

**Recording Requested By  
and When Recorded Mail to:**

City Clerk  
City of Riverside  
City Hall, 3900 Main Street  
Riverside, CA 92522

Project: Goldware Senior Housing Project

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**FIRST AMENDMENT TO REGULATORY AGREEMENT**

This FIRST AMENDMENT TO REGULATORY AGREEMENT (the "**Amendment**") is made as of \_\_\_\_\_, 2021, amending that certain Regulatory Agreement, dated November 7, 2000, and recorded in the Official Records of the County of Riverside, State of California ("**Records**") on December 14, 2000, as Instrument Number 2000-498118 (the "**Regulatory Agreement**") by and among CITY OF RIVERSIDE, a California charter city and municipal corporation (the "**City**"), and GOLDWARE SENIOR HOUSING LIMITED PARTNERSHIP, a California limited partnership ("**Developer**" and together with the City are collectively, the "**Parties**" and singularly, a "**Party**").

WHEREAS, the Developer is the owner of that certain real property located within the City of Riverside, California and described in the legal description attached hereto as Exhibit "A" and incorporated by reference herein (the "**Lands**") on which that certain development consisting of a one hundred sixty-two (162) unit senior housing project thereon known as the Goldware Senior Housing (the "**Project**");

WHEREAS, the City provided financial assistance to the Developer for the construction of the Project;

WHEREAS, Developer has obtained a loan (the "**FHA Loan**") from Wells Fargo Bank, National Association, a national banking association ("**Lender**"), to be insured by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ("**HUD**"), under Section 207, pursuant to 223(f) of the National Housing Act of 1934, as amended, and to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("**Security Instrument**") and HUD's form of Regulatory Agreement ("**HUD Regulatory Agreement**") and all other documents required by HUD or Lender in connection with the FHA Loan (collectively, the "**Mortgage Loan Documents**");

WHEREAS, as a condition of insuring the FHA Loan, HUD requires that the Regulatory Agreement be amended to be subordinate to the Mortgage Loan Documents;

WHEREAS, the City and Developer have agreed to reduce the number of unrestricted Units and increase the number of HOME Assisted Units; and

WHEREAS, the City and Developer have agreed to amend the Regulatory Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Unless specifically defined herein, all other capitalized terms not defined in this Amendment shall have the same meaning as set out in the Regulatory Agreement, as the context so requires.

2. In Article I (DEFINITIONS), sub-paragraph A, the definition of "Affordable Rent" is hereby deleted in its entirety and replaced with the following:

"A. '**Affordable Rent**' shall mean, with respect to the HOME Assisted Units, the amount of monthly rent, including a reasonable utility allowance, to be charged by Developer and paid by a tenant household which does not exceed the Low HOME Rent for a Very Low Income Household; and with respect to the remaining Affordable Units, the amount of monthly rent, including a reasonable utility allowance, to be charged by Developer and paid by a tenant household in the Project as determined and calculated pursuant to Section 50053 of the California Health & Safety Code, except that for purposes of this Agreement it shall be assumed that Affordable Rent for all Affordable Units (i) occupied by Very Low Income Households in the Project shall not exceed the product of thirty percent (30%) times fifty percent (50%) of area median income adjusted for family size appropriate to the Unit, and (ii) occupied by Qualified Low Income Households in the Project shall not exceed the Qualified Tenant Rent adjusted for family size appropriate to the Unit. For greater certainty, in the event of any discrepancy between the Qualified Tenant Rent and Section 50053 of the California Health and Safety Code rent calculations, for purposes of the Affordable Rent for the Affordable Units occupied by Qualified Low Income Households, the Qualified Tenant Rent shall prevail."

3. In Article I (DEFINITIONS), sub-paragraph B, the definition of "Affordable Units" is hereby deleted in its entirety and replaced with the following:

"B. '**Affordable Units**' shall mean the one hundred forty-six (146) Units, including the eleven (11) HOME Assisted Units, required to be available to, occupied by, or held vacant for occupancy exclusively to Senior Citizen Households of Very Low Income and Qualified Low Income and rented at an Affordable Rent, as set forth in this Agreement."

4. In Article I (DEFINITIONS), sub-paragraph P, the definition of "HOME Assisted Units" is hereby deleted in its entirety and replaced with the following:

“P. **‘HOME Assisted Units’** shall mean the nine (9) two-bedroom and two (2) one-bedroom Affordable Units in the Project required to be available to, occupied by, or held vacant for occupancy, exclusively to Very Low Income Senior Citizen Households, for which HOME Regulations apply, including without limitation, HOME rent, occupancy and monitoring requirements. Pursuant to Section 92.252(j) of the HOME Regulations, the HOME Assisted Units shall be a ‘floating’ designation such that the requirements of this Agreement will be satisfied so long as the total number of Affordable Units meeting the requirements of a HOME Assisted Unit remains the same throughout the Term and each substituted Affordable Unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME Assisted Units.”

5. In Article I (DEFINITIONS), sub-paragraph X, the definition of “Manager Units” is hereby deleted in its entirety and replaced with the following:

“X. **‘Manager Unit’** shall mean the one (1) Unit in the Project reserved for occupancy by on-site manager(s) of the Project who perform substantial duties directly related to the management and/or the maintenance of the Project.”

Any and all reference to “Managers Units” throughout the Regulatory Agreement are hereby automatically deleted and replaced with the term “Manager Unit” without the need for any further amendment.

6. In Article I (DEFINITIONS), sub-paragraph DD, the definition of “Qualified Low Income,” “Qualified Low Income Household,” or “Qualified Low Income Tenant” is hereby deleted in its entirety and replaced with the following:

“DD. **‘Qualified Low Income,’ ‘Qualified Low Income Household,’ or ‘Qualified Low Income Tenant’** shall mean those person(s) or households whose annual incomes do not exceed sixty percent (60%) of the Riverside County median income adjusted for family size as determined by HUD.”

7. In Article I (DEFINITIONS), the definitions of “Low HOME Rent,” “Qualified Tenant Rent,” and “TCAC” are hereby added:

“JJ. **‘Low HOME Rent’** shall mean tenant-paid rent that is in accordance with Section 92.252(b) of the HOME Regulations.

KK. **‘Qualified Tenant Rent’** shall mean tenant-paid rent that is in accordance with rent adjusted for bedroom count published at least annually by TCAC, which TCAC has determined is affordable for individuals and families earning sixty percent (60%) of area median income for Riverside County, California.

LL. **‘TCAC’** shall mean the California Tax Credit Allocation Committee, or its successors and/or assigns.”

8. In Article II (LAND USE REGULATIONS), Paragraph B (Senior Citizen Households), the third paragraph is hereby deleted in its entirety and replaced with the following:

“Fifteen (15) of the Units may be rented to Senior Citizen Households without restrictions on the income of such households or applicable rents. One (1) Unit shall be reserved as a Manager Unit and one hundred forty-six (146) Units shall be maintained as Affordable Units.”

9. Article II (LAND USE REGULATIONS), Paragraph C, the first paragraph titled “Affordable Units;” sub-paragraph (1) (HOME Assisted Units); and sub-paragraph (2) (Other Affordable Units), are hereby deleted in their entirety and replaced with the following:

“C. **Affordable Units.** Commencing upon and throughout the Term, Developer covenants and agrees to make available, restrict occupancy to, and rent one hundred forty-six (146) of the Units as Affordable Units available only to Senior Citizen Households of Very Low Income and Qualified Low Income at an Affordable Rent as set forth in this Section C and Sections D and E hereinbelow.

(1) **HOME Assisted Units.** Developer covenants and agrees to maintain eleven (11) Affordable Units as HOME Assisted Units in conformity with all HOME Program requirements and the HOME Regulations, comprising nine (9) two-bedroom and two (2) one-bedroom Affordable Units that Developer shall make available, restrict occupancy to, and rent exclusively to Very Low Income Senior Citizen Households, at an Affordable Rent. In the event the Developer desires to change the affordable housing, maintenance or operation requirements for the HOME Assisted Units from the specific requirements set forth in this Agreement in order to comply with a subsequently enacted amendment to the HOME Program or the HOME Regulations, Developer shall notify City in writing of such proposed change and the amendment related thereto, at least thirty (30) days prior to implementing such change. In the event the City disapproves of such change and the Developer’s interpretation of the amendment related thereto, City shall notify the Developer of its disapproval in writing and the parties shall seek clarification from the appropriate HUD Field Office. Only if HUD concurs with Developer’s interpretation of the HOME Program and Home Regulations shall Developer be permitted to implement the proposed change.

(2) **Other Affordable Units.** In addition to the HOME Assisted Units, Developer further covenants and agrees to make available, restrict occupancy to, and rent at an Affordable Rent: (i) one (1) two-bedroom Affordable Unit to Very Low Income Senior Citizen Households; (ii) one (1) two-bedroom Affordable Unit to Qualified Low Income Senior Citizen Households; (iii) sixty-seven (67) one-bedroom Affordable Units to Very Low Income Senior Citizen Households; (iv) sixty-six (66) one-bedroom Affordable Units to Qualified Low Income Senior Citizen Households.”

10. HUD Requirements. The Regulatory Agreement is hereby amended to add a new Article XX as follows:

**“ARTICLE XX.  
HUD-REQUIRED PROVISIONS**

The Rider to Regulatory Agreement, attached hereto as Exhibit B is incorporated by reference into this Agreement for such time as the Project is subject to a mortgage, deed of trust or security instrument insured or held by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates (“HUD”).”

11. The Rider to Regulatory Agreement (“HUD Restrictive Covenants Rider”) attached to this Amendment as Exhibit ”B” is hereby adopted, attached and incorporated by reference to the Regulatory Agreement and which HUD Restrictive Covenants Rider may not be amended or revised without the prior written consent of HUD. To the extent of any inconsistency between the provisions of the Regulatory Agreement and the provisions of this HUD Restrictive Covenants Rider, the provisions of the HUD Restrictive Covenants Rider shall control.

12. The Regulatory Agreement, as hereby amended, is hereby ratified and approved, and remains in full force and effect.

13. The provisions of this Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the Parties hereto.

14. Current Tenants. Notwithstanding any provisions of this Amendment to the contrary, any existing tenants who, prior to the effective date of this Amendment, qualified for occupancy under the former definition of Qualified Low Income Household (i.e., those tenants whose income at initial occupancy did not exceed eighty-five percent (85%) of the Riverside County median income adjusted for family size as determined by HUD) shall continue to be considered a qualified tenant of the Project.

15. Further Assurances. The Parties shall execute, acknowledge, and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Amendment.

16. Headings; Construction. The headings of the sections and paragraphs of this Amendment are for convenience only and shall not be used to interpret this Amendment. The language of this Amendment shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

17. Governing Law. This Amendment shall be construed in accordance with the laws of the State of California and the United States of America.

18. Severability. If any provision of this Amendment is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

19. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE TO  
FIRST AMENDMENT TO REGULATORY AGREEMENT


**CITY OF RIVERSIDE,**  
a California charter city and municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_

APPROVED AS TO FORM:

By:  \_\_\_\_\_  
Name: Lauren Sanchez \_\_\_\_\_  
Title: Deputy City Attorney \_\_\_\_\_

[NOTARY ACKNOWLEDGEMENT FOLLOWS]

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                     )  
  ) SS  
County of \_\_\_\_\_ )

On \_\_\_\_\_, **2021**, before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, 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/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ [Seal]



SIGNATURE PAGE TO  
FIRST AMENDMENT TO REGULATORY AGREEMENT

**GOLDWARE SENIOR HOUSING LIMITED  
PARTNERSHIP,**  
a California limited partnership

By: Housing Corporation of America,  
a Utah nonprofit corporation,  
its Managing General Partner

By:   
Carol Cromar, President

By: Goldware TSA Housing LLC,  
a California limited liability company,  
its Administrative General Partner

By: \_\_\_\_\_  
Renee Groves, Chief Financial Officer

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

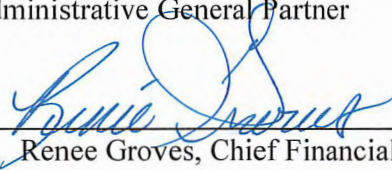
SIGNATURE PAGE TO  
FIRST AMENDMENT TO REGULATORY AGREEMENT

**GOLDWARE SENIOR HOUSING LIMITED  
PARTNERSHIP,**  
a California limited partnership

By: Housing Corporation of America,  
a Utah nonprofit corporation,  
its Managing General Partner

By: \_\_\_\_\_  
Carol Cromar, President

By: Goldware TSA Housing LLC,  
a California limited liability company,  
its Administrative General Partner

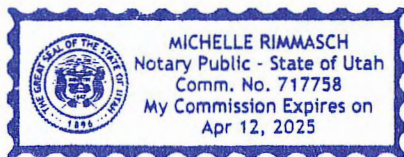
By:  \_\_\_\_\_  
Renee Groves, Chief Financial Officer

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

STATE OF UTAH )  
 ) Davis ) SS:  
COUNTY OF ~~SALT LAKE~~ )

On June 4, 2021, before me, Michelle Rimmasch, a notary public, personally appeared Carol Cromar, known to me to be the person whose name is subscribed in the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Michelle Rimmasch  
NOTARY PUBLIC in and for the State of Utah

# CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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 Los Angeles }

On June 9, 2021 before me, Harkiran Kaur Chauhan, notary public,  
(Here insert name and title of the officer)

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



Notary Public Signature

(Notary Public Seal)



## ADDITIONAL OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

### CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)  
☐ Corporate Officer

\_\_\_\_\_  
(Title)

- ☐ Partner(s)  
☐ Attorney-in-Fact  
☐ Trustee(s)  
☐ Other \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THIS FORM

*This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.*

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~ - is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

APN: 226-131-016  
Address: 6730 Streeter Avenue

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

That portion of the Northwest Quarter of the Southwest Quarter of Section 33, Township 2 South, Range 5 West, San Bernardino Meridian, as shown by United States Government Survey, described as follows:

**COMMENCING** at the intersection of the centerline of Sierra Street with the centerline of Streeter Avenue as shown on Record of Survey on file in Book 43, Page 99 of Records of Survey, Records of Riverside County, California;

Thence North 0°00'09" West, along said centerline of Streeter Avenue, a distance of 315.01 feet to a line which is parallel with and distant 315.00 feet northerly, as measured at right angles, from said centerline of Sierra Street;

Thence North 89°26'30" East, along said parallel line, a distance of 44.00 feet to a line which is parallel with and distant 44.00 feet easterly, as measured at right angles, from said centerline of Streeter Avenue, and the **POINT OF BEGINNING** of the parcel of land being described;

Thence North 89°26'30" East, continuing along said parallel line, a distance of 248.00 feet;

Thence North 59°26'30" East, a distance of 62.00 feet;

Thence South 30°33'30" East, at right angle to the previous course, a distance of 70.44 feet to a line which is parallel with and distant 285.00 feet northerly, as measured at right angles, from said centerline of Sierra Street;

Thence North 89°26'30" East, along said last mentioned parallel line, a distance of 384.79 feet to the northerly prolongation of the westerly line of the South 228.00 feet of the East 66.00 feet of the West One-Half of the West One-Half of the Southeast Quarter of the Northwest Quarter of the Southwest Quarter of said Section 33;

Thence South 0°01'19" West, along said northerly prolongation of said westerly line, a distance of 57.00 feet to the North line of said South 228.00 feet of the East 66.00 feet of the West One-Half of the West One-Half of the Southeast Quarter of the Northwest Quarter of the Southwest Quarter of said Section 33;

Thence North 89°26'30" East, along said last mentioned North line, a distance of 66.00 feet to the westerly line of Hardman Tract No. 2, as shown by map on file Book 23, Page 24 of Maps, Records of said Riverside County;



Thence North 0°01'19" East, along said westerly line and along the westerly line of Parcels 1, 2 and 3 of Record of Survey on file in Book 23, Page 41 of Record of Surveys, Records of said Riverside County, a distance of 435.81 feet to the northwest corner of said Parcel 3;

Thence South 89°30'23" West, along the easterly prolongation of the northerly line of said Parcel 1 of said Record of Survey on file in Book 43, Page 99 of Record of Surveys, Records of said Riverside County, a distance of 629.12 feet to the northeast corner of said Parcel 1;

Thence South 0°01'41" West along the east line of said Parcel 1, a distance of 85.97 feet to the southeast corner of said Parcel 1;

Thence South 89°29'18" West, along the south line of said Parcel 1, a distance of 158.98 feet to said line which is parallel with and distant 44.00 feet easterly, as measured at right angles, from the centerline of Streeter Avenue;

Thence South 0°00'09" East, along said last mentioned parallel line, a distance of 263.67 feet to the **POINT OF BEGINNING**; the preceding eleven courses being along the boundary of that certain parcel of land described in deed to the Redevelopment Agency of the City of Riverside, by document recorded March 13, 2000, per Document No. 2000-090788 of Official Records of said Riverside County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 6/2/21 Prep. CS  
Curtis C. Stephens, L.S. 7519 Date



**EXHIBIT "B"**  
**(of First Amendment to Regulatory Agreement)**

Rider to Regulatory Agreement

This RIDER TO REGULATORY AGREEMENT ("Rider") is attached and made a part of that certain Regulatory Agreement, dated November 7, 2000, and recorded in the Official Records of the County of Riverside, State of California ("Records") on December 14, 2000, as Instrument No. 2000-498118 by and between Goldware Senior Housing Limited Partnership, a California limited partnership ("Developer"), and the City of Riverside, a California charter city and municipal corporation (the "City").

WHEREAS, Developer has obtained financing from Wells Fargo Bank, National Association, a national banking association ("Lender") for the benefit of the project known as Goldware Senior Housing ("Project"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("Security Instrument") dated as of \_\_\_\_\_, 2021, and recorded in the Records, and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Developer has received a loan from the City, which City has required certain restrictions be recorded against the Project;

WHEREAS, Developer and City entered into that certain Regulatory Agreement, dated November 7, 2000, and recorded in the Records on December 14, 2000, as Instrument No. 2000-498118 ("Restrictive Covenants");

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the City has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement between Developer and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Lender” means Wells Fargo Bank, National Association, a national banking association, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Developer pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act, 12 USC § 1701 et seq., as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the Leasehold Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement from Developer in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

- (c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Developer covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the City’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Developer represents and warrants that to the best of Developer’s knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.
- (d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.



- (e) Developer and the City acknowledge that Developer's failure to comply with the covenants provided in the Restrictive Covenants does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.
- (f) Except for the City's reporting requirements, in enforcing the Restrictive Covenants the City will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:
  - i. Available Surplus Cash, if the Developer is a for-profit entity;
  - ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Developer is a limited distribution entity;
  - iii. Available Residual Receipts authorized for release by HUD, if the Developer is a non-profit entity; or
  - iv. A HUD-approved collateral assignment of any HAP contract.
- (g) For so long as the Mortgage Loan is outstanding, Developer and City shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.
- (h) Subject to the HUD Regulatory Agreement, the City may require the Developer to indemnify and hold the City harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against City relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Developer's obligation to indemnify and hold the City harmless shall be limited to available Surplus Cash and/or Residual Receipts of the Developer.
- (i) Intentionally omitted.

The statements and representations contained in this rider and all supporting documentation thereto are true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring a multifamily loan, and may be relied upon by HUD as a true statement of the facts contained therein.

**Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as**

provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.