

Free Recording Requested Pursuant to  
Government Code Section 27383

RECORDING REQUESTED BY:  
AND WHEN RECORDED RETURN TO:

Rialto Housing Authority  
150 S. Palm Avenue  
Rialto, CA 92376

---

## SECOND AMENDMENT TO REGULATORY AGREEMENT

**THIS SECOND AMENDMENT TO REGULATORY AGREEMENT** (the “Second Amendment”) is entered into as of March 1, 2025, by and between the **RIALTO HOUSING AUTHORITY**, a public body, corporate and politic (the “Housing Authority”), and **INLAND VALLEY HOUSING PARTNERS, L.P.**, a California limited partnership (the “Developer”).

### *RECITALS*

A. Developer and Housing Authority are parties to that certain Affordable Housing Agreement dated as of February 1, 2005, as supplemented by the First Supplement to Affordable Housing Agreement dated as of August 1, 2006 (as supplemented, the “Original AHA”).

B. As provided in the Original AHA, Housing Authority and Developer entered into that certain Regulatory Agreement dated as of August 1, 2006, which provided for Developer to acquire certain real property from Housing Authority (“Housing Units”) located on real property in the City of Rialto, County of San Bernardino (the “Property”) legally described in Exhibit “A” attached hereto, and to rehabilitate and operate the Housing Units as one consolidated rental housing project for low and very low income persons at an affordable housing cost. The Regulatory Agreement was recorded in the Official Records of San Bernardino County (the “Official Records”) on August 17, 2006 as Document No. 2006-0563300, and was amended by that certain First Amendment to Regulatory Agreement dated as of May 1, 2008 by and between the Housing Authority and Developer and recorded on June 4, 2008, as Instrument No. 2008-0253726 in the Official Records (the “First Amendment to Regulatory Agreement”, and together with the Original Regulatory Agreement, as amended, the “Regulatory Agreement”).

C. Pursuant to the Original AHA and subject to the Regulatory Agreement, the Housing Authority made a loan to Developer in the original principal amount of Fourteen Million Seven Hundred Fifty-Four Thousand Seven Hundred Twenty-Two and No/100 Dollars (\$14,754,722) (the “2006 Loan”) to enable the Developer to acquire, rehabilitate and operate such housing units as affordable housing.

D. The 2006 Loan was evidenced by a promissory note (the “2006 Note”) executed by Developer in favor of the Housing Authority dated August 1, 2006, an Option Agreement dated as of August 1, 2006 by and between Borrower and the Housing Authority (the “Option Agreement”), recorded against the Property on August 17, 2006, as Instrument No. 2006-0563305, and secured

by a Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Deed of Trust”), dated August 1, 2006, and recorded against the Property on August 17, 2006, as Instrument No. 2006-0563301 in the Official Records.

E. The Developer and the Housing Authority entered into the Modification to Loan Documents and Release of Option Agreement, dated as of March 1, 2025 (the “Modification Agreement”), which was recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_ in the Official Records, to amend the terms of the 2006 Loan which, among other things, included the forgiveness of \$13,913,212 of amounts due and owing under the 2006 Note, resulting in a new 2006 Note Amount of \$8,064,951, modified the interest rate from 3% to estimated [4.86%], extended the maturity, modified the affordability period and included a requirement of mandatory retirement of the 2006 Note on the [Closing/Certificate of Completion Date].

F. The Housing Authority desire to restructure the financial assistance provided to Developer in the acquisition of the Housing Units by using the repayment proceeds of the 2006 Note to fund a new permanent loan in the amount of [\$8,064,951] to Developer as a replacement of the 2006 Loan with substantially similar terms to the 2006 Loan (the “Housing Authority Loan”). The Developer desires to Rehabilitate and operate the Housing Units as an affordable multifamily rental housing project (the “Housing Complex”).

G. The Housing Authority and Developer have entered into that certain Affordable Housing Loan Agreement, dated as of March 1, 2025 (the “AHLA”) relating to the Housing Authority Loan.

H. The Housing Authority and Developer to make certain modifications to the Regulatory Agreement in accordance with the Modification Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Housing Authority and Developer hereby agree as follows:

1. **Defined Terms.** Unless defined herein, all capitalized and defined terms used in this Second Amendment shall have the meanings given to them in the Original AHA, the AHLA and the Regulatory Agreement. The term “Affordable Housing Agreement” shall include the Original AHA and the AHLA as such terms are defined in the Recitals. Following the Conversion as defined in the AHLA, the term “Affordable Housing Agreement” shall only include the AHLA.

2. **Duration of Affordability Requirements.** Section 2 of the Regulatory Agreement is hereby deleted in its entirety and replaced with the following:

“2. **Duration of Affordability Requirements.** The Housing Units shall be subject to the requirements of this Agreement for a term that is fifty-five (55) years from the date of the issuance of the Certificate of Completion for the Rehabilitation of the Housing Units. The duration of this requirement shall be known as the “Affordability Period.” In the event that the Parties reasonably determine that the Housing Units can no longer be used for multifamily housing purposes, and that it is infeasible to Rehabilitate the Housing Units, the parties may agree to terminate the Affordability Period upon the date that the Housing Units are no longer habitable for multifamily housing purposes.”

3. **Management Plan.** In Section 9, the reference to Section 801 of the Authority Housing Agreement shall also refer to Section 701 of the AHLA.

4. **Capital Reserve Requirements.** In Section 10, Section 610 of the AHLA shall be controlling in determining the amount of the Capital Replacement Reserve.

5. **Operating Budget and Reserve.** In Section 11, Section 611 of the AHLA shall be controlling as its relates to the Operating Reserve.

6. **Regulatory Agreement Otherwise Unchanged.** Except as expressly set forth in this Second Amendment, all terms and conditions of the Regulatory Agreement shall remain in full force and effect, unchanged by this Second Amendment.

7. **Relation Back.** This Second Amendment is intended to relate back to the original date of the Regulatory Agreement.

**[Signatures appear on following page.]**

**IN WITNESS WHEREOF**, the parties hereto have executed this Second Amendment to Regulatory Agreement effective as of the date and year set forth above.

**DEVELOPER:**

Inland Valley Housing Partners, L.P.,  
a California limited partnership

By: Southern California Housing Development  
Corporation of the Inland Empire,  
a California nonprofit public benefit  
corporation, its general partner

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

Its: \_\_\_\_\_

**HOUSING AUTHORITY:**

Rialto Housing Authority

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

Joe Baca  
Its: Authority Chair

**ATTEST:**

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

Barbara A. McGee  
Its: Authority Secretary

**APPROVED AS TO FORM:**

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

Eric S. Vail  
Its: \_\_\_\_\_, Authority Counsel

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN BERNARDINO )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN BERNARDINO )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY