

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

509
C



FROM: Redevelopment Agency

SUBMITTAL DATE:

February 2, 2011

SUBJECT: Termination of Affordable Housing Agreement for Bravo Mobile Home Park in the unincorporated community of Glen Avon of the County of Riverside

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the sale of Bravo Mobile Home Park (Bravo) from National Community Renaissance of California (National Core), formerly known as The Southern California Housing Development Corporation to Bravo Community, LLC;
2. Approve the attached First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants and Operation and Maintenance Agreement;
3. Authorize the Chairman of the Board to sign the attached First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants and Operation and Maintenance Agreement; and

(Continued)

Robert Field

Robert Field
Executive Director

FINANCIAL
DATA

Current F.Y. Total Cost:

\$ 0

In Current Year Budget:

Yes

Current F.Y. Net County Cost:

\$ 0

Budget Adjustment:

No

Annual Net County Cost:

\$ 0

For Fiscal Year:

2010/11

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Low- and Moderate-Income Housing Funds

Positions To Be Deleted Per A-30

☐

Requires 4/5 Vote

☐

C.E.O. RECOMMENDATION: APPROVE

Jennifer L. Sargent

County Executive Office Signature / Jennifer L. Sargent

Dep't Recomm.: ☒ Policy

☐ Consent

Per Exec. Ofc.: ☐ Policy

☒ Policy

☐ Consent

☐ Policy

Prev. Agn. Ref.: 4.3 of 1/26/99; 4.2 of 3/16/99

District: 2

Agenda Number:

4.4

RECOMMENDED MOTION: (Continued)

4. Authorize the Executive Director, or designee, to take all necessary steps to implement the agreements including, but not limited to, signing subsequent essential and relevant documents to complete and authorize the sale and assumption of Bravo.

BACKGROUND: On January 26, 1999, the Redevelopment Agency for the County of Riverside and the County of Riverside entered into that certain agreement between the Redevelopment Agency for the County of Riverside and the County of Riverside for the Provision of Housing Assistance in the Jurupa Valley Redevelopment Project Area (Housing Assistance Agreement). Through the Housing Assistance Agreement, the county has acted as a conduit in the issuance of \$6,015,000 Series 1999A and \$510,000 Series 1999B Tax Exempt Mobile Home Park Bonds to National Core and the Agency agreed to loan the county \$520,000 of Low and Moderate Income Housing Funds (County Loan). Said loan proceeds were loaned by the county to National Core to aid in the acquisition, rehabilitation, and operation of Bravo which is located at 4041 Pedley Road, Riverside, CA 92509 and consists of 156 units.

As a result of the issuance of the bonds and the County Loan, the county and National Core entered into an Affordable Housing Agreement dated February 1, 1999. The county and National Core entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated March 1, 1999 (Bond Regulatory Agreement), in connection with the issuance of the bonds. Agency, county, and National Core entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated February 1, 1999 (County Regulatory Agreement), in conjunction with the County Loan.

On March 16, 1999, the Agency amended the Housing Assistance Agreement to reduce the project's debt ratio and agreed to change the terms of the Affordable Housing Agreement between county and National Core from a \$520,000 loan to a \$150,000 loan secured by a Deed of Trust with the balance in assistance provided as a grant.

National Core wishes to sell Bravo to Bravo Community, LLC (Buyer), which is a single purpose entity created by the Buyer for the purpose of the acquisition of Bravo. The principals of Bravo Community, LLC have over 15 years of experience is owning and maintaining mobile home parks and currently own five mobile home parks in Southern California, Arizona, and Texas. Buyer is in a position to purchase Bravo without a financing contingency.

Through the sale, Series 1999A bonds and Series 1999B bonds will be redeemed, the County loan of \$520,000 will be paid, and the Affordable Housing Agreement will be terminated. Also through the sale, the Bond Regulatory Agreement and the County Regulatory Agreement will be assumed by Buyer, however, Buyer has requested that the County Regulatory Agreement be modified to expire concurrently with the Bond Regulatory Agreement on March 1, 2029, through the First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants. The result of modifying the County Regulatory Agreement will reduce the affordability period from 55 years to 30 years. The Buyer proposes to provide much needed repairs to the park such as repairing park streets, repair of the roof and termite fumigation in the clubhouse, and some landscaping and plumbing repairs.

(Continued)

Redevelopment Agency

Termination of Affordable Housing Agreement for Bravo Mobile Home Park in the Unincorporated Community of Glen Avon of the County of Riverside

January 27, 2011

Page 3

BACKGROUND: (Continued)

Concurrently with completion of the sale of Bravo from National Core to Buyer, the redemption in full of Series 1999A bonds and Series 1999B bonds and payment in full of the County Loan, the following agreements will remain: Bond Regulatory Agreement, County Regulatory Agreement, First Amendment to to County Regulatory Agreement, Assignment And Assumption of Agreement for Median Maintenance, the Agreement for Median Maintenance By and Between the County of Riverside and Southern California Housing Development Corporation, Operation and Maintenance Agreement, and Assignment and Assumption Agreement.

Agency counsel has reviewed and approved as to form the attached First Amendment to County Regulatory Agreement and Operation and Maintenance Agreement.

Attachments:

First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants
Operation and Maintenance Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Redevelopment Agency
For the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attn: Lorena Oseguera

APN: 169-070-018-6; 169-070-030-6

Exempt Recording Fee 6103

**FIRST AMENDMENT
TO
REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

This First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants ("First Amendment") is dated as of _____, 2011, and is by and among the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic ("Agency") and NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation which acquired title as The Southern California Housing Development Corporation ("Owner").

RECITALS

WHEREAS, on or about January 26, 1999, the Redevelopment Agency for the County of Riverside (Agency) and the County entered into that certain Agreement Between the Riverside County Redevelopment Agency and the County of Riverside for the Provision of Housing Assistance in the Jurupa Valley Redevelopment Project Area, where the County has acted as a conduit in the issuance of tax exempt Mobile Home Park Bonds to Owner and where the Agency agreed to loan the County \$520,000 of Second District Low and Moderate Income Housing Funds, and said loan proceeds were loaned by the County to Owner to aid in the acquisition, rehabilitation and operation of the Property, and

WHEREAS, County, Agency and Owner are the parties to that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of February 1, 1999 (the "County Regulatory Agreement"), which was recorded March 17, 1999 as Instrument No. 109948, Official Records of Riverside County, California (hereinafter, "Official Records"). The County Regulatory Agreement is an encumbrance upon that certain mobile home park containing a total of 156 spaces commonly known as the Bravo Mobile Home Park, 4041 Pedley Road, Riverside, California, described more specifically on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the County Regulatory Agreement was executed to implement an executory provision of that certain Affordable Housing Agreement between the County and the Owner dated February 1, 1999 ("Affordable Housing Agreement"). The County Regulatory Agreement was also executed and recorded in conjunction with the issuance of the County of Riverside Mobile Home Park Revenue Bonds (Bravo Mobile Home Park Project) Series 1999A and County of Riverside Mobile Home Park Subordinate Revenue Bonds (Bravo Mobile Home Park Project) Series 1999B (collectively, the "Bonds"). In connection with issuance of the Bonds and loan of the proceeds thereof to Owner to enable Owner to acquire the Property and rehabilitate and operate the same, the Property was also subjected to that certain Regulatory Agreement and Declaration of Restrictive Covenants dated March 1, 1999 among the County, Dai-Ichi Kangyo Bank of California, as Trustee and Owner (the "Bond Regulatory Agreement"), which instrument was recorded March 1, 1999 as Instrument No. 109946, Official Records; and

WHEREAS, under Section 3.1 of the County Regulatory Agreement, the term thereof was to extend in perpetuity. However, under Section 11 of the Bond Regulatory Agreement, the Bond Regulatory Agreement remains in full force and effect only during the Qualified Project Period, defined in Section 1 of the Bond Regulatory Agreement to mean the longer of the time period during which the Bonds are outstanding or March 1, 2029 (i.e., 30 years from the date of the Bond Regulatory Agreement); and

WHEREAS, concurrently with recordation hereof, Owner has sold the Property and has paid off existing encumbrances relating to issuance of the Bonds and also the loan on the Property held by the County. Owner and County have agreed to cancel and terminate the Affordable Housing Agreement and other agreements ancillary thereto. Owner and County have agreed to maintain in place the Bond Regulatory Agreement during the Qualified Project Period, defined in Section 1 of the Bond Regulatory Agreement. The Bond Regulatory Agreement will continue to be in place after the sale of the Property by the Owner. Owner and County have agreed to maintain in place the County Regulatory Agreement for a period that is defined in Section 3.1 of the County Regulatory Agreement. By reason thereof and in recognition of the new ownership and operation of the Property, Owner has requested and County has agreed to amend the County Regulatory Agreement as is provided more specifically in this First Amendment.

OPERATIVE PROVISIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto declare that:

1. Amendment and Modification to Allowable rent of County Regulatory Agreement. Section 2.9 is hereby deleted in its entirety and replaced in full as follows:

“2.9 Allowable Rent.

2.9.1 50% Households. A monthly Space rent charge to 50% households who may occupy a mobile home located on a Lower Income Space shall be no greater than the following:

(a) Where a 50% household rents both the mobile home and Space occupied by the mobile home, the total rental payments paid by the 50% household on the mobile home and the Space (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for the 50% household occupant of such Lower Income Space adjusted for the household size as is appropriate for the unit which occupies the Space.

(b) Where a 50% household is the registered and legal owner of the mobile home occupying a Lower Income Space, and such 50% household is not making mortgage payments for the purchase of that mobile home, and rents the Lower Income Space which the mobile home occupies, the total rental charge for occupancy of that Space excluding a reasonable allowance for other related housing costs (which shall be subject to agreement between Owner and the County at the time of acquisition of the Project by the Owner and periodically thereafter), excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home, shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for such 50% household adjusted for household size as is appropriate for the unit which occupies the Space.

(c) Where a 50% household is the registered owner of the mobile home occupying a Lower Income Space, and such 50% household

is making mortgage payments for the purchase of that mobile home, and, in addition, is paying rental on such Lower Income Space occupied by the mobile home, the rental charge for occupancy of such Space by such 50% household, exclusive of any charges for utilities and storage (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 15% of the maximum allowable household income (as defined in section 2.8 above) for such 50% household adjusted for household size as is appropriate for the unit which occupies the Space.

2.9.2 80% Households. A monthly Space rent charge to 80% households who may occupy a mobile home located on a Lower Income Space shall be no greater than the following:

(a) Where an 80% household rents both the mobile home and Space occupied by the mobile home, the total rental payments paid by the 80% household on the mobile home and the Space (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for the 80% household occupant of such Lower Income Space adjusted for household size as appropriate to the unit which occupies the Space.

(b) Where an 80% household is the registered and legal owner of the mobile home occupying a Lower Income Space, and such 80% household is not making mortgage payments for the purchase of that mobile home, and rents the Lower Income Space which the mobile home occupies, the total rental charge for occupancy of that Space excluding a reasonable allowance for other related housing costs (which shall be subject to agreement between Owner and the County at the time of acquisition of the Project by the Owner and periodically thereafter), excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home, shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for such 80% household adjusted for household size as is appropriate for the unit which occupies the Space.

(c) Where an 80% household is the registered owner of the mobile home occupying a Lower Income Space, and such 80% household is making mortgage payments for the purchase of that mobile home, and, in addition, is paying rental on such Lower Income Space occupied by the

mobile home, the rental charge for occupancy of such Space by such 80% household, exclusive of any charges for utilities and storage (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for such 80% household adjusted for household size as is appropriate for the unit which occupies the Space.

2.9.3 120% Households. A monthly Space rent charge to 120% households who may occupy a mobile home located on a Moderate Income Space shall be no greater than the following:

(a) Where a 120% household rents both the mobile home and Space occupied by the mobile home, the total rental payments paid by the 120% household on the mobile home and the Space (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for the 120% household occupant of such Moderate Income Space adjusted for household size as is appropriate for the unit which occupies the Space.

(b) Where a 120% household is the registered and legal owner of the mobile home occupying a Moderate Income Space, and such 120% household is not making mortgage payments for the purchase of that mobile home, and rents the Moderate Income Space which the mobile home occupies, the total rental charge for occupancy of that Space excluding a reasonable allowance for other related housing costs (which shall be subject to agreement between Owner and the County at the time of acquisition of the Project by the Owner and periodically thereafter), excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home, shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for such 120% household adjusted for household size as is appropriate for the unit which occupies the Space.

(c) Where a 120% household is the registered owner of the mobile home occupying a Moderate Income Space, and such 120% household is making mortgage payments for the purchase of that mobile home, and, in addition, is paying rental on such Moderate Income Space occupied by the mobile home, the rental charge for occupancy of such

Space by such 120% household, exclusive of any charges for utilities and storage (excluding any supplemental rental assistance from the State, the Federal government or any other public agency to that household or on behalf of that Space and mobile home) shall not exceed 30% of the maximum allowable household income (as defined in section 2.8 above) for such 120% household adjusted for household size as is appropriate for the unit which occupies the Space.

2. Confirmation of Allocation of Spaces. The following are added to Section 2.11:
“Providing that the thirty-one (31) Spaces allocated for 50% households have been rented to and are occupied by 50% households, the Owner may permit 50% households to occupy Spaces otherwise allocated for 80% households and 120% households. At any time that the ninety-four (94) Spaces allocated for 80% households are rented to and occupied by 50% households and/or 80% households, the Owner may permit 50% households and/or 80% households to occupy Spaces allocated for 120% households. Rent chargeable to persons or families occupying a Space allocated for an 80% household or for a 120% household pursuant to the provisions hereof shall be calculated and set for all purposes under this Regulatory Agreement pursuant to the provisions of Section 2.9.2 for 80% households, and Section 2.9.3 for 120% households, notwithstanding the fact that any of such Spaces may be occupied by a household with an annual household income below that of an 80% household for the Spaces allocated to 80% households or below that of a 120% household for the Spaces allocated to 120% households, respectively (that is, Owner may calculate and charge rent to a 50% household which may occupy a Space allocated for 80% households or for 120% households at a rent calculated for and charged to 80% households and 120% households, respectively, and the Owner may calculate and charge rent to a 50% households or an 80% household which may occupy a Space allocated for 120% households at a rent calculated for and charged to 120% households). If the terms and conditions of this Section 2.11 of this Regulatory Agreement conflict with any other terms and conditions of this Regulatory Agreement, the terms and conditions of this Section 2.11 shall prevail.

During such time as Owner shall use not-to-exceed two Spaces for resident staff, as provided in Section 2.7 above, said Spaces shall come from the 120% household allocation, and shall revert to occupancy by 120% households if not used for such purposes by Owner. In each category (that is, 50% households, 80% households and 120% households) the type and location of Spaces available in the project shall be allocated so each category of households is not caused to be grouped together or segregated.”

3. Amendment and Modification to Term of County Regulatory Agreement. Section 3.1 of the County Regulatory Agreement is hereby deleted in its entirety and replaced in full as follows:

“3.1 Term of Regulatory Agreement. This Regulatory Agreement shall remain in full force and effect until March 1, 2029. The parties intend that the provisions and effect of this Regulatory Agreement, and specifically of Article 2 hereof, shall remain in full force and effect for the entire term hereof, at which point this Regulatory Agreement without prior notice shall automatically terminate and be of no further force and effect.”
4. Full Force and Effect. Except as amended hereby, the balance of the provisions of the County Regulatory Agreement are unmodified and remain in full force and effect.
5. Counterparts. This First Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

[signatures continue on following page]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants as of the date and year first above written.

"County"

COUNTY OF RIVERSIDE,

a political subdivision of the State of California

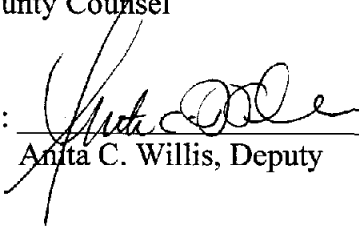
By: _____

Bob Buster, Chairman
Board of Supervisors

APPROVED AS TO FORM:

PAMELA J. WALLS

County Counsel

By:  _____
Anita C. Willis, Deputy

ATTEST:

KECIA HARPER-IHEM

Clerk of the Board

By: _____
Deputy

"Agency"

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

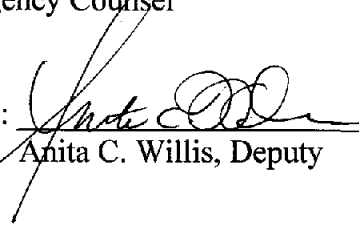
By: _____

Bob Buster, Chairman
Board of Directors

APPROVED AS TO FORM:

PAMELA J. WALLS

Agency Counsel

By:  _____
Anita C. Willis, Deputy

ATTEST:

KECIA HARPER-IHEM

Clerk of the Board

By: _____
Deputy

SIGNATURES MUST BE NOTARIZED

[signatures continue on following page]

“Owner”

NATIONAL COMMUNITY RENAISSANCE OF
CALIFORNIA, a California nonprofit public benefit
corporation which acquired title as The Southern
California Housing Development Corporation

By: _____
Richard J. Whittingham, Chief Financial Officer

SIGNATURES MUST BE NOTARIZED

ALL-PURPOSE ACKNOWLEDGMENT

State of California)

County of _____)

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

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

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: First Amendment to Regulatory Agreement . . .

Document Dated _____ Number of Pages: 9

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

☐ Individual

☐ Corporate Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustees

☐ Guardian or Conservator

Other: Signer is Representing: _____

EXHIBIT "A"

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

THOSE PORTIONS OF GOVERNMENT LOT 2 AND THE NORTHWEST ¼ OF THE FRACTIONAL NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

THAT PORTION OF LOT 3, LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF THE WESTERLY LINE OF PEDLEY ROAD, BY DEED RECORDED MARCH 13, 1970, AS INSTRUMENT NO. 23954 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT THAT PORTION OF THE WEST 330.50 FEET OF SAID LOT 3 LYING SOUTH OF THE SOUTH LINE OF THE NORTH 5.00 ACRES OF SAID LOT 3, SAID SOUTH LINE BEING AT RIGHT ANGLES TO THE EAST AND WEST LINES OF SAID LOT 3;

ALSO EXCEPT THOSE CERTAIN PARCELS DESCRIBED IN DEED TO SAID COUNTY OF RIVERSIDE, RECORDED OCTOBER 28, 1971 AS INSTRUMENT NO. 123306 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY GRANT DEED RECORDED APRIL 27, 1989 AS INSTRUMENT NO. 135309 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MAY 17, 1972 AS INSTRUMENT NO. 63859 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

RECORDING REQUESTED BY AD
WHEN RECORDED MAIL TO:

The Redevelopment Agency for
the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Development Specialist: Lorena Oseguera

SPACE ABOVE THIS LINE FOR RECORDING USE
Exempt Recording Fee 6103

OPERATION AND MAINTENANCE AGREEMENT

between

THE REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

and

Bravo Community, LLC

OPERATION AND MAINTENANCE AGREEMENT

THIS OPERATION AND MAINTENANCE AGREEMENT ("Agreement") is dated for reference purposes as of _____, 2011, and is by and between Bravo Community, LLC (Owner) and THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body, corporate and politic (the "Agency").

RECITALS

A. WHEREAS, the Agency is a redevelopment agency, existing in conformity with the California Redevelopment Law; and

B. WHEREAS, Owner is the owner of that certain mobile home park commonly known as the Bravo Mobile Home Park containing a total of 156 spaces, located at 4041 Pedley Road, Riverside, California (the "Property") described more specifically on Exhibit "A" attached hereto and incorporated herein by reference; and

C. WHEREAS, on or about January 26, 1999, the Redevelopment Agency for the County of Riverside (Agency) and the County of Riverside a public agency, organized and existing under the laws of the State of California ("County"), entered into that certain Agreement Between the Riverside County Redevelopment Agency and the County of Riverside for the Provision of Housing Assistance in the Jurupa Valley Redevelopment Project Area, where the County has acted as a conduit in the issuance of tax exempt Mobile Home Park Bonds to NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation, which acquired title to the real property described hereinbelow as The Southern California Housing Development Corporation (SCHDC) and where the Agency agreed to loan the County \$520,000 of Second District Low and Moderate Income Housing Funds, and said loan proceeds were loaned by the County to SCHDC to aid in the acquisition, rehabilitation and operation of the Property, and

D. WHEREAS, SCHDC sought and received financial assistance from the County to enable SCHDC to rehabilitate the Property, under and subject to certain terms and conditions which were contained in an Affordable Housing Agreement dated February 1, 1999, between the County and SCHDC (the "Affordable Housing Agreement") and other agreements ancillary thereto. SCHDC will sell the Property to Owner and in connection with such sale, tax exempt revenue bonds issued on behalf of the County are being paid in full and redeemed and the Affordable Housing Agreement is being cancelled and terminated. As a condition of the sale of Property from SCHDC to Owner and precedent to termination of the Affordable Housing Agreement and to modify other documents and instruments ancillary thereto, the Agency has requested that Owner execute and agree to the recordation of an agreement providing assurance to the Agency of the continuing maintenance of the Property. This Agreement is being executed by the Agency and the Owner to satisfy that condition; and

E. WHEREAS, the parties hereto agree that this Agreement will become effective if, and only if, the Agency and/or the County, as applicable, approves the sale of the Property by SCHDC and SCHDC sells the Property and the grant deed transferring title thereto to the owner approved by the Agency and/or County, is recorded; and

F. WHEREAS, for the reasons set forth above, Owner and the Agency have agreed to the terms and provisions of this Agreement. The execution of this Agreement has been duly authorized, as required, by the Owner and the Agency and duly executed by an appropriate representative or representatives of said parties.

OPERATING PROVISIONS

NOW, THEREFORE, in consideration of the above recitals and the covenants, conditions and promises contained hereinbelow, the parties hereto agree as follows:

ARTICLE I OPERATIONAL REQUIREMENTS

1. Hazardous Waste. The Owner shall not knowingly permit the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of hazardous or toxic materials (as defined under Federal and/or State law) or otherwise knowingly permit the presence of hazardous or toxic materials in, on or under the Property. For the purposes of this Agreement, the term "hazardous materials" shall not include ordinary construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, management or operation of residential communities or associated buildings and grounds, or typically used in residential activities in a manner typical of other residential developments which are comparable to the Property, so long as the same are maintained, used and stored in a commercially normal fashion and in compliance with applicable state and federal law, if any.

2. General Use Restrictions. The Property will be held, used, occupied and maintained only for residential purposes and uses ancillary thereto. Owner shall not knowingly permit the Property to be leased or rented for use as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home or rest home.

3. Lease Provisions for Restricted Spaces. The form of lease or rental agreement used by the Owner for the lease or rental of spaces which are subject to affordability restrictions on family income and rent levels pursuant to the provisions of the recorded regulatory agreements encumbering the Property shall include provisions which authorize the Owner to terminate the tenancy of a qualified tenant occupying a restricted space within the Property where such qualified tenant is determined to have misrepresented any fact material to the qualification

of such individual or family as a tenant qualifying to occupy such space under such annual family income and rental restrictions. Each such lease or rental agreement for a restricted space within the Property shall also provide that the tenants thereof shall be subject to annual recertification of income and qualification status, as may be required by applicable provisions of the recorded regulatory agreements, and shall be subject to rental increases as provided more specifically in such recorded regulatory agreements.

4. Contacts Concerning the Property. Concerns and suggestions of the Agency shall be communicated to the Owner or the Owner's designated representative.

5. Maintenance, Repair and Alterations. Owner shall maintain and preserve the Property in good condition and repair. Owner shall not remove, demolish or substantially alter the improvements in the Property without first obtaining such approval as may be required from the County or other applicable governing authority, other than to make repairs in the ordinary course of business, which repairs shall serve to preserve or increase the value of the Property. Owner shall cause to be completed within a reasonable time the repair of any improvement in or on the Property which may be damaged or destroyed from any cause whatsoever. Owner shall comply with all applicable laws, ordinances, rules, regulations, covenants, conditions, restrictions and orders of any governmental authority having jurisdiction over the property. Owner shall not commit, suffer or permit any act to be done in, on or upon the Property or any part thereof in violation of any such laws, ordinances, rules, regulations or orders. Owner shall establish and continuously conduct an ongoing maintenance program. This will include maintenance of exterior areas to keep grounds reasonably free of litter, trash and waste paper.

6. Agency Rights. Nothing in this Agreement shall make the Agency responsible for making or completing capital or other repairs or replacements to the Property or require the Agency to expend funds to make or complete the same.

ARTICLE II DEFAULT; REMEDIES

1. Default Under This Agreement. Owner shall be in default under this Agreement if it fails to comply with any provision of this Agreement and such failure is not cured within sixty (60) days following written notice from Agency; provided, however, that if such default is of a character which cannot reasonably be cured within sixty (60) days, Owner shall not be in default if it commences to cure such default within such 60-day period and continues to cure such default with reasonable dispatch thereafter. Owner acknowledges that in the event of an uncured default under this Agreement, Agency shall be able to exercise all of its rights and remedies hereunder.

2. Force Majeure. Whenever Owner is required to perform an act under this Agreement by a certain time, said time shall be deemed extended (unless otherwise specifically provided herein) so as to take into account events of force majeure. Notwithstanding any other provisions hereof to the contrary, however, no such qualified extension shall exceed one hundred

eighty (180) days in duration without the consent of the Agency, which shall not be unreasonably withheld. As used herein "force majeure" shall mean a delay in Owner's performance hereunder due to acts of God, fire, earthquake, flood, extreme weather conditions, explosions, war, invasion, insurrection, riot, mob violence, sabotage, vandalism, malicious mischief, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, litigation without the fault and beyond the control of Owner, condemnation, requisition, governmental restrictions including inability or delay in obtaining government consents or permits, laws or orders of governmental, civil, military or naval authorities, or any other cause, whether similar or dissimilar to the foregoing, not within Owner's control, other than changes in market conditions and lack of or inability to procure monies to fulfill its commitments or obligations under this Agreement. Agency shall have all of the rights which it has been given under any regulatory agreement encumbering the Property to remedy events of default hereunder which have not otherwise been cured by Owner or on Owner's behalf. Nothing in this Agreement shall require Agency to remedy any default by Owner hereunder.

3. Remedies Cumulative. None of the rights or remedies conferred upon or reserved to the Agency under this Agreement is intended to be exclusive of any other rights given to the Agency under this or any other agreement arising from or relating to the Property or the operation and maintenance thereof, and each and every right held by or granted to the Agency shall be cumulative and concurrent and may be enforced separately, successively or together, and may be exercised from time to time as often as may be deemed necessary by the Agency.

4. No Third Party Beneficiary. This Agreement is intended solely for the benefit of Owner and the Agency and their respective permitted successors and assigns and no third party shall have any rights or interest in this Agreement. Nothing contained in this Agreement shall be deemed or construed to create an obligation on the part of the Agency to any third party, nor shall any third party have a right to enforce against the Agency any right that Owner may have under this Agreement.

5. No Agency or Partnership. Nothing contained in this Agreement shall constitute the Agency as a joint venturer, partner or agent of Owner, nor render the Agency liable for any debts, obligations, acts, omissions, representations or contracts of Owner.

6. Liability of Officers. Notwithstanding anything to the contrary contained herein, (i) Owner shall not have, and no officer or director of Owner or of any affiliate of Owner (an "Owner Affiliate") shall have any direct, indirect or derivative personal liability for the obligations of the Owner under this Agreement, and (ii) Agency shall not exercise any rights or institute any action against the Owner or any Owner Affiliate directly, indirectly or derivatively for the payment of any sum of money that is or may become payable under the provisions hereof (other than the right to exercise its rights under any regulatory agreement recorded in favor of the Agency and encumbering the Property and its right to seek a decree of specific performance or otherwise in the event of default under this Agreement).

7. Specific Performance. Agency shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Owner to perform its obligations and covenants under this Agreement, or to enjoin acts or things which may be unlawful or in violation of the provisions hereof. Owner agrees that damages would be inadequate to compensate the Agency and that the Agency shall be entitled to a decree of specific performance in the event of default hereunder.

ARTICLE III GENERAL PROVISIONS

1. Notice. All notices under this Agreement shall be in writing and shall be delivered by personal service, facsimile transmission, or by certified or registered mail, postage prepaid, return receipt requested, to the parties. Any written notice to any of the parties required or permitted hereunder shall be deemed to have been duly given on the date of service if served personally or if served by facsimile or electronic transmission (with confirmation in the form of a copy thereof which is mailed the same day), or seventy-two (72) hours after the mailing. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. Notice may be given by legal counsel for a party with the same effect as if given by the party. Notices to the parties shall be addressed as follows:

AGENCY:

The Redevelopment Agency
for the County of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attention: Emilio Ramirez

SCHDC:

National Community Renaissance of California
9065 Haven Avenue, Suite 100
Rancho Cucamonga, California 91730
Attention: CFO

OWNER:

Bravo Community LLC
1670 E. River Road, Suite 124
Tucson, AZ 85718
Attention Thomas Pace, Esq.

With Copy to:
Bravo Community LLC
P.O. Box 41194
Tucson, AZ 85717
Attention: Kirk Saunders

By giving the other party written notice thereof, the parties hereto shall have the right from time to time or at any time during the term hereof to change their respective addresses for notice.

2. No Claims. Nothing contained in this Agreement shall create or justify any claim against the Agency by any person whom Owner may have employed or with whom Owner may have contracted relative to the purchase of materials, supplies or equipment relative to the performance of any work or services with respect to the operation of the Project. With regard to the on-site operation of the Project, Owner shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security and Internal Revenue Code obligations related to such employment and all other applicable laws and regulations governing such matters.

3. Non-liability of Officials, Employees and Agents of the Agency. No member, official, director, employee or agent of the Agency shall be personally liable to Owner or any permitted successor in interest of Owner in the event of any default or breach by the Agency hereunder or for any amount which may become due to the Owner on any obligation of Agency imposed by the terms of this Agreement.

4. Title of Parts and Sections. Any titles or the parts, sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any portion hereof.

5. Applicable Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California.

6. Severability. In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

7. Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of successors in interest and assigns of each of the parties hereto. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor in interest of such party. In the event of a transfer of title to the Property, the owner previously obligated hereunder shall be automatically released from any further responsibility or liability hereunder upon completion of transfer of title and the successor in interest of such owner shall be deemed to be obligated hereunder upon recordation of the grant deed for such transfer.

8. Burden and Benefit. The Agency and Owner hereby declare their understanding and intent that the covenants, reservations and restrictions set forth herein directly benefit the Property (i) by enhancing and increasing the enjoyment and the use of the Property by persons and families of low and moderate income; and (ii) by furthering the public purposes advanced by the Agency.

9. Termination. This Agreement shall automatically terminate and be of no further force and effect on the earlier of the following to occur: (i) expiration or termination of that certain Regulatory Agreement and Declaration of Restrictive Covenants dated February 1, 1999 recorded March 17, 1999 as Instrument No. 109948, Official Records of Riverside County, or (ii) March 1, 2029. At the request of the Owner, the Agency shall immediately execute such instruments as might be reasonably required to remove the lien of this Agreement from the recorded public records of the County of Riverside. The cost of recording any such release or termination shall be borne by Owner.

10. Attorney's Fees. If any action or proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, or to interpret this Agreement or any of the provisions hereof, the prevailing party, as determined by the presiding judicial officer, shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, whether or not said action or proceeding goes to final judgment, in addition to any other relief to which it or they may be entitled, which shall include any post-judgment attorney's fees incurred, any attorney's fees incurred by the prevailing party on appeal and for any post-judgment motion proceedings or hearings, and any and all attorney's fees incurred in any and all efforts by the prevailing party to collect its judgment.

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

WHEREFORE, the parties have executed this Agreement to be effective as of the date and year first written above.

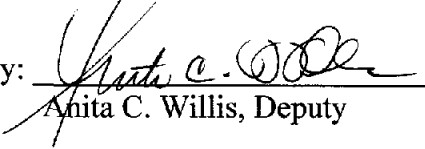
(signatures on following page)

"Agency"

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

By: _____
Bob Buster, Chairman
Board of Directors

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By: 
Anita C. Willis, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

"Owner"

Bravo Community, LLC

By: _____
Name: _____
Title: _____

SIGNATURES MUST BE NOTARIZED

ALL-PURPOSE ACKNOWLEDGMENT

State of California)

County of _____)

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

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

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Operation and Maintenance Agreement

Document Dated _____ Number of Pages: 9

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

- ☐ Individual
- ☐ Corporate Title(s): _____
- ☐ Partner - ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustees
- ☐ Guardian or Conservator

Other:

Signer is Representing: _____

EXHIBIT A

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

THOSE PORTIONS OF GOVERNMENT LOT 2 AND THE NORTHWEST $\frac{1}{4}$ OF THE FRACTIONAL NORTHEAST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

THAT PORTION OF LOT 3, LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF THE WESTERLY LINE OF PEDLEY ROAD, BY DEED RECORDED MARCH 13, 1970, AS INSTRUMENT NO. 23954 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT THAT PORTION OF THE WEST 330.50 FEET OF SAID LOT 3 LYING SOUTH OF THE SOUTH LINE OF THE NORTH 5.00 ACRES OF SAID LOT 3, SAID SOUTH LINE BEING AT RIGHT ANGLES TO THE EAST AND WEST LINES OF SAID LOT 3;

ALSO EXCEPT THOSE CERTAIN PARCELS DESCRIBED IN DEED TO SAID COUNTY OF RIVERSIDE, RECORDED OCTOBER 28, 1971 AS INSTRUMENT NO. 123306 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY GRANT DEED RECORDED APRIL 27, 1989 AS INSTRUMENT NO. 135309 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MAY 17, 1972 AS INSTRUMENT NO. 63859 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.