

**FIRST AMENDMENT
TO OWNER PARTICIPATION AGREEMENT
BETWEEN
THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE
AND
MT. RUBIDOUX MANOR, L.P.**

THIS FIRST AMENDMENT TO OWNER PARTICIPATION AGREEMENT ("First Amendment") is made and entered into as of November 1, 2017, by and between the Housing Authority of the City of Riverside, a public entity ("Authority"), and Mt. Rubidoux Manor, L.P., a California limited partnership ("Participant").

RECITALS

A. On February 13, 1996, Authority's predecessor in interest, the Redevelopment Agency of the City of Riverside, and Participant's predecessor in interest, Riverside First Baptist Homes Inc. dba Mount Rubidoux Manor (the "Former Owner"), entered into an Owner Participation Agreement ("Agreement") to effectuate the Downtown-Airport Redevelopment Plan by providing financial assistance necessary for the demolition of twenty-four (24) perpetually vacant studio apartments and the reconstruction of twelve (12) one bedroom apartments, in a low/moderate income Senior Citizen Housing Complex on that certain real property located at 3993 Tenth Street, Riverside California ("Property"), owned by Former Owner

B. The required affordable units have been completed and have been utilized and rented as required under the Agreement.

C. The Former Owner has conveyed its fee interest in the Property to the Participant, and the Former Owner has assigned, and the Participant has assumed, all obligations under the Agreement and all other documents executed by the Former Owner in conjunction with the Agreement pursuant to that certain assignment and assumption agreement dated concurrently herewith.

E. Participant desires to obtain an allocation of low-income housing tax credits (the "Tax Credits") from the State of California Tax Credit Allowance Committee, and obtain other financing sources for the rehabilitation of the Property.

F. In connection with the Tax Credits and such other financing sources, the Participant and the Authority desire to make certain amendments to the Agreement as set forth in this First Amendment.

G. In conjunction with the execution of this First Amendment, the Agency and the Participant are executing an amendment to that certain "Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property" dated as of February 13, 1996, which was recorded against the Property on February 22, 1996, as Instrument No. 062463, in the Official Records of Riverside County, California (the "Amended Covenant").

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, Authority and Participant agree as follows:

1. All references in the Agreement to Agency shall hereinafter mean the Housing Authority of the City of Riverside, a public entity, and all references to Participant shall hereinafter mean Mt. Rubidoux Manor, L.P., a California limited partnership.

2. Section V Agency Assistance to the Project, subsection A Terms of Agency Loan, second paragraph of the Agreement is hereby amended in its entirety as follows:

"It is hereby agreed by the parties that the Agency Loan will be accrue compounding interest at the rate of 2.75% per annum. Repayment of principal (except as expressly provided herein) shall be deferred, until December 31, 2072. Deferral of the Agency Loan shall be subject to continued compliance by Participant with the use, affordability, management and operational covenants as specified in this OPA and the CC&R's, attached hereto and incorporated herein by reference. It shall be a default hereunder in the event that Participant breaches any provision of the CC&R's as specified herein. If such default occurs which is not cured as provided in the Agreement, the Agency may, at its option, declare the unpaid balance immediately due and payable to the Agency including interest at the rate of six percent (6%) per annum on the unpaid balance commencing from the date of default "

3. Section VI Use of the Site, subsections C Occupancy Restrictions, D Obligation to Refrain from Discrimination, and E Effect and Duration of Covenants of the Agreement are hereby amended in their entirety as follows:

"C. Occupancy Restrictions

As specified in the Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property, until December 31, 2072, the units are restricted as affordable to low income Senior Citizens, defined as those senior citizens whose incomes do not exceed eighty percent (80%) of the Riverside area median income as published annually by HUD. (See Attachment No. 4, attached hereto and incorporated herein by reference.) The term "Senior Citizen" shall have the meaning given in Section 51.3 of the California Civil Code, as amended from time to time.

D. Obligation to Refrain from Discrimination

There shall be no discrimination against or segregation of any person or group of persons or group of persons, on account of race, color, creed, religion, sex, sexual orientation, gender, gender identity, gender expression, marital status, national origin, ancestry, or disability in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor shall the Participant establish or permit any such practice or practices of discrimination or segregation with reference to the location, subtenants, or vendees of any unit or in connection with the employment of persons

for the operation and management of the Site. All deeds, rental agreements, leases or contracts made or entered into by the Participant as to the units or the Site or portion thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In Deeds:

"(1) Grantee herein covenants by and for itself, its successors 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 any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any 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 property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(2) In Leases:

"(1) Lessee herein covenants by and for itself, its successors 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 any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of

tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(3) In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee 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.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

Nothing in this Section prohibits the Participant from operating the Property as a senior housing project in accordance with applicable law.

E. Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding upon the Participant and any successor in interest to the Site for the benefit and in favor of the Agency and the City, their respective successors and assigns, until December 31,

2072, except for the covenants against discrimination, which shall remain in perpetuity."

4. Attachment No. 3 Method of Financing, subsection I. Agency Loan A. Loan Term and Forgiveness of the Agreement is hereby amended in its entirety as follows:

"The Agency Loan shall bear compounding interest at 2.75% per annum, and repayment of principal shall be deferred (except as expressly provided herein) until December 31, 2072. Deferral of the Agency Loan shall be subject to continued compliance by Participant with the use, affordability, management and operational covenants as specified in this OPA and the CC&R's, attached hereto and incorporated herein by reference. It shall be a default hereunder in the event that Participant breaches any provision of the CC&R's as specified herein. If such default occurs which is not cured as provided in the Agreement, the Agency may, at its option, declare the unpaid balance immediately due and payable to the Agency including interest at the rate of six percent (6%) per annum on the unpaid balance commencing from the date of default."

5. Attachment No. 4 of the Agreement is hereby amended as set forth Exhibit "A" attached hereto and incorporated herein by reference.

6. The Agency agrees that any cure offered by the Participant's limited partner under the Agency Loan Documents (as such term is defined below) shall be accepted as if such cure were offered by the Participant. Any notice delivered to Participant shall be addressed as follows (unless Participant provides Agency a different address):

Participant:

Mt. Rubidoux Manor, L.P.
c/o Beacon Communities, Inc.
6120 Stoneridge Mall Road, Suite 300
Pleasanton, CA 94588
Attn: President

With a copy to:

Alliant Credit Facility II, LLC
c/o Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: General Counsel

7. Notwithstanding the provisions of the Covenant, the Agreement, or any other document evidencing the Agency Loan (the "Agency Loan Documents"), the following transfers shall be permitted and are hereby approved by the Agency: (i) Any deed of trust in favor of the Lender (as defined in the Amended Covenant); (ii) Any transfer directly resulting from the

foreclosure of a deed of trust or the granting of a deed in lieu of foreclosure in favor of the Lender; (iii) The admission of Alliant Credit Facility II, LLC, a Florida limited liability company, and Alliant Credit Facility ALP II, LLC, a Florida limited liability company, as limited partners of the Participant, and any subsequent transfer or assignment of such limited partner interests; (iv) Following the expiration of the fifteen (15) year compliance period as described in Section 42(i)(1) of the Internal Revenue Code, any transfer of the Property to the general partner of the Participant, Beacon Communities, Inc., Riverside First Baptist Homes, Inc., or an affiliate of such entities; and (v) the removal and replacement of the managing general partner of the Participant by a limited partner of the Participant for cause following default under the Participant's amended and restated partnership agreement.

8. All terms and conditions of the original Agreement not inconsistent with this First Amendment shall remain in full force and effect and are incorporated herein by this reference as though set forth in full.

9. All references to the Agreement, or in any document executed by the Former Owner in conjunction with the loan set forth in the Agreement shall be deemed to mean the Agreement as amended by this First Amendment.

10. This First Amendment may be executed in counterparts, each of which shall be deemed to be one and the same instrument.

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IN WITNESS WHEREOF, Agency and Participant have caused this First Amendment to be duly executed on the day and year first above written.

PARTICIPANT:

MT. RUBIDOUX MANOR, L.P.,
a California limited partnership

By: Mt. Rubidoux Manor LLC, a California
limited liability company, its managing general partner

By: Beacon Communities, Inc., a
California nonprofit public benefit
corporation, its manager

By: 
Ancel Romero, President

Signatures continue on the following page

AGENCY:

HOUSING AUTHORITY OF THE
CITY OF RIVERSIDE, a public entity

By: _____

Executive Director

Attested to:

By: _____

Authority Secretary

Approved as to Form:

By:  _____
Housing Authority General Counsel