribed to such terms in the Agreement;

11 WHEREAS, the Agreement provided for, among other things, a grant to the Authority
12 in the amount of One Million Dollars (\$1,000,000) to pay a portion of the costs to rehabilitate
13 and convert the existing apartment complex located on the Property from a 100-unit rental
14 housing complex to a 76-unit housing complex (with 1 unit set aside for an on-site manager)
15 now known as the Desert Rose Apartments (“Apartments”). The Apartments are designated as
16 affordable rental housing for low or moderate income households with annual incomes of not
17 more than 120% of the area median income (“AMI”), with a priority for farm worker
18 households. The rehabilitation and conversion of the Apartments was completed on July 7,
19 2008;

20 WHEREAS, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484, added
21 parts 1.8 and 1.85 to Division 24 of the CRL. As a result, the RDA was dissolved on February
22 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and
23 Safety Code Section 34173;

24 WHEREAS, pursuant to Health and Safety Code Section 34176 (a), County of Riverside
25 Board of Supervisors Resolution No. 2012-035, and Authority Board of Commissioners
26 Resolution Nos. 2012-001 and 2012-005, all housing functions previously performed by the
27 former RDA, including related rights, powers, duties, obligations and housing assets were
28

1 transferred to the Housing Successor, including, but not limited to the Property, and the
2 Agreement;

3 WHEREAS, pursuant to the Agreement, the Apartments and the Property are required
4 to be rented to and occupied by Low or Moderate Income Households (as defined in the
5 Agreement) for a period of 55 years from the date the rehabilitation and conversion of the
6 Property was completed which is July 7, 2008; and

7 WHEREAS, the Parties desire to memorialize Authority's obligation to maintain the
8 affordability of the Apartments pursuant to the CRL and the Agreement, as more specifically set
9 forth below.

10 NOW, THEREFORE, in consideration of the mutual covenants and agreements
11 contained in this Covenant Agreement, and for other good and valuable consideration, the receipt
12 and sufficiency of which are hereby acknowledged, the Authority, on behalf of itself and its
13 successors, assigns, and each successor in interest to the Property or any part thereof, hereby
14 declares as follows:

- 15 1. RECITALS. The aforementioned Recitals are true and correct and incorporated
16 herein.
- 17 2. AMENDED AND RESTATED COVENANTS. This Amended and Restated
18 Covenant Agreement, amends, restates and supersedes in its entirety that certain Covenant
19 Agreement executed by the Parties on November 17, 2005 and attached to the Agreement
20 as Exhibit D.
- 21 3. USE OF THE PROPERTY. During the Term (defined below) the Property,
22 including any portion thereof including the 76 affordable housing units ("affordable
23 housing units" and "Apartments") shall be used only as specified in this Covenant
24 Agreement and the Agreement. During the Term, the affordable units shall be rented to
25 and occupied by Low and Moderate Income Households (as defined in the Agreement
26 and Health and Safety Code section 50093) for an affordable rent as specified herein and
27

1 in the CRL. No change in the use of the Property shall be permitted without the prior
2 written approval of the Housing Successor.

3 4. TERM. This Covenant Agreement shall continue in full force and effect for fifty-
4 five (55) years from the date the rehabilitation and conversion of the Apartments was
5 completed which is July 7, 2008 (“Term”).

6 5. RESTRICTIONS. For the duration of the Term, the Property shall be held, sold
7 and conveyed, subject to the following covenants, conditions, and restrictions.

8 a) Income Restrictions. The Authority shall reserve affordable housing units on the
9 Property for qualified persons and families of low or moderate income, as that
10 phrase is defined in Section 50093 of the California Health and Safety Code.

11 b) Affordability Definitions. Rent for the affordable housing units shall be as
12 defined in Section 50053 of the California Health and Safety Code, which
13 dictates that the rent or cost for housing (including a reasonable utility
14 allowance) shall not exceed:

15 i) For extremely low income households, the product of 30
16 percent times 30 percent of the area median income (AMI)
17 adjusted for family size appropriate for the unit.

18 ii) For very low income households, the product of 30 percent
19 times 50 percent of the AMI adjusted for family size
20 appropriate for the unit.

21 iii) For lower income households whose gross incomes exceed
22 the maximum income for very low income households, the
23 product of 30 percent times 60 percent of the AMI adjusted
24 for family size appropriate for the unit. In addition, for
25 those lower income households with gross incomes that
26 exceed 60 percent of the AMI adjusted for family size, it
27 shall be optional for the Housing Successor to require that

1 affordable rent be established at a level not to exceed 30
2 percent of gross income of the household.

3 iv) For moderate-income households, the product of 30 percent
4 times 110 percent of the AMI adjusted for family size
5 appropriate for the unit. In addition, for those moderate-
6 income households whose gross incomes exceed 110
7 percent of the area median income adjusted for family size,
8 it shall be optional for the Housing Successor to require
9 that affordable rent be established at a level not to exceed
10 30 percent of gross income of the household.

11 c) Affordability Period. The Authority agrees that all affordable housing units on the
12 Property will remain affordable, as defined in the CRL, for the duration of the
13 Term.

14 d) The Authority shall comply with the terms of the Agreement, any amendments
15 thereto, and any other instrument secured against the Property.

16 6. MAINTENANCE OF THE PROPERTY. The Authority, on behalf of itself and
17 its successors, assigns, and each successor in interest to the Property or any portion
18 thereof hereby covenants to and shall protect, maintain, and preserve the Property in
19 compliance with all applicable federal and state law and regulations and local ordinances.
20 In addition, the Authority, its successors and assigns, shall maintain the improvements on
21 the Apartments in the same aesthetic and sound condition (or better) as the condition of
22 the Apartments at the time of the recordation of this Covenant Agreement, reasonable
23 wear and tear excepted. This standard for the quality of maintenance of the Property
24 shall be met whether or not a specific item of maintenance is listed below. However,
25 representative items of maintenance shall include frequent and regular inspection for
26 graffiti or damage or deterioration or failure, and immediate repainting or repair or
27 replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of

1 trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the
2 Property, on-site walks and paved areas and washing-down as necessary to maintain
3 clean surfaces; maintenance of all landscaping in a healthy and attractive condition,
4 including trimming, fertilizing and replacing vegetation as necessary; cleaning windows
5 on a regular basis; painting the buildings on a regular program and prior to the
6 deterioration of the painted surfaces; conducting a roof inspection on a regular basis and
7 maintaining the roof in a leak-free and weather-tight condition; maintaining security
8 devices in good working order. In the event that the Authority, its successors or assigns,
9 fails to maintain the Property in accordance with the standard for the quality of
10 maintenance, the Housing Successor or its designee shall have the right but not the
11 obligation to enter the Property upon reasonable notice to the Authority, correct any
12 violation, and hold the Authority, its successors or assigns, responsible for the cost
13 thereof, and such cost, until paid, shall constitute a lien on the Property.

14 7. NONDISCRIMINATION. The Authority shall not discriminate on the basis of
15 race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the
16 solicitation, selection, hiring or treatment of any contractors or consultants, to participate
17 in subcontracting/subconsulting opportunities. The Authority understands and agrees that
18 violation of this clause shall be considered a material breach of this Covenant Agreement
19 and may result in termination, debarment or other sanctions. This language shall be
20 incorporated into all contracts between the Authority and any contractor, consultant,
21 subcontractor, subconsultants, vendors and suppliers. The Authority shall comply with
22 the provisions of the California Fair Employment and Housing Act (Government Code
23 Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended,
24 and all Administrative Rules and Regulations issued pursuant to said Acts and Orders
25 with respect to its use of the Property.

26 a) The Authority herein covenants by and for itself, its successors and assigns, and
27 all persons claiming under or through them, that this Covenant Agreement is
28

1 made and accepted upon and subject to the following conditions: There shall be
2 no discrimination against or segregation of any person or group of persons, on
3 account of any basis listed in subdivision (a) or (d) of Section 12955 of the
4 Government Code, as those bases are defined in Sections 12926, 12926.1,
5 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and
6 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer,
7 use, occupancy, tenure, or enjoyment of the Apartments, nor shall the transferee
8 itself or any person claiming under or through him or her, establish or permit any
9 such practice or practices of discrimination or segregation with reference to the
10 selection, location, number, use, or occupancy, of tenants, lessees, sublessees,
11 subtenants, or vendees of the Property.

12 b) The Authority, its successors and assigns, shall refrain from restricting the rental,
13 sale, or lease of the Property or any portion thereof, on the basis of race, color,
14 creed, religion, sex, sexual orientation, marital status, national origin, or ancestry
15 of any person. Every deed, lease, and contract entered into with respect to the
16 Apartments, or any portion thereof, after the date of this Covenant Agreement
17 shall contain or be subject to substantially the following nondiscrimination or
18 nonsegregation clauses:

19 (i) In deeds: "The grantee herein covenants by and for himself or herself,
20 his or her heirs, executors, administrators, and assigns, and all persons
21 claiming under or through them, that there shall be no discrimination
22 against or segregation of, any person or group of persons on account of
23 any basis listed in subdivision (a) or (d) of Section 12955 of the
24 Government Code, as those bases are defined in Sections 12926,
25 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section
26 12955, and Section 12955.2 of the Government Code, in the sale, lease,
27 sublease, transfer, use, occupancy, tenure, or enjoyment of the premises

1 herein conveyed, nor shall the grantee or any person claiming under or
2 through him or her, establish or permit any practice or practices of
3 discrimination or segregation with reference to the selection, location,
4 number, use or occupancy of tenants, lessees, subtenants, sublessees, or
5 vendees in the premises herein conveyed.”

6 (ii) In leases: “The lessee herein covenants by and for himself or
7 herself, his or her heirs, executors, administrators, and assigns, and all
8 persons claiming under or through him or her, and this lease is made and
9 accepted upon and subject to the following conditions: That there shall
10 be no discrimination against or segregation of any person or group of
11 persons, on account of any basis listed in subdivision (a) or (d) of
12 Section 12955 of the Government Code, as those bases are defined in
13 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
14 subdivision (p) of Section 12955, and Section 12955.2 of the
15 Government Code, in the leasing, subleasing, transferring, use,
16 occupancy, tenure, or enjoyment of the premises herein leased nor shall
17 the lessee himself or herself, or any person claiming under or through
18 him or her, establish or permit any such practice or practices of
19 discrimination or segregation with reference to the selection, location,
20 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or
21 vendees in the premises herein leased.”

22 (iii) In contracts: “There shall be no discrimination against or
23 segregation of any person or group of persons, on account of any basis
24 listed in subdivision (a) or (d) of Section 12955 of the Government
25 Code, as those bases are defined in Sections 12926, 12926.1, subdivision
26 (m) and paragraph (1) of subdivision (p) of Section 12955, and Section
27 12955.2 of the Government Code, in the sale, lease, sublease, transfer,
28

1 use, occupancy, tenure, or enjoyment of the land, nor shall the transferee
2 itself or any person claiming under or through him or her, establish or
3 permit any such practice or practices of discrimination or segregation
4 with reference to the selection, location, number, use, or occupancy, of
5 tenants, lessees, sublessees, subtenants, or vendees of the land.”

6 c) In addition to the obligations and duties of the Authority set forth herein, the
7 Authority shall, upon notice from the Housing Successor, promptly pay to the
8 Housing Successor all fees and costs, including administrative and attorneys’ fees,
9 incurred by the Housing Successor in connection with responding to or defending
10 any discrimination claim brought by any third party and/or local, state or federal
11 government entity, arising out of or in connection with the Agreement and any
12 amendments thereto, or this Covenant Agreement.

13 8. INSURANCE. Without limiting or diminishing the Authority’s obligation to
14 indemnify or hold the Housing Successor harmless, the Authority shall procure
15 and maintain or cause to be maintained, at its sole cost and expense, the following
16 insurance coverage’s during the Term of this Covenant Agreement.

17 a) Worker’s Compensation Insurance. If the Authority has employees as defined
18 by the State of California, the Authority shall maintain statutory Workers’
19 Compensation Insurance (Coverage A) as prescribed by the laws of the State of
20 California. Policy shall include Employers’ Liability (Coverage B) including
21 Occupational Disease with limits not less than \$1,000,000 per person per
22 accident. The policy shall be endorsed to waive subrogation in favor of the
23 Housing Successor and, if applicable, to provide a Borrowed Servant/Alternate
24 Employer Endorsement.

25 b) Commercial General Liability Insurance. Commercial General Liability
26 insurance coverage, including but not limited to, premises liability, contractual
27 liability, products and completed operations liability, personal and advertising
28

1 injury, and cross liability coverage, covering claims which may arise from or
2 out of the Authority's performance of its obligations hereunder. Policy shall
3 name the Housing Authority of the County of Riverside, its Agencies, Districts,
4 Special Districts, and Departments, their respective directors, officers, Board of
5 Supervisors, employees, elected or appointed officials, agents or representatives
6 as Additional Insured. Policy's limit of liability shall not be less than
7 \$1,000,000 per occurrence combined single limit. If such insurance contains a
8 general aggregate limit, it shall apply separately to this agreement or be no less
9 than two (2) times the occurrence limit.

10 c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the
11 performance of the obligations under this Covenant Agreement, then the
12 Authority shall maintain liability insurance for all owned, non-owned or hired
13 vehicles so used in an amount not less than \$1,000,000 per occurrence
14 combined single limit. If such insurance contains a general aggregate limit, it
15 shall apply separately to this agreement or be no less than two (2) times the
16 occurrence limit. Policy shall name the Housing Authority of the County of
17 Riverside, its Agencies, Districts, Special Districts, and Departments, their
18 respective directors, officers, Board of Supervisors, employees, elected or
19 appointed officials, agents or representatives as Additional Insured or provide
20 similar evidence of coverage approved by the Housing Successor's Risk
21 Manager ("Risk Manager").

22 d) General Insurance Provisions – All Lines.

23 i) Any insurance carrier providing insurance coverage hereunder shall be
24 admitted to the State of California and have an A M BEST rating of not
25 less than A: VIII (A:8) unless such requirements are waived, in writing,
26 by Risk Manager. If Risk Manager waives a requirement for a particular
27

1 insurer such waiver is only valid for that specific insurer and only for one
2 policy term.

- 3 ii) The Authority's insurance carrier(s) must declare its insurance self-insured
4 retentions. If such self-insured retentions exceed \$500,000 per
5 occurrence such retentions shall have the prior written consent of Risk
6 Manager. Upon notification of self-insured retention unacceptable to the
7 Housing Successor, and at the election of Risk Manager, the Authority's
8 carriers shall either: (a) reduce or eliminate such self-insured retention, or
9 (b) procure a bond which guarantees payment of losses and related
10 investigations, claims administration, and defense costs and expenses.
- 11 iii) The Authority shall cause the Authority's insurance carrier(s) to furnish
12 the Housing Successor copies of the Certificate(s) of Insurance and
13 Endorsements effecting coverage as required herein, and 2) if requested
14 to do so orally or in writing by Risk Manager, provide copies of policies
15 including all Endorsements and all attachments thereto, showing such
16 insurance is in full force and effect. Further, said Certificate(s) and
17 policies of insurance shall contain the covenant of the insurance carrier(s)
18 that thirty (30) days written notice shall be given to the Housing
19 Successor prior to any material modification, cancellation, expiration or
20 reduction in coverage of such insurance. The Authority shall not continue
21 operations until the Housing Successor has been furnished Certificate(s)
22 of Insurance and copies of endorsements and if requested, copies of
23 policies of insurance including all endorsements and any and all other
24 attachments as required herein. An individual authorized by the
25 insurance carrier to do so, on its behalf, shall sign the original
26 endorsements for each policy and the Certificate of Insurance.

- 1 iv) It is understood and agreed to by the parties hereto that the Authority's
2 insurance shall be construed as primary insurance, and the Housing
3 Successor insurance and/or deductibles and/or self-insured retention's or
4 self-insured programs shall not be construed as contributory.
- 5 v) If, during the term of this Covenant Agreement or any extension thereof,
6 there is a material change in the scope of services or there is a material
7 change in the equipment to be used in the performance of the scope of
8 work which will add additional exposures (such as the use of aircraft,
9 watercraft, cranes, etc.), then the Housing Successor reserves the right to
10 adjust the types of insurance required under this Covenant Agreement
11 and the monetary limits of liability for the insurance coverage's currently
12 required herein, if, in Risk Manager's reasonable judgment, the amount or
13 type of insurance carried by the Authority has become inadequate.
- 14 vi) The Authority shall pass down the insurance obligations contained herein
15 to all tiers of subcontractors.
- 16 vii) The Authority agrees to notify the Housing Successor in writing of any
17 claim by a third party or any incident or event that may give rise to a
18 claim arising from the performance of the Agreement, any amendments
19 thereto, or this Covenant Agreement.

- 20 9. HOLD HARMLESS/INDEMNIFICATION. The Authority shall indemnify and
21 hold harmless the Housing Successor, its Agencies, Districts, Special Districts
22 and Departments, their respective directors, officers, Board of Commissioners,
23 elected and appointed officials, employees, agents and representatives
24 (individually and collectively hereinafter referred to as Indemnitees) from any
25 liability whatsoever, based or asserted upon any services of the Authority, its
26 officers, employees, subcontractors, agents or representatives arising out of or
27 in any way relating to this Covenant Agreement, including but not limited to

1 property damage, bodily injury, or death or any other element of any kind or
2 nature whatsoever arising from the performance of the Authority, its officers,
3 employees, subcontractors, agents or representatives, or indemnitors from this
4 Covenant Agreement. The Authority shall defend, at its sole expense, all costs
5 and fees including, but not limited, to attorney fees, cost of investigation,
6 defense and settlements or awards, the indemnitees in any claim or action
7 based upon such alleged acts or omissions. With respect to any action or claim
8 subject to indemnification herein by the Authority, shall, at their sole cost, have
9 the right to use counsel of their own choice and shall have the right to adjust,
10 settle, or compromise any such action or claim without the prior consent of the
11 Housing Successor; provided, however, that any such adjustment, settlement or
12 compromise in no manner whatsoever limits or circumscribes the Authority's
13 indemnification to indemnitees as set forth herein. The Authority's obligation
14 hereunder shall be satisfied when the Authority has provided to the Housing
15 Successor the appropriate form of dismissal relieving the Housing Successor
16 from any liability for the action or claim involved. The specified insurance
17 limits required in this Covenant Agreement shall in no way limit or
18 circumscribe the Authority's obligations to indemnify and hold harmless the
19 indemnitees herein from third party claims. In the event there is conflict
20 between this clause and California Civil Code Section 2782, this clause shall
21 be interpreted to comply with Civil Code 2782. Such interpretation shall not
22 relieve the Authority from indemnifying the Indemnitees to the fullest extent
23 allowed by law.

- 24 10. NOTICES. All Notices provided for in this Covenant Agreement shall be
25 deemed received when personally delivered, or two (2) days following mailing
26 by certified mail, return receipt requested. All mailing shall be addressed to
27 the respective parties at their addresses set forth below, or at such other address
28

as each party may designate in writing and give to the other party:

HOUSING SUCCESSOR:	AUTHORITY:
Housing Authority of the	Housing Authority of the
County of Riverside	County of Riverside
5555 Arlington Avenue	5555 Arlington Avenue
Riverside, CA 92504	Riverside, CA 92504
Attention: Deputy Executive Director	Attention: Deputy Director

11. REMEDIES. The Housing Successor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

12. NOTICE AND CURE.

a) Prior to exercising any remedies hereunder, the Housing Successor shall give the Authority notice of such default pursuant to section 8 above. Any monetary default shall be cured within seven (7) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery of such notice of default, the Authority shall have such period to effect a cure prior to exercise of remedies by the Housing Successor. If the non-monetary default is such that it is not reasonably capable of being cured within sixty (60) days of delivery of such notice of default, and the Authority (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Authority shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the Housing Successor; but in no event no later than ninety (90) days from delivery of such notice of default.

b) If a violation of any of the covenants or provisions of this Covenant Agreement

1 remains uncured after the respective time period set forth in this Section 12, the
2 Housing Successor and its successors and assigns may institute and prosecute any
3 proceedings at law or in equity to abate, prevent or enjoin any such violation or
4 attempted violation or to compel specific performance by the Authority of its
5 obligations hereunder. No delay in enforcing the provisions hereof as to any
6 breach or violation shall impair, damage or waive the right of any party entitled to
7 enforce the provisions hereof or to obtain relief against or recover for the
8 continuation or repetition of such breach or violations or any similar breach or
9 violation hereof at any later time.

10 13. SALE, ASSIGNMENT OR TRANSFER OF THE PROPERTY. Except as
11 provided in the Covenant Agreement and any amendments thereto, the Authority
12 hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of
13 the Property or any portion thereof, without obtaining the prior written consent of
14 the Housing Successor, in its sole discretion. Any sale, assignment, or transfer of
15 the Property shall be memorialized an assignment and assumption agreement the
16 form and substance of which have been first approved in writing by the Housing
17 Successor in its sole discretion. Such assignment and assumption agreement shall,
18 among other things, provide that the transferee has assumed in writing and in full,
19 and is reasonably capable of performing and complying with the Authority's
20 duties and obligations under the Agreement and this Covenant Agreement,
21 provided, however the Authority shall not be released of all obligations under the
22 Agreement and this Covenant Agreement.

23 14. AMENDMENTS OR MODIFICATIONS. This Covenant Agreement may be
24 changed or modified only by a written amendment signed by authorized
25 representatives of both Parties.

26 15. GOVERNING LAW; VENUE; SEVERABILITY. This Covenant Agreement
27 shall be governed by the laws of the State of California. Any legal action related
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1 to the performance or interpretation of this Covenant Agreement shall be filed
2 only in the Superior Court of the State of California located in Riverside,
3 California, and the parties waive any provision of law providing for a change of
4 venue to another location. In the event any provision in this Covenant Agreement
5 is held by a court of competent jurisdiction to be invalid, void, or unenforceable,
6 the remaining provisions will nevertheless continue in full force without being
7 impaired or invalidated in any way

8 16. BINDING EFFECT. The rights and obligations of this Covenant Agreement shall
9 bind and inure to the benefit of the respective heirs, successors and assigns of the
10 parties.

11 17. PERMITTED MORTGAGES. No violation or breach of the covenants,
12 conditions, restrictions, provisions or limitations contained in this Covenant
13 Agreement shall defeat or render invalid or in any way impair the lien or charge
14 of any deed of trust or mortgage permitted by the Agreement or the lien or charge
15 of a deed of trust made by the Authority for the benefit of any lender first
16 approved in writing by the Housing Successor (each, a "Permitted Lender") and
17 nothing herein or in the Agreement shall prohibit or otherwise limit the exercise
18 of a Permitted Lender's rights and remedies thereunder, including a foreclosure or
19 deed-in-lieu of foreclosure and subsequent transfer thereafter.

20 18. SEVERABILITY. In any event that any provision, whether constituting a separate
21 paragraph or whether contained in a paragraph with other provisions, is hereafter
22 determined to be void and unenforceable, it shall be deemed separated and deleted
23 from the Covenant Agreement and the remaining provisions of this Covenant
24 Agreement shall remain in full force and effect.

25 19. ACCESS TO PROPERTY. Representatives of the Housing Successor shall have
26 the right of access to the Property, upon 24 hours' written notice to the Authority
27 (except in the case of an emergency, in which the Housing Successor shall
28

1 provide such notice as may be practical under the circumstances), without
2 charges or fees, during normal business hours to review the operation of the
3 Property in accordance with this Covenant Agreement and the Agreement.

4 20. MANAGEMENT. The Authority shall be responsible for the operation of the
5 Property and the Apartments either by direct management or by contracting its
6 managerial functions to a third party property manager reasonably acceptable to
7 the Housing Successor which property manager will be charged with managing
8 the Property and Apartments on behalf of the Authority. The Housing Successor
9 shall have the right to review and approve any such entity prior to its selection
10 by the Authority. Such approval shall not be unreasonably withheld. The
11 Authority shall include in any such property management agreement a provision
12 providing for the termination of the agreement in the event that the property
13 manager violates any federal, state or local health and safety laws and
14 regulations which are not cured within thirty (30) days following the giving of
15 notice of such violations by the Housing Successor or any other governmental
16 entity; provided, however, that in the case of a violation that cannot be cured
17 within such thirty (30) day period, that such cure shall be commenced within
18 thirty (30) days of notification and shall be diligently prosecuted to completion
19 not later than sixty (60) days after notification. The Authority, its successors
20 and assigns, upon notice from the Housing Successor, shall pay any costs and
21 fees (including administrative and attorneys' fees) incurred by the Housing
22 Successor in connection with responding to or defending any discrimination
23 claim brought by any third party and/or local, state or federal government entity,
24 arising out of or in connection with the Agreement and/or this Covenant
25 Agreement.

26 21. TERM. The non-discrimination covenants, conditions and restrictions contained
27 in Section 7 of this Covenant Agreement shall remain in effect in perpetuity.

1 Every other covenant, condition and restriction contained in this Covenant shall
2 continue in full force and effect for the Term, as defined in Section 4 of this
3 Covenant.

4 22. COUNTERPARTS. This Covenant Agreement may be signed by the different
5 Parties hereto in counterparts, each of which shall be an original, but all of which
6 together shall constitute one and the same agreement.

7 23. ENTIRE AGREEMENT. This Covenant Agreement and the Agreement set forth
8 and contain the entire understanding and agreement of the Parties hereto. There
9 are no oral or written representations, understandings, or ancillary covenants,
10 undertakings or agreements, which are not contained or expressly referred to
11 within this Covenant Agreement, and the Agreement, including all amendments
12 and modifications to the Agreement.

13 [REMAINDER OF PAGE INTENTIONALLY BLANK]

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15 (SIGNATURES ON THE NEXT PAGE)
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2 IN WITNESS WHEREOF, THE HOUSING SUCCESSOR AND THE AUTHORITY have
3 executed this Amended and Restated Covenants as of the dates written below.
4

5 HOUSING AUTHORITY OF THE COUNTY
6 OF RIVERSIDE, a public entity, corporate
7 and politic, in its capacity as housing
8 successor to the former Redevelopment
9 Agency for the County of Riverside

10 By: John J. Benoit
11 John J. Benoit, Chairman
12 Board of Commissioners

13 Date: MAR 29 2016

14
15 ATTEST:
16 Kecia Harper-Ihem, Clerk of the Board

17 By: Kecia Harper-Ihem
18 Deputy

19
20 APPROVED AS TO FORM:
21 Gregory P. Priamos, County Counsel

22 By: Anita C. Willis
23 Anita C. Willis,
24 Assistant County Counsel

5 HOUSING AUTHORITY OF THE
6 COUNTY OF RIVERSIDE, a public
7 entity, corporate and politic

10 By: John J. Benoit
11 John J. Benoit, Chairman
12 Board of Commissioners

13 Date: MAR 29 2016

14
15 ATTEST:
16 Kecia Harper-Ihem, Clerk of the Board

17 By: Kecia Harper-Ihem
18 Deputy

19
20 APPROVED AS TO FORM:
21 Gregory P. Priamos, General Counsel

22 By: Jhaila R. Brown
23 Jhaila R. Brown,
24 Deputy General Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } §

On March 29, 2016 before me, Karen Barton, Board Assistant, personally appeared John J. Benoit, Chairman of the Housing Authority Board of Commissioners, 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: Karen Barton
Deputy Clerk

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
 } §
COUNTY OF RIVERSIDE }

On March 29, 2016 before me, Karen Barton, Board Assistant, personally appeared John J. Benoit, Chairman of the Housing Authority Board of Commissioners, 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: Karen Barton
Deputy Clerk

(SEAL)

ATTACHMENT NO. 1
Legal Description

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

THAT PORTION OF TRACT 179, AS SHOWN BY INDEPENDENT RESURVEY OF
TOWNSHIP 7 SOUTH, RANGE 22 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN
THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS ACCEPTED BY THE
GENERAL LAND OFFICE IN 1919, LYING WESTERLY OF THE WEST BOUNDARY OF
THE TOWNSITE OF RIPLEY, AS SHOWN BY MAP RECORDED IN BOOK 10, PAGE 33,
OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 7 OF SAID TOWNSITE OF
RIPLEY AS SHOWN ON SAID MAP;

THENCE NORTH 0° 58' WEST, 150 FEET, ON THE WEST LINE OF SAID BLOCK, TO
THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 02' WEST, 80 FEET TO THE SOUTHEAST CORNER OF THAT
PARCEL DESCRIBED IN DEED TO CHARLIE LEONARD, RECORDED APRIL 1, 1955, IN
BOOK 1717 PAGE 181 AS INSTRUMENT NO. 21427 OF OFFICIAL RECORDS;

THENCE ON THE EAST, NORTH AND WEST BOUNDARIES OF THE LEONARD
PARCEL, THE FOLLOWING COURSES AND DISTANCES; NORTH 50 FEET, WEST 150
FEET SOUTH 50 TO A POINT ON THE NORTH LINE OF THAT PARCEL DESCRIBED IN
DEED TO PALO VERDE VALLEY UNION SCHOOL DISTRICT, RECORDED
SEPTEMBER 16, 1926, IN BOOK 687, PAGE 404 AS INSTRUMENT NO. 1066 OF
OFFICIAL RECORDS;

THENCE SOUTH 89° 2' WEST 1108 FEET, ON THE NORTHERLY LINE OF SAID
SCHOOL DISTRICT PARCEL AND THE WESTERLY EXTENSION THEREOF, TO A
POINT ON THE WEST LINE OF SAID TRACT 176;

THENCE NORTH 400.00 FEET, ON THE WEST LINE OF SAID TRACT 176, TO THE
SOUTHERLY RIGHT OF WAY LINE OF THE CALIFORNIA SOUTHERN RAILROAD
COMPANY LAND AS DESCRIBED IN DEED RECORDED OCTOBER 11, 1921, IN BOOK
551, PAGE 480 OF DEEDS;

THENCE EASTERLY 1338 FEET, ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID
RAILROAD PARCEL, TO THE WEST LINE OF SAID TOWNSITE OF RIPLEY;

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THENCE SOUTH 0° 58' EAST 400 FEET, ON SAID WEST LINE, TO THE POINT OF
BEGINNING. APN: 872-210-023

ATTACHMENT NO. 3

NOTICE OF AFFORDABILITY RESTRICTIONS

(EXHIBIT I TO AGREEMENT)

(Behind this page)

No Fee for Recording Pursuant to Government Code 6103

Recording Requested By:
Housing Authority of the County of Riverside

AND WHEN RECORDED MAIL TO:
Housing Authority of the County of Riverside
5555 Arlington Avenue
RIVERSIDE, CA 92504
ATTN: Leslie Trainor

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

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

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

An Amended and Restated Covenant Agreement with an expiration date of not less than fifty-five (55) years from the date the conversion and rehabilitation of the Property was completed which is July 7, 2008, was recorded concurrently herewith, as part of that certain Rehabilitation of Real Property Agreement dated November 17, 2005 and recorded in the Official Records of the County of Riverside ("Official Records") on December 6, 2005 as Document No. 2005-1007972, as amended by that certain First Amendment to Rehabilitation of Real Property Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, in the Official Records, against the property located at 24501 School Road, Ripley, CA 92225, assessor parcel number 872-210-023, and more fully in the attached legal description as Appendix "A" ("Property").

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE , a public entity
corporate and politic:

Dated _____

John Aguilar, Deputy Director

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
HOUSING AUTHORITY OF RIVERSIDE } S.S.

On _____ before me,
 Date

_____, personally appeared
Name and Title of the Officer

_____, who proved to me on the basis
Name(s) of signer(s)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Appendix A to Notice of Affordability Restrictions
Legal Description

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

THAT PORTION OF TRACT 179, AS SHOWN BY INDEPENDENT RESURVEY OF TOWNSHIP 7 SOUTH, RANGE 22 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS ACCEPTED BY THE GENERAL LAND OFFICE IN 1919, LYING WESTERLY OF THE WEST BOUNDARY OF THE TOWNSITE OF RIPLEY, AS SHOWN BY MAP RECORDED IN BOOK 10, PAGE 33, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 7 OF SAID TOWNSITE OF RIPLEY AS SHOWN ON SAID MAP;

THENCE NORTH 0° 58' WEST, 150 FEET, ON THE WEST LINE OF SAID BLOCK, TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 02' WEST, 80 FEET TO THE SOUTHEAST CORNER OF THAT PARCEL DESCRIBED IN DEED TO CHARLIE LEONARD, RECORDED APRIL 1, 1955, IN BOOK 1717 PAGE 181 AS INSTRUMENT NO. 21427 OF OFFICIAL RECORDS;

THENCE ON THE EAST, NORTH AND WEST BOUNDARIES OF THE LEONARD PARCEL, THE FOLLOWING COURSES AND DISTANCES; NORTH 50 FEET, WEST 150 FEET SOUTH 50 TO A POINT ON THE NORTH LINE OF THAT PARCEL DESCRIBED IN DEED TO PALO VERDE VALLEY UNION SCHOOL DISTRICT, RECORDED SEPTEMBER 16, 1926, IN BOOK 687, PAGE 404 AS INSTRUMENT NO. 1066 OF OFFICIAL RECORDS;

THENCE SOUTH 89° 2' WEST 1108 FEET, ON THE NORTHERLY LINE OF SAID SCHOOL DISTRICT PARCEL AND THE WESTERLY EXTENSION THEREOF, TO A POINT ON THE WEST LINE OF SAID TRACT 176;

THENCE NORTH 400.00 FEET, ON THE WEST LINE OF SAID TRACT 176,
TO THE SOUTHERLY RIGHT OF WAY LINE OF THE CALIFORNIA
SOUTHERN RAILROAD COMPANY LAND AS DESCRIBED IN DEED
RECORDED OCTOBER 11, 1921, IN BOOK 551, PAGE 480 OF DEEDS;

THENCE EASTERLY 1338 FEET, ON THE SOUTHERLY RIGHT OF WAY
LINE OF SAID RAILROAD PARCEL, TO THE WEST LINE OF SAID
TOWNSITE OF RIPLEY;

THENCE SOUTH 0° 58' EAST 400 FEET, ON SAID WEST LINE, TO THE
POINT OF BEGINNING.

APN: 872-210-023

DOC # 2005-1007972

12/06/2005 08:00A Fee:NC

Page 1 of 41

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

REDEVELOPMENT AGENCY
FOR THE CO. OF RIVERSIDE
5555 ARLINGTON AVE.
RIVERSIDE, CA 91710



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REHABILITATION OF REAL PROPERTY AGREEMENT
BY + BETWEEN THE
REDEVELOPMENT AGENCY FOR THE CO. OF RIVERSIDE
AND THE
HOUSING AUTHORITY OF THE CO. OF RIV.

**THIS AREA FOR
RECORDER'S
USE ONLY**

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3:00 Additional Recording Fee Applies)

REHABILITATION OF REAL PROPERTY AGREEMENT

BY AND BETWEEN THE

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

AND THE

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

This AGREEMENT is made this 17th day of Nov. 2005, by and between the Redevelopment Agency for the County of Riverside, herein called "RDA", and the Housing Authority of the County of Riverside, herein called "HOUSING AUTHORITY".

RECITALS

- I. WHEREAS, RDA is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and
- II. WHEREAS, HOUSING AUTHORITY is a corporate and politic public body duly created, established and authorized to carry out housing developments for persons of low-income as authorized by Part 2 of Division 24 of the California Health and Safety Code (commencing with Section 34200); and
- III. WHEREAS, RDA endeavors to provide affordable, safe and sanitary housing opportunities to low-income and special-needs households within the County of Riverside; and
- IV. WHEREAS, HOUSING AUTHORITY owns PROPERTY, commonly known as the Ripley Farm Worker Housing Center, located at 24-501 School Road, Ripley, CA 92272 ("PROPERTY"); and
- V. WHEREAS, HOUSING AUTHORITY proposes to rehabilitate the 100-unit PROPERTY for the purpose of continuing affordable housing to farm workers and their families and has requested RDA financial assistance; and

Page 1 of 36

Ripley Rehabilitation Agreement



2005-1007972
12/06/2005 08:00A
2 of 41

11-8-05 10.1

VI. WHEREAS, HOUSING AUTHORITY wishes, accepts and agrees to operate PROPERTY and related facilities as an affordable housing rental facility.

NOW, THEREFORE, BE IT RESOLVED found and determined that for the mutual promises contained herein, the parties hereto agree as follows:

1) DEFINITIONS

- a) Improvements mean the renovation of a one hundred (100) -unit rental housing complex, as described in EXHIBIT B. The improvements include the rehabilitation and conversion to a seventy-six (76) unit housing complex for permanent and year-round, affordable rental housing to low-income households and farm workers. In addition, the rehabilitation will include modification for handicap accessibility compliance, replacement and conversion of system and structural components, all ancillary improvements, and all on-site infrastructure necessary for the utilization of such apartment including, streets, curbs, gutters, storm drains, and utilities.
- b) Low-Income Household shall have the same meaning as set forth in the Community Redevelopment Law commencing with Health and Safety Code §33000.
- c) Project means the rehabilitation and construction of the improvements on the Property, as hereinafter defined, in accordance with the Site Plan.
- d) Property is that certain real property described in EXHIBIT A attached hereto and incorporated herein by this reference.
- e) RDA Rehabilitation Funding shall mean a total subsidy of the development costs by means of a grant in an amount not to exceed ONE MILLION DOLLARS (\$1,000,000).
- f) Schedule of Performance means the schedule attached hereto as EXHIBIT C to this AGREEMENT, which is incorporated herein by this reference.
- g) Useful Life of the Project means a period of fifty-five (55) years. The term shall commence upon completion of the rehabilitation and issuance of occupancy permits.

2) REHABILITATION OF THE PROPERTY

- a) Rehabilitation of the Property. HOUSING AUTHORITY shall construct the improvements on PROPERTY in accordance with the Site Plan for rehabilitation approved by County of Riverside and any other conditions of approval, and all terms, conditions and requirements of this AGREEMENT, including the Schedule of Performance, it being agreed that construction improvements, in accordance with the Site Plan and all conditions of approval, and all terms hereof, is of the essence of this AGREEMENT. In connection with such construction, HOUSING AUTHORITY shall



comply with all applicable local ordinances. The Project shall be completed in accordance with the Schedule of Performance.

- b) RDA Construction Funding. RDA agrees to provide grant funding in the amount of ONE MILLION DOLLARS (\$1,000,000) towards the total rehabilitation cost. The contribution from RDA shall be required to be accompanied by a recorded Covenant Agreement, attached herewith, as EXHIBIT D. Said Covenant Agreement shall be recorded with the Clerk and Recorder's Office of Riverside County and shall remain under recordation for a minimum life of fifty-five (55) years and shall be recorded to encumber the entire proposed parcel.
- c) RDA's Right to Review Plans and Specifications. In connection with construction of the Project, HOUSING AUTHORITY shall comply in all respects with plans and specifications approved by RDA in accordance with this AGREEMENT. HOUSING AUTHORITY shall also prepare plans and specifications that shall comply with applicable local ordinances and any and all applicable federal, state and local laws, rules and regulations. RDA shall have the right to review and approve all plans and specifications for the Project, as hereinafter provided, so as to ensure that the improvements are, in RDA's sole discretion, being constructed to the quality described in the Site Plan.
- d) Final Construction Drawings and Related Documents. HOUSING AUTHORITY shall prepare and submit to RDA, for review and written approval by RDA, Final Construction Drawings, which shall include, without limitation, complete construction documents, site development elevations, final landscaping and finish grading plans, and related documents. Final Construction Drawings are hereby defined as those in sufficient detail necessary to obtain building permits.
- e) Approval of Plans. RDA shall approve or disapprove the Final Construction Drawings, in a timely fashion. Any disapproval shall state in writing the reasons for disapproval. HOUSING AUTHORITY, upon receipt of disapproval, shall revise such portions of the plans, drawings or related documents in a manner that satisfies the reasons for disapproval and shall resubmit such revised portions to RDA as soon as possible after receipt of the notice of disapproval. RDA shall approve or disapprove such revised portions in the same manner as provided in this AGREEMENT for approval or disapproval of plans, drawings, and related documents initially submitted to the County. Any items submitted to and approved by the County shall not be subject to subsequent disapproval.
- f) Changes in Construction Drawings. If HOUSING AUTHORITY desires to make any changes in the Final Construction Drawings and related documents (other than minor



- f) Changes in Construction Drawings. If HOUSING AUTHORITY desires to make any changes in the Final Construction Drawings and related documents (other than minor changes required by field conditions) after their approval by RDA, HOUSING AUTHORITY shall submit the proposed changes to RDA for approval. If approved, RDA shall notify HOUSING AUTHORITY of such approval in writing within fourteen (14) days after submission to RDA. Any proposed change in the Final Construction Drawings shall, in any event, be deemed disapproved by the County unless approved, in whole or in part, by written notice thereof by RDA to HOUSING AUTHORITY within such fourteen (14) day period. HOUSING AUTHORITY, upon disapproval, shall revise such portions as are disapproved and resubmit them to RDA.
- g) Cost of Construction.
- i) Except as shown on EXHIBIT E, the cost of the Project, including the costs for developing and constructing those improvements which HOUSING AUTHORITY has agreed to construct pursuant to this AGREEMENT shall be borne by HOUSING AUTHORITY.
- ii) Disbursement process. RDA shall pay HOUSING AUTHORITY the sum specified in this AGREEMENT on a "cost-as-incurred" basis for all approved costs, subject to a ten percent (10%) holdback; provided, however, there will be no disbursement of funds until the following events first occur:
- (1) The ten percent (10%) holdback shall not be required if the HOUSING AUTHORITY posts a completion bond which provides for completion of the entire Project. In the absence of said completion bond, the ten percent (10%) holdback shall not be released until construction of the Project is complete and a Notice of Completion has been recorded and filed with the County Recorder's Office.
- h) Construction Schedule.
- i) HOUSING AUTHORITY shall begin and complete all construction of the Project within the times specified in the Schedule of Performance or such reasonable extension of said dates as may be granted by this AGREEMENT or by RDA. After commencement of construction, HOUSING AUTHORITY shall diligently pursue completion of the Project. In any event, the improvements constituting the Project shall be completed no later than the date set forth in the Schedule of Performance. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between HOUSING AUTHORITY and RDA.
- ii) HOUSING AUTHORITY shall give written notification to RDA prior to the start of construction. HOUSING AUTHORITY shall report to RDA on construction progress and on HOUSING AUTHORITY's compliance with the plans and specifications,



- i) Construction Contract(s). The rehabilitation and construction of the improvements shall be accomplished by a written contract or contract(s) ("Construction Contract(s)"), which Construction Contract(s) shall obligate reputable and financially responsible contractors ("Contractor(s)"), licensed in California, and experienced in completing the type of improvements contemplated by this AGREEMENT, to commence and complete the construction of such improvements in accordance with this AGREEMENT and all applicable laws. The Construction Contract(s) shall be guaranteed maximum cost contract(s) insuring rehabilitation and construction of the improvements for a fixed price, subject to such reasonable adjustments as are customarily allowed with respect to construction contracts.
- j) Local, State and Federal Laws. HOUSING AUTHORITY shall carry out the rehabilitation and construction of the improvements in conformity with all applicable federal, state and local laws and regulations. HOUSING AUTHORITY represents and warrants that all of the improvements to be constructed by HOUSING AUTHORITY shall be constructed in compliance with the current County of Riverside and State of California standards and laws.
- k) Prevailing Wages. With respect to the constructions of the improvements set forth herein and in Site Plan, contractor(s) and subcontractor(s) shall pay prevailing wages in compliance with Health and Safety Code Sections 33423 through 33426, and Labor Code Section 1770, et seq., and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776 and complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto. Such requirements are set forth in greater detail in the Prevailing Wage Requirements, attached hereto as EXHIBIT F, which is incorporated herein. At the request of RDA, HOUSING AUTHORITY shall periodically submit (or cause to be submitted) to RDA a certified and completed Public Works Payroll Reporting Form, as published by the California Department of Industrial Relations. HOUSING AUTHORITY shall be liable for the payment of prevailing wages through completion of the Project.
- l) County and Other Governmental County Permits and Approvals. Before commencement of construction or development of any work of improvement, HOUSING AUTHORITY shall (at HOUSING AUTHORITY's expense) secure, or cause to be secured, any and all permits which may be required by the County of Riverside or any other governmental agency having jurisdiction over such construction or development.
- m) Anti-discrimination. HOUSING AUTHORITY for itself and its successors and assigns agrees that it shall not discriminate against any employee or applicant for employment



because of age, sex, marital status, race, handicap, color, religion, creed, ancestry, or national origin in the construction of the improvements constituting the Project.

- n) Housing Affordability Requirements. In developing and completing the Project, HOUSING AUTHORITY agrees to comply with all housing affordability requirements set forth in Community Redevelopment Law, including but not limited to those provisions set forth at Section 33334.2 and 33334.3 of the California Health and Safety Code. HOUSING AUTHORITY understands and agrees that this requires the calculation of housing affordability costs found in Section 50053 of the Health and Safety Code and the implementing regulations (Cal. Code Regs., title 25, Section 6910 et seq.,) as well as calculation of income limits of prospective tenants.

3) LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

- a) Limitation as to Transfer of the Property and Assignment of Agreement. HOUSING AUTHORITY shall not, except as permitted by this AGREEMENT, assign or attempt to assign this AGREEMENT or any right herein, nor sell, transfer, convey, lease, mortgage, encumber, or hypothecate the whole or any part of PROPERTY without the prior written approval of RDA. RDA may grant or withhold such consent in its sole and absolute discretion. This prohibition shall not be deemed to prevent the (i) granting of easements or permits to facilitate the rehabilitation of PROPERTY, or (ii) any mortgage or deed of trust permitted by this AGREEMENT.
- b) Security Financing; Right of Holders.
- i) No Encumbrances; except Mortgages, Deeds of Trust or other Conveyance for Financing for Development.
- ii) Notwithstanding any other provision herein to the contrary, mortgages, deeds of trust or any other form of encumbrance or conveyance required for any reasonable method of financing is permitted, but only with the prior written approval of RDA (which approval shall not unreasonably be withheld), and only for the purpose of securing loans of funds to be used for financing the direct and indirect costs of the Project (including reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs). The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in real estate acquisition, construction and land development.
- iii) Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever RDA shall deliver a notice or demand to HOUSING AUTHORITY with respect to any breach or default by HOUSING AUTHORITY in completion of rehabilitation of the improvements, RDA shall at the same time deliver a copy of such notice or demand to each holder of record of any first mortgage, deed



of trust or other security interest authorized by this AGREEMENT who has previously made a written request to RDA for special notice hereunder. No notice of default to HOUSING AUTHORITY shall be effective against any such holder unless given to such holder as aforesaid. Such holder shall (insofar as the rights of RDA are concerned) have the right, at its option, within thirty (30) days after receipt of the notice, to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, such holder shall seek to obtain possession with diligence and continuity through a receiver or otherwise and shall remedy or cure such default within a reasonable period of time as necessary to remedy or cure such default of HOUSING AUTHORITY.

- c) Noninterference with Holders. The provisions of this AGREEMENT do not limit the right of holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering PROPERTY and the improvements thereon, or the right of holders to pursue any remedies for the enforcement of any pledge or lien encumbering PROPERTY; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and PROPERTY, shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of this AGREEMENT and all documents and instruments recorded pursuant hereto.

4) USE OF THE PROPERTY

- a) Uses. HOUSING AUTHORITY covenants and agrees for itself, and its successors and its assigns, that HOUSING AUTHORITY, such successors, and such assignees shall use PROPERTY for permanent and year-round rental housing to low-income farm worker households and, said Covenant to use PROPERTY for this use shall run with the land for the benefit of RDA for the purpose of protecting the interest of the community, and shall be binding on HOUSING AUTHORITY and all successors in interest of HOUSING AUTHORITY. RDA shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of such covenants may be entitled, including, without limitation, specific performance, damages, and injunctive relief. Specifically, HOUSING AUTHORITY covenants and agrees that:



- i) Maintenance of Property. The housing Project will be maintained at all times in a safe and sanitary condition in accordance with standards prescribed by state, local and federal law.
- ii) Conventional Standard Housing. All units in the Project shall be offered as Conventional Housing. Conventional Housing is defined as housing that is of standard design and quality.
- iii) Affordable Units. The Project shall contain affordable units as follows:
 - (1) HOUSING AUTHORITY shall reserve one hundred percent (100%) of the total units for low-income households. Such units shall be referred to as "Affordable Units" for purposes of this AGREEMENT.
 - (2) HOUSING AUTHORITY agrees that all of the apartment units will remain affordable, as that term applies in Section 33334.2 and 33334.3 of the California Health and Safety Code, as per attached EXHIBIT G, for a period not less than fifty-five (55) years. The fifty-five (55) year term shall commence at the issuance of occupancy permits. A covenant or restriction shall be recorded in the office of the Riverside County Recorder and shall run with the land and shall be enforceable, against the original owner and successors in interest, by RDA.
 - (3) HOUSING AUTHORITY agrees to use RDA funds for only those purposes specifically set forth in Cost Schedule, EXHIBIT E. HOUSING AUTHORITY shall comply with all laws, regulations and ordinances in the use of said funds.
 - (4) Tenant Occupancy. Domestic farm labor and their families will be given priority when granting occupancy of all housing units.
 - (5) Tenant Eligibility. HOUSING AUTHORITY or its assigned agent shall be responsible for determining the eligibility of prospective tenants. Prior to opening of the Project, HOUSING AUTHORITY shall submit for approval a plan to RDA describing the procedure for determining and enforcing eligibility requirements. This plan shall include annual qualification by all eligible households and shall be subject to review and approval by RDA. HOUSING AUTHORITY shall provide an annual report to RDA in order to satisfy RDA's monitoring responsibilities as outlined in Section 33418 of California Community Redevelopment Law, as per attached EXHIBIT H. Said report shall be due on or before January 1, 2007, and said date of each year thereafter, and shall include for each rental unit the rental rate, income and family size of the occupants. The income information required shall be provided by the tenant in a certified statement on a form provided by RDA.



- (6) Affordable Units Reserved. HOUSING AUTHORITY or its successors in interest shall reserve the Affordable Units as set forth in this AGREEMENT for the Useful Life of the Project.
- (7) Obligation to Refrain from Discrimination. HOUSING AUTHORITY covenants and agrees for itself, its successors and assigns, and for every successor in interest to PROPERTY or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of PROPERTY, and HOUSING AUTHORITY (itself or any person claiming under or through HOUSING AUTHORITY) shall not 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 PROPERTY or any portion thereof.
- b) Form of Nondiscrimination and Nonsegregation Clauses. HOUSING AUTHORITY shall refrain from restricting the rental, sale or lease of PROPERTY or any portion thereof, on the basis of sex, handicap, marital status, race, color, religion, creed, ancestry or national origin of any person. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:
- i) In deeds: "The grantee herein covenants by and for himself, his 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 sex, marital status, race, handicaps color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or any person claiming under or through him, 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 in the land herein conveyed. The foregoing covenants shall run with the land."
- ii) In contracts relating to the sale or transfer of PROPERTY or any interest therein: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, handicap, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, 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 land."

- c) Effect and Duration of Covenants. Following rehabilitation of Project in accordance with this AGREEMENT and after completion of the final inspection by County of Riverside for the Project, each of the rights, duties and obligations of HOUSING AUTHORITY shall be deemed to have been satisfied under this AGREEMENT, with the exception of the following, each of which shall be set forth in particularity in any document of transfer or conveyance by HOUSING AUTHORITY:
- i) The anti-discrimination and nonsegregation requirements set forth herein shall remain in effect in perpetuity;
 - ii) Easements to the County of Riverside, or other public agencies for utilities existing as of the execution of this AGREEMENT, which shall remain in effect according to their terms;
 - iii) The affordability restrictions as set forth in Section 2n of this AGREEMENT.

5) EVENTS OF DEFAULT, REMEDIES AND TERMINATION

- a) Defaults-Definition. Occurrence of any or all of the following shall constitute a default ("Default") under this AGREEMENT:
- i) HOUSING AUTHORITY's neglect, failure or refusal to keep in force and effect any permit or approval with respect to rehabilitation of the improvements or any policy of insurance required hereunder, and the HOUSING AUTHORITY's failure to cure such breach within ten (10) calendar days after written notice from RDA of HOUSING AUTHORITY's breach; or
 - ii) Filing of a petition in bankruptcy by or against HOUSING AUTHORITY or appointment of a receiver or trustee of any property of HOUSING AUTHORITY, or an assignment by HOUSING AUTHORITY for the benefit of creditors, or adjudication that HOUSING AUTHORITY is insolvent by a court, and the failure of HOUSING AUTHORITY to cause such petition, appointment, or assignment to be removed or discharged within sixty (60) days; or
 - iii) HOUSING AUTHORITY's failure to perform any requirement or obligation of HOUSING AUTHORITY set forth herein or in the Schedule of Performance on or prior to the date for such performance set forth herein or in the Schedule of Performance, and the failure of HOUSING AUTHORITY to cure or perform such obligation or requirement within thirty (30) days after written notice of such delinquency; or
 - iv) HOUSING AUTHORITY's failure to commence rehabilitation of the improvements prior to the last date therefore set forth in the Schedule of Performance, provided



- that HOUSING AUTHORITY shall not have obtained an extension or postponement to which HOUSING AUTHORITY may be entitled, or due to causes beyond HOUSING AUTHORITY's control as provided herein, and HOUSING AUTHORITY's failure to cure such breach within thirty (30) days after receipt of written notice from RDA of HOUSING AUTHORITY's failure to so commence construction as required herein; or
- v) HOUSING AUTHORITY's failure to diligently pursue rehabilitation of Project for a period of thirty (30) days after written notice from RDA provided that HOUSING AUTHORITY shall not have obtained an extension or postponement to which HOUSING AUTHORITY may be entitled, or due to causes beyond HOUSING AUTHORITY's control as provided herein; or
 - vi) HOUSING AUTHORITY's failure to complete rehabilitation of Project within the time period provided in the Schedule of Performance without having obtained an extension or postponement to which HOUSING AUTHORITY may be entitled, or due to causes beyond HOUSING AUTHORITY's control as provided herein, and HOUSING AUTHORITY's failure to cure such breach within thirty (30) calendar days after receipt of written notice from RDA of HOUSING AUTHORITY's failure to so complete construction as required herein; or
 - vii) HOUSING AUTHORITY's Transfer, or the occurrence of any involuntary Transfer, of PROPERTY or any part thereof or interest therein in violation of this AGREEMENT; or
 - viii) Any other breach of this AGREEMENT, and the continuance of such breach for a period of thirty (30) days after RDA has given written notice and stating that such notice is a "Notice of Default" hereunder, unless such breach cannot reasonably be remedied in thirty (30) days, in which event HOUSING AUTHORITY shall not be in default if it commences to cure such breach within such thirty (30) day period and diligently pursues the cure to completion.
- b) Remedies in the Event of Default. In the event of a Default under this AGREEMENT after the Closing Date and prior to the completion of the final inspection by the County of Riverside and the issuance of a Certificate of Completion, the defaulting Party shall be liable to the non-defaulting party for all damages and liabilities incurred by the non-defaulting Party and the non-defaulting Party may seek against the defaulting Party any available remedies at law or equity, including but not limited to the right to receive compensatory damages or to pursue an action for specific performance.

6) GENERAL PROVISIONS

- a) Rights and Remedies are Cumulative. Except as otherwise expressly stated in this AGREEMENT, the rights and remedies of the parties hereto are cumulative, and the



exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party.

b) Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this 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 AGREEMENT thereafter.

c) Insurance.

i) Throughout rehabilitation of Project, HOUSING AUTHORITY shall take out and maintain, at no cost or expense to RDA, with a reputable and financially responsible insurance company licensed in California, reasonably acceptable to RDA, comprehensive broad form general public liability insurance, insuring HOUSING AUTHORITY and RDA and County of Riverside against claims and liability for bodily injury, death, or property damage arising from the use, occupancy, condition, or operation of PROPERTY and the improvements thereon, which insurance shall provide combined single limit protection of at least \$2,000,000, and include contractual liability endorsement. Such insurance shall name the Redevelopment Agency for the County of Riverside and County of Riverside and their members, officers, employees, and servants, as additional insured. With respect to this policy of insurance, HOUSING AUTHORITY shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on the insurance carrier's form setting forth the general provisions of the insurance coverage. The required certificate shall be furnished by HOUSING AUTHORITY prior to the commencement of rehabilitation of Project.

ii) Before commencement of any demolition or construction work on PROPERTY, or any portion thereof, HOUSING AUTHORITY shall also procure or cause to be procured, and shall maintain in force until completion of said work (i) "all risk" builder's risk insurance, including coverage for vandalism and malicious mischief, in a form and amount and with a company reasonably acceptable to RDA, and (ii) workers' compensation insurance covering all persons employed in connection with work on PROPERTY, or any portion thereof. Said builder's risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors', subcontractors', and construction managers' tools and equipment and property owned by contractors' and subcontractors' employees.

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- iii) HOUSING AUTHORITY shall also furnish or cause to be furnished to RDA evidence satisfactory to RDA that any contractor with whom it has contracted for the performance of work on PROPERTY or otherwise pursuant to this AGREEMENT carries workers' compensation insurance as required by law.
 - iv) With respect to each policy of insurance required above, HOUSING AUTHORITY shall cause its insurance carriers to furnish RDA by direct mail with Certificate(s) of Insurance showing that such insurance is in full force and effect, and that RDA and the County of Riverside are named as an additional insured with respect to PROPERTY and the obligations of HOUSING AUTHORITY hereunder. Further, said Certificate(s) shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to RDA and the County of Riverside prior to modification, cancellation or reduction in coverage of such insurance. In the event of any such modification, cancellation or reduction in coverage and on the effective date thereof, PROPERTY shall be conveyed to RDA, unless RDA receives, prior to such effective date, another certificate from an insurance carrier of HOUSING AUTHORITY's choice, subject to RDA's approval, that the insurance required herein is in full force and effect. Consideration for conveyed property shall be negotiated by interested parties at a later date.
 - v) All policies of insurance required by this Section shall be at HOUSING AUTHORITYs sole cost and expense. All deductible limits, if any, shall be approved, in writing, by RDA.
- d) Hold Harmless.
- i) HOUSING AUTHORITY represents that it has inspected PROPERTY, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. RDA shall not be liable to HOUSING AUTHORITY its agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within PROPERTY; provided, however, that such dangerous conditions are not caused by the negligence of RDA, its officers, agents or employees.
 - ii) HOUSING AUTHORITY shall indemnify and hold RDA and the County of Riverside and their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based on asserted upon any act or omission of HOUSING AUTHORITY, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death or any other element of damage of any kind or nature, relating to or in anyway connected with or



arising from its use and responsibilities in connection therewith of PROPERTY or the condition thereof, and HOUSING AUTHORITY shall defend, at its expense, including attorney fees, RDA and County of Riverside their officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omission.

- iii) RDA shall indemnify and hold HOUSING AUTHORITY and the County of Riverside and their officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based on asserted upon any act or omission of RDA, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death or any other element of damage of any kind or nature, relating to or in anyway connected with or arising from its use and responsibilities in connection therewith of PROPERTY or the condition thereof, and RDA shall defend, at its expense, including attorney fees, HOUSING AUTHORITY and County of Riverside their officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omission.
- iv) The specified insurance limits required herein shall in no way limit or circumscribe HOUSING AUTHORITY's obligations to indemnify and hold RDA and County of Riverside free and harmless herein.
- e) Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided below for the respective party, provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Housing Authority of the County of Riverside

5555 Arlington Avenue

Riverside, CA 92504

Redevelopment Agency for the County of Riverside

5555 Arlington Avenue

Riverside, CA 92504



- f) Toxic Materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," "pollutant or contaminant," "imminently hazardous chemical substance or mixture," "hazardous air pollutant," "toxic pollutant," "hazardous waste," "extremely hazardous waste" or "toxic substances" in any of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; The Resource Conservation and Recovery Act, 42 U.S.C §6901, et seq.; and those substances defined as "hazardous substances" in §25316 of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to said laws ("Hazardous Materials Laws").
- g) Taxes and Assessments. HOUSING AUTHORITY shall pay when due all real property taxes and assessments assessed or levied on PROPERTY and Project, after HOUSING AUTHORITY acquisition of PROPERTY. Nothing herein shall prohibit HOUSING AUTHORITY from contesting the validity or amount of any tax or assessment, provided the taxes or assessment are paid when due.
- h) Broker's Commissions. HOUSING AUTHORITY represents and warrants to RDA that HOUSING AUTHORITY has used no broker, agent, finder or other person in connection with the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable. RDA represents and warrants to HOUSING AUTHORITY that RDA has used no broker, agent, finder or other person in connection with the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable. Each party indemnifies and agrees to defend and hold the other harmless from any claims resulting from any breach by the indemnifying party of the warranties, representations and covenants in this section. Notwithstanding the foregoing, nothing in this section shall prohibit or hinder the hiring of, and payment to, a broker or other person by HOUSING AUTHORITY as to the sale or conveyance of a residence to a purchaser.
- i) Interpretation and Governing Law. This AGREEMENT and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This AGREEMENT shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this AGREEMENT, all parties having been represented by counsel in the negotiation and preparation hereof.
- j) Warranty Against Payment of Consideration for Agreement. HOUSING AUTHORITY warrants that it has not paid or given, and will not pay or give, to any third person, any



money or other consideration for obtaining this AGREEMENT, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

- k) Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this AGREEMENT is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (excluding HOUSING AUTHORITY's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the time for performance by either party of any of its obligations hereunder shall be extended for the period of time that such events prevented such performance, but in no event shall the time be extended beyond the term of this AGREEMENT.
- l) Inspection of Books and Records. RDA shall have the right at all reasonable times to inspect the books and records of HOUSING AUTHORITY pertaining to PROPERTY in order to ascertain HOUSING AUTHORITY's compliance with this AGREEMENT.
- m) Plans and Data. If HOUSING AUTHORITY does not proceed with the rehabilitation of PROPERTY or if this AGREEMENT is terminated for any reason, HOUSING AUTHORITY shall, subject to any rights provided by HOUSING AUTHORITY to its construction lender, deliver to RDA, without cost or expense to RDA, copies of any and all maps, architecture, engineering, subdivision approvals, permits, entitlements, rights, contracts, plans, drawings, studies, designs, reports, surveys, and data pertaining to the Project and its development (collectively, "Site Designs") which are in the possession of HOUSING AUTHORITY, together with a Bill of Sale therefore, which Site Designs shall, subject to any rights thereto provided by HOUSING AUTHORITY to its construction lender, thereupon be the sole property of RDA and may be used by RDA, free of all claims or interests of HOUSING AUTHORITY or any other person, other than the interest therein held by HOUSING AUTHORITY's construction lender, whose interest shall be superior to that of RDA in the Site Designs; and which RDA may use, grant, license or otherwise dispose of to any person for rehabilitation of the Site or any other purpose.
- n) Successors in Interest. The burdens of this AGREEMENT shall be binding upon, and the benefits of this AGREEMENT shall inure to, all successors in interest to the parties to this AGREEMENT. All provisions of this AGREEMENT shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to rehabilitation of PROPERTY: (a) is for the benefit of and a burden upon every portion of PROPERTY; (b) runs with

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- PROPERTY and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of PROPERTY or any portion thereof.
- o) Covenants Run With The Land. The provision of this AGREEMENT and the exhibits appended hereto are and shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.
 - p) Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this AGREEMENT.
 - q) Authority to Execute. The person or persons executing this AGREEMENT or Exhibit attached hereto on behalf of HOUSING AUTHORITY or any other person or business entity hereby warrants and represents that he/she have the authority to execute this AGREEMENT or Exhibit on behalf of his/her corporation, partnership or business entity and warrants and represents that he/she has/have the authority to bind OWNER or any other person or business entity to the performance of its obligations hereunder.
 - r) Entire Agreement, Waivers and Amendments. This AGREEMENT sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this AGREEMENT. No subsequent agreement, representation or promise made by either Party hereto, or by or to any employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby.
 - s) Severability. In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from the AGREEMENT, and the remaining provisions of this AGREEMENT shall remain in full force and effect.
 - t) Survival. The provisions hereof shall not terminate but rather shall survive any conveyance hereunder and the delivery of all consideration.

END OF AGREEMENT

SIGNATURES ON THE FOLLOWING PAGE

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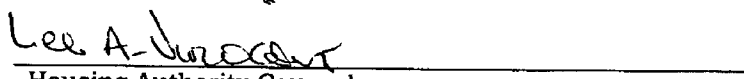
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IN WITNESS WHEREOF, HOUSING AUTHORITY and RDA have executed this AGREEMENT as of the date first above written.

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

By: 
John R. Viafora, Assistant Director

APPROVED AS TO FORM

By: 
Housing Authority Counsel

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

By: 
Robin Zimpier, Executive Director

APPROVED AS TO FORM

By: 
Redevelopment Agency Counsel



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

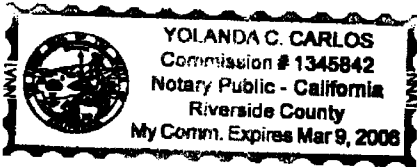
County of Riverside } ss.

On November 17, 2005, before me, Yolanda C. Carlos, Notary Public
Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared John R. Viafora,
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

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



WITNESS my hand and official seal.

Yolanda C. Carlos
Signature of Notary Public

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: Rehabilitation of Real Property Agreement By and Between the Redevelopment Agency for the County of Riverside and the Housing Authority of the County of Riverside.

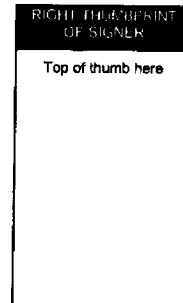
Document Date: November 17, 2005 Number of Pages: 36

Signer(s) Other Than Named Above: Robin Zimpfer

Capacity(ies) Claimed by Signer

Signer's Name: John R. Viafora

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



Signer is Representing: Housing Authority of the County of Riverside

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GARY L. ORSO
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(909) 486-7000
<http://riverside.asrcf/rec.com>

NOTARY CLARITY

Under the provisions of Government Code 27361.7, I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Yolanda C. Carlos

Commission #: 1345842

Place of Execution: Riverside, California

Date Commission Expires: March 9, 2006

Date: November 17, 2005

Signature: Yolanda C. Carlos

Print Name: YOLANDA C. CARLOS



EXHIBITS

Exhibit A - Legal Description of the Property

Exhibit B - Project Description

Exhibit C - Schedule of Performance

Exhibit D - Covenant Agreement

Exhibit E - Sources and Uses of Funds

Exhibit F - Prevailing Wage Requirements

Exhibit G - Affordability Requirements

Exhibit H - Monitoring Requirements



Exhibit A
Legal Description

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

THAT PROTION OF TRACT 179, AS SHOWN BY INDEPENDENT RESURVEY OF TOWNSHIP 7 SOUTH, RANCE 22 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS ACCEPTED BY THE GENERAL LAND OFFICE IN 1919, LYING WESTERLY OF THE WEST BOUNDARY OF THE TOWNSITE OF RIPLEY, AS SHOWN BY MAP RECORDED IN BOOK 10, PAGE 33, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 7 OF SAID TOWNSITE OF RIPLEY AS SHOWN ON SAID MAP;

THENCE NORTH 0° 58' WEST, 150 FEET, ON THE WEST LINE OF SAID BLOCK, TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 02' WEST, 80 FEET TO THE SOUTHEAST CORNER OF THAT PARCEL DESCRIBED IN DEED TO CHARLIE LEONARD, RECORDED APRIL 1, 1955, IN BOOK 1717 PAGE 181 AS INSTRUMENT NO. 21427 OF OFFICIAL RECORDS;

THENCE ON THE EAST, NORTH AND WEST BOUNDARIES OF THE LEONARD PARCEL, THE FOLLOWING COURSES AND DISTANCES; NORTH 50 FEET, WEST 150 FEET SOUTH 50 TO A POINT ON THE NORTH LINE OF THAT PARDEL DESCRIBED IN DEED TO PALO VERDE VALLEY UNION SCHOOL DISTRICT, RECORDED SEPTEMBER 16, 1926, IN BOOK 687, PAGE 404 AS INSTRUMENT NO. 1066 OF OFFICIAL RECORDS;

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Ripley Rehabilitation Agreement



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THENCE SOUTH 89° 2' WEST 1108 FEET, ON THE NORTHERLY LINE OF SAID SCHOOL DISTRICT PARCEL AND THE WESTERLY EXTENSION THEREOF, TO A POINT ON THE WEST LINE OF SAID TRACT 176;

THENCE NORTH 400.00 FEET, ON THE WEST LINE OF SAID TRACT 176, TO THE SOUTHERLY RIGHT OF WAY LINE OF THE CALIFORNIA SOUTHERN RAILROAD COMPANY LAND AS DESCRIBED IN DEED RECORDED OCTOBER 11, 1921, IN BOOK 551, PAGE 480 OF DEEDS;

THENCE EASTERLY 1338 FEET, ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID RAILROAD PARCEL, TO THE WEST LINE OF SAID TOWNSITE OF RIPLEY;

THENCE SOUTH 0° 58' EAST 400 FEET, ON SAID WEST LINE, TO THE POINT OF BEGINNING.



Exhibit B
Project Description

Agency: Housing Authority of the County of Riverside
Address: 5555 Arlington Avenue
Riverside, CA 92504
Project Title: Ripley Farm Worker Housing Center
Location: 24-501 School Road, Ripley, CA 92272; APN: 872-210-010-1

Description:

This project consists of the rehabilitation and conversion of a 100-unit rental housing complex into a 76-unit housing complex for permanent and year-round, affordable rental housing to low-income households and farm workers. In addition, the rehabilitation will include modification for handicap accessibility compliance, replacement and conversion of system and structural components, all ancillary improvements, and all on-site infrastructure necessary for the utilization of such apartment including, streets, curbs, gutters, storm drains, and utilities.

Domestic farm labor and their families will be given priority when granting occupancy of all housing units. All families will have incomes at or below 80% of the Riverside County median income, adjusted for family size and periodically adjusted by the U.S. Department of Housing and Urban Development (HUD).

After rehabilitation the complex will consist of four (4) studios, nine (9) one-bedroom, thirty-nine (39) two-bedroom, twenty (20) three-bedroom and four (4) four-bedroom units. In addition, the Center will include a community building with day care area, two (2) tot lots, and a basketball court and soccer field.

This project will utilize \$1,000,000 in RDA funds for the reimbursement of acquisition, site work, dwelling rehabilitation costs, general requirements, fees, and soft cost.

Seventy-six (76) units will be restricted. One (1) unit will be set aside for on-site apartment manager.



Exhibit C
Schedule of Performance

<u>Milestone</u>	<u>Completion Date</u>
1. Architectural and Engineering Drawing	October, 2005
2. Building Permit and Permanent Financing Commitment	January, 2006
3. Begin Construction	February, 2006
4. Certificate of Occupancy	November, 2006
5. Occupancy of units	April, 2007
6. Submission of Final actual project costs and Sources and Uses of Funds	December, 2006
7. Submission of income and ethnic characteristics report	April, 2007

<u>Document Submission Schedule</u>	<u>Submission Date</u>
1. Construction Activities Reporting	April, 2006
2. Performance Report	January, 2007
3. Weekly Certified Payroll Documentation	February, 2006



Exhibit D

Covenant Agreement

RECORDING REQUESTED BY:

Redevelopment Agency for the County of Riverside

AFTER RECORDATION, MAIL TO;

Redevelopment Agency for the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504

COVENANT AGREEMENT

THIS AGREEMENT is made this 17th day of November 2005, by and between the Housing Authority of the County of Riverside, a public body organized and existing under the laws of the State of California ("HOUSING AUTHORITY") and the Redevelopment Agency for the County of Riverside, a public agency organized and existing under the laws of the State of California ("RDA"), with respect to the following recitals:

RECITALS:

A. On NOV. 17, 2005, RDA and HOUSING AUTHORITY entered into that certain Rehabilitation of Real Property Agreement ("REHABILITATION AGREEMENT") with regards to certain real property owned by HOUSING AUTHORITY, commonly known as the Ripley Farm Worker Housing Center, located at 24-501 School Road, Ripley, CA 92272 ("PROPERTY").

B. Pursuant to the REHABILITATION AGREEMENT, HOUSING AUTHORITY has agreed to restrict the use of PROPERTY.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the REHABILITATION AGREEMENT, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HOUSING AUTHORITY hereby declares as follows with regard to the Project, which declaration shall be an equitable servitude running with PROPERTY for the benefit of RDA as follows:

SECTION 1. RESTRICTIONS. For a period of fifty-five (55) years from date of certificate of occupancy, for itself and on behalf of its successors and assigns with regard to PROPERTY, the following:

- 1) Affordability Definitions: Affordable housing cost as defined in Section 50052.5b and 50053.b which dictates that the rent or cost for housing shall not exceed:



- i) Lower Income Households - thirty percent (30%) times sixty percent (60%) of area median income adjusted for family size.
- 2) Income Restrictions: One hundred percent (100%) of the total units must be reserved for Low-income households defined as households earning a maximum of eighty percent (80%) of median income in Riverside County.
- 3) Tenant Occupancy: Domestic farm labor and their families will be given priority when granting occupancy of all housing units.
- 4) Affordability Period: HOUSING AUTHORITY agrees that all rental units in PROPERTY will remain affordable, as defined in California Redevelopment Law for a period of not less than fifty-five (55) years.

SECTION 2. MAINTENANCE OF THE IMPROVEMENTS. HOUSING AUTHORITY, on behalf of itself and its successors, assigns, and each successor in interest to PROPERTY or any part thereof hereby covenants to and shall protect, maintain, and preserve the improvements located on PROPERTY in compliance with all applicable federal and state law and regulations and local ordinances.

SECTION 3. GRANT OF EASEMENT AND LICENSE TO ENTER. In addition to other remedies which RDA may have to enforce the covenants and agreements set forth above in Sections 1 and 2, HOUSING AUTHORITY hereby grants to RDA an easement and right of ingress and egress over and across the Real Property insofar as such ingress and egress is necessary to protect, maintain, and preserve such architectural style and treatment of the facade in the event that HOUSING AUTHORITY (or its successors or assigns or successors in interest to the Real Property or any part thereof) shall cease or fail to protect, maintain, and preserve such architectural style and treatment of such facade. Pursuant to such grant, RDA, its agents, employees, and representatives, shall be permitted (but are not required) to enter upon the Real Property and perform such acts and work necessary to protect, maintain, and preserve such architectural style and treatment of such facade, and to attach a lien on the Real



Property, or to assess the Real Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by HOUSING AUTHORITY arising from the enforcement of the covenants set forth in Sections 1 and 2 hereof. HOUSING AUTHORITY shall pay to RDA all amounts owed for maintenance or repairs which RDA has performed within thirty (30) days of being presented with an invoice with respect to such amounts; any such amounts that are not paid within thirty (30) days of delivery of an invoice with respect thereto shall bear interest at a rate equal to twelve percent (12%) per annum or the highest amount permitted by applicable law, whichever is lower. RDA shall not exercise the easement and right-of-entry provided herein without prior notice and a reasonable opportunity given to Grantor (or to its successors or assigns or its successors in interest to the Real Property) to comply with its covenants in Sections 1 and 2 hereof; thirty (30) days' notice shall be deemed to constitute reasonable notice and a reasonable opportunity for HOUSING AUTHORITY to comply with its covenant obligations.

SECTION 4. NONDISCRIMINATION. HOUSING AUTHORITY 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, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Real Property, nor shall HOUSING AUTHORITY 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. HOUSING AUTHORITY shall refrain from restricting the sale of the Real Property on the basis of race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

