



Agenda Report

File #: 19-0240

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 3/20/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration of the First Amendment to an Agreement and Deed Restriction between the City of Corona and Fullerton Magnolia Senior Apartments, L.P. dated May 5, 1998, for the operation of a senior citizen apartment complex located at 1910 Fullerton Avenue.

RECOMMENDED ACTION:

That the City Council approve the First Amendment to an Agreement and Deed Restriction between the City of Corona and Fullerton Magnolia Senior Apartments, L.P.

ANALYSIS:

The City of Corona and Fullerton-Magnolia Senior Apartments, L.P. entered into an Agreement and Deed Restriction for the property located at 1910 Fullerton Avenue on May 5, 1998. The Agreement was in response to the conditions of approval placed on Conditional Use Permit 97-18, approved by the Planning Commission on February 9, 1998, for the establishment of senior citizen housing consisting of 200 apartments. The conditions of approval required the developer of the project to record a deed restriction on the property that would restrict the operation to only senior citizen housing.

The senior citizen apartment complex is known as the Vintage Terrace Apartments. The apartments are financed with a Housing and Urban Development (HUD) loan through the federal government, which allows the units to be set aside as low income housing for senior citizens. The current financing on the property is good until Year 2038. The city's Housing Element of the General Plan also acknowledges Vintage Terrace as one of the city's assisted affordable housing developments for seniors.

The owner of the property is in the process of refinancing their HUD loan that would extend the affordability of the senior citizen housing for another 35 years. During this process, HUD discovered that the currently recorded Agreement and Deed Restriction did not exclude the two manager's units on the property. The Agreement specifically states that all units within the complex shall be restricted

to persons that are 55 years of age and older. The complex has two units set aside for on-site employees that manage and maintain the property. The employees are younger than 55 years of age; therefore, Section 1 of the Agreement was amended to exclude the two employee units from the age restriction. The amendment does not change the current operation or future operation of the apartment complex as the 198 units that are occupied today will remain age restricted units.

In connection with the owner's refinancing of their HUD loan, HUD is also insisting that certain other amendments to the Agreement be made to make it consistent with HUD's regulatory agreement recorded against the property. Specifically, HUD wants Section 6 of the Agreement, which allows the prevailing party in any litigation concerning the Agreement to recover its attorneys' fees, to be amended to limit the owner's obligation to pay attorneys' fees to the surplus cash generated from the Project during the term of the HUD loan. According to HUD's representative, HUD's regulatory agreement limits the owners ability to expend funds generated by the Project, other than surplus cash, on items such as attorneys' fees. Additionally, HUD wants to add Section 9 to the Agreement to provide that while HUD is not subject to the City's agreement, any subsequent owner of the property will continue to be responsible for being in compliance with this Agreement. According to HUD's representatives, these revisions are requested in lieu of requiring the City to subordinate its agreement to HUD's regulatory agreement. If the City were to subordinate to HUD's regulatory agreement, there is the possibility that a foreclosure could effectively eliminate the City's agreement and the requirement that the property continue to be used as a senior citizen housing development. Considering that the Project has been operated by the same owner for the past 20 years, staff believes that there is little risk to agreeing to HUD's requested revisions.

The above amendments were reviewed and approved as to form by the City Attorney. The amendment to the Agreement continues to protect the use of the property as senior housing, which is consistent with the original conditions of approval for the project at the time of its approval in 1998.

The first amendment to the Agreement and Deed Restriction is consistent with the city's General Plan goals to a) *promote and maintain a balance of housing types and corresponding affordability levels to provide for the community's needs for housing within all economic segments of the city*, and b) *to promote and preserve suitable and affordable housing for persons with special needs, including large families, single parent households, the disabled, and senior, and shelter for the homeless* because the Agreement and Deed Restriction continues to provide access to affordable housing and creates suitable and safe housing for the city's aging population.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

The requested action is consistent with the city's strategic plan goal to *actively engage in public and private partnerships to provide services and amenities* because the first amendment to the Agreement and Deed Restriction will continue to be between the City of Corona and the owner/operator of the affordable senior housing complex that will provide special services for the city's senior population.

FISCAL IMPACT:

The amendment to the existing Agreement and Deed Restriction will have no fiscal impact on the city's General Fund.

ENVIRONMENTAL ANALYSIS:

The first amendment to the Agreement and Deed Restriction is not considered a project under the California Environmental Quality Act (CEQA) and is therefore not subject to further environmental review.

PREPARED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DEPARTMENT

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: MICHELE NISSEN, ACTING CITY MANAGER

Attachments:

1. Exhibit 1 - First Amendment to Agreement and Deed Restriction.
2. Exhibit 2 - Original Agreement and Deed Restriction dated May 5, 1998.

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

City of Corona
Community Development Housing Services
400 South Vicentia Avenue
Corona, CA 92882

AMENDMENT TO AGREEMENT AND DEED RESTRICTION

This AMENDMENT TO AGREEMENT AND DEED RESTRICTION ("Amendment") is made as of March 20, 2019 by and among the City of Corona, a California municipal corporation (the "City"), and Fullerton-Magnolia Senior Apartments, L.P., a California limited partnership (the "Partnership"), with reference to the following recitals of fact:

WHEREAS, the Partnership owns that certain senior multifamily apartment complex located at 1906, 1914, 1918, 1922, 1926, 1930, 1934, 1938, 1942, 1946, 1950, 1954, 1958, 1962 and 1966 Fullerton Avenue, Corona, California, as more fully described in Exhibit A attached hereto (the "Project");

WHEREAS, the City and the Partnership have entered into that certain Agreement and Deed Restriction dated as of May 5, 1998 and recorded on August 11, 1998 as Instrument Number 335199 in the Official Records of Riverside County, California (the "Agreement"); and

WHEREAS, the City and the Partnership desire to amend the Agreement as set forth herein.

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. Original Agreement. Except as amended hereby, the Agreement remains unmodified and in full force and effect. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

2. The first paragraph of Section 1 of the Agreement is hereby amended and restated as follows:

"Section 1. Owner, its successors and assigns agrees, subject to the requirements of applicable law, to limit the rental of one hundred ninety-eight (198) of the apartment units (the "Restricted Units") in the Project to persons 55 years of age or older, provided that the occupancy of any such apartment units by persons under 55 years of age shall be permitted as hereinafter provided (consistent with California Civil Code section 51.3), so long as one lessee of such apartment unit is 55 years of age or older and resides in said apartment unit. A person under 55 years of age may occupy a Restricted Unit with a lessee (the "Qualifying Resident") 55 years of age or older if he or she satisfies any of the following requirements:"

3. The last sentence in Section 4 of the Agreement is hereby amended and restated as follows:

EXHIBIT

1

"If any portion of the Project is sold or transferred under a foreclosure of any mortgage or under the provisions of any deed of trust, any owner whose title is derived through foreclosure, trustee's sale or deed in lieu thereof, including without limitation title acquired from HUD (as defined in Section 6), shall hold all of the Project so acquired subject to the provision of this Agreement and shall be entitled to notice of non-compliance as set forth in Section 2 hereof."

4. Section 6 of the Agreement is hereby amended by adding the following after the last sentence in this section:

"Section 6. During the term the U.S. Department of Housing and Urban Development acting by and through the Secretary ("HUD") is the insurer or holder of a note on the Project, any attorney's fees owed by the Owner under Section 6 of the Agreement shall be limited to surplus cash as defined in the HUD Regulatory Agreement recorded on the Project."

5. The Agreement is hereby amended by adding a new Section 9 as follows:

"Section 9. Except as provided in Section 4, no provision under this Agreement shall apply to HUD, but shall apply to any subsequent owner of the Project.

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

7. 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]

CITY:

CITY OF CORONA,
a California municipal corporation

By: _____
Jason Scott
Mayor

ATTEST:

By: _____
Sylvia Edwards
City Clerk

APPROVED AS TO FORM:

By: _____
Dean Derleth
City Attorney

[ACKNOWLEDGEMENT ON SUBSEQUENT PAGES]

PARTNERSHIP:

FULLERTON-MAGNOLIA SENIOR APARTMENTS, L.P.
a California limited partnership

By: RIVERSIDE CHARITABLE CORPORATION
a California nonprofit public benefit corporation,
its managing general partner

By: _____
Ken Robertson
President

By: USA MAGNOLIA, INC.
a California corporation,
its administrative general partner

By: _____
Geoffrey C. Brown
President

[ACKNOWLEDGEMENTS ON SUBSEQUENT PAGES]

EXHIBIT A

LEGAL DESCRIPTION

Lot 5, Block 35 of the Lands of the South Riverside Land and Water Company, in the City of Corona, County of Riverside, State of California, as per Map recorded in Book 9, Page 6 of Maps, in the office of the County Recorder of said County.

EXCEPT therefrom the Easterly 125 feet of the Northerly 75 feet of said land.

Property also described as below:

Commencing at the spike and washer stamped "LS 5411" at the centerline intersection of Fullerton Avenue and Ridgewood Drive; thence North 00° 04' 00" East a distance of 132.28 feet; thence departing said centerline, North 89° 55' 18" West a distance of 30.00 feet to the Southeast corner of Lot 5, Block 35 of the Lands the South Riverside Land and Water Company, in the City of Corona, County of Riverside, State of California, as per map recorded in Book 9 Page 6 of Mpas, in the office of the County Recorder of said County, said point is the point of beginning describing this suvey.

Thence contiuiung the following courses around the permlter of said Lot 5, North 89° 55' 18" West a distance of 825.49 feet to the Southwest corner of Lot 5; thence North 00° 01' 55" East a distance of 528.46 feet to the 60D nall at the Northwest corner of Lot 5; thence South 89° 54' 37" East a distance of 700.50 feet; thence South 00° 04' 00" West a distance of 75.00 feet; thence South 89° 54' 37" East a distance of 125.00 feet; thence South 00° 04' 00" West a distance of 453.30 feet to the point of beginning.

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 _____) SS.

On _____, before me, _____, a Notary Public in and for said State, personally appeared, _____, 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(ies) 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

[SEAL]

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

STATE OF CALIFORNIA)
)
COUNTY OF _____) SS.

On _____, before me, _____, a Notary Public in and for said State, personally appeared, _____, who proved to me 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(ies) 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

[SEAL]

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

STATE OF CALIFORNIA)
)
COUNTY OF _____) SS.

On _____, before me, _____, a Notary Public in and for said State, personally appeared, _____, who proved to me 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(ies) 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

[SEAL]

CHICAGO TITLE COMPANY

RECORDING REQUESTED BY,
AND WHEN RECORDED, RETURN TO:
Fullerton-Magnolia Senior Apartments, L.P.
C/O USA Properties Fund, Inc.
2200-B Douglas Blvd., Suite 150
Roseville, CA 95661

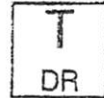
325199
RECEIVED FOR RECORD
AT 8:00AM O'CLOCK

AUG 11 1998

Recorded in Official Records
of Riverside County, California

Recorder

Fees \$



8223214-1216

AGREEMENT AND DEED RESTRICTION

THIS AGREEMENT is made as of the 5th day of May, 1998, by and between FULLERTON-MAGNOLIA SENIOR APARTMENTS, L.P., hereinafter referred to as the "owner", and the CITY OF CORONA, a California municipal corporation, hereinafter referred to as the "City".

This Agreement is made with reference to the following facts:

Whereas, the City is desirous of fostering the development of adequate and reasonable priced housing within its jurisdiction for persons fifty-five (55) years of age or older and Owner is desirous of partially meeting this need by constructing and managing on certain real property in the City of Corona, California, 200 rental apartment units oriented towards a market embracing the aforementioned age group. Said real property (herein referred to as the "Property") is more particularly described in Exhibit A attached hereto and made a part hereof. The rental unit apartment project is hereinafter referred to as the "Project".

Whereas, in consideration of the City of Corona's approval of Conditional Use Permit No. 97-18, permitting on said real property a 200 unit apartment complex for rental of units to persons fifty-five (55) years of age or older, Owner has agreed to a deed restriction limiting rental of the units to persons fifty-five (55) years of age or older subject to the terms in this agreement; and

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

Section 1. Owner, its successors and assigns agrees, subject to the requirements of applicable law, to limit the rental of one hundred percent (100%) of the apartment units (the "Restricted Units") in the project to persons 55 years of age or older, provided that the occupancy of any such apartment units by persons under 55 years of age shall be permitted as hereinafter provided, so long as one lessee of such apartment unit is 55 years of age or older and resides in said apartment unit. A person under 55 years of age may occupy a Restricted Unit with a lessee (the "Qualifying Resident") 55 years of age or older if he or she satisfies any of the following requirements:

- (a) said person is the spouse or cohabitant of the Qualifying Resident;

- (b) said person provides primary physical or economic support to the Qualifying Resident;
- (c) said person is at least 45 years old; or
- (d) said person is a temporary occupant. A person shall be a temporary occupant if he or she does not occupy a Restricted Unit for any period longer than 120 consecutive days in any calendar year. Any person who meets any of these requirements set forth in Sections (a), (b) or (c) above, is herein referred to as a "Qualified Permanent Resident".

Upon the death or dissolution of marriage, or upon the hospitalization, or other prolonged absence of the Qualifying Resident, any other person who was a Qualified Permanent Resident shall be entitled to continue in residence of the apartment unit. Should the restriction of renting any such apartment units to persons 55 years of age or older be declared unlawful or unenforceable by the decision of any court of competent jurisdiction or other applicable law, then in such event, Owner, its successors and assigns shall limit the use of any such apartment units to such broader class of persons as may be required by said court decision. Should Owner, its successor and assigns at any time voluntarily change the rental use of such apartment units contrary to the terms of this Agreement without the written consent of the City, the City shall have the right to enforce compliance with the provisions of this Agreement at law or in equity subject to the provisions of Sections 2 and 4 hereof. "Voluntary change" as used herein shall not include good faith compliance with applicable law or any California or Federal court interpreting same.

Section 2. Any remedy granted to the City pursuant to Section 1 hereof shall be exercisable by the City only if the City gives sixty (60) days written notice to Owner of the City's determination of non-compliance by Owner with the provisions of Section 1 of this Agreement and upon Owner's failure to commence to cure such non-compliance within said 60-day period and to diligently pursue such cure thereafter to completion.

Section 3. Any person, whether an individual, corporation, association or otherwise, who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project shall be deemed to have consented and agreed to the provisions of this Agreement and to be subject to the provisions hereof, whether or not any reference to this agreement is contained in the instrument by which such person acquired an interest in the Project.

Section 4. The provisions of this agreement shall not supersede or in any way reduce the security or affect the validity of any mortgage or deed of trust now existing or hereafter executed affecting all or any portion of the Project, made in good faith and for value. Notwithstanding the time granted to Owner in Section 2 hereof to cure any non-compliance of the requirements of Section 1 hereof, the holder of any mortgage or the beneficiary of any deed of trust affecting all or any portion of the Project shall have 180 days from the receipt of written notice from the City of Owners's non-compliance with the provisions of Section 1 of this Agreement to commence to cure such non-compliance

within said 180 days period and to diligently pursue such cure thereafter to completion. If any portion of the Project is sold or transferred under a foreclosure of any mortgage or under the provisions of any deed of trust, any owner whose title is derived through foreclosure, trustee's sale or deed in lieu thereof shall hold all of the project so acquired subject to the provision of the this Agreement and shall be entitled to notice of non-compliance as set forth in Section 2 hereof.

Section 5. The provisions of this Agreement shall be binding and apply only insofar as the project is used and operated under the entitlement afforded by Conditional Use Permit No. 97-18.

Section 6. In the event of any litigation for the enforcement of this Agreement, the prevailing party in such litigation shall be entitled to recover attorney's fees from the other party, in such reasonable amount as shall be determined by the Court.

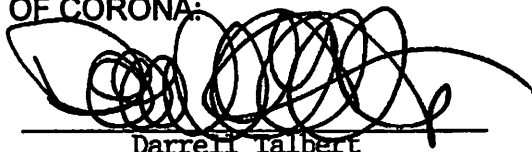
Section 7. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns in interest. The provisions of this Agreement shall be deemed to be a covenant running with and affecting the title to the Project, for the benefit of the City.

Section 8. All notices given by the City under this Agreement shall be mailed by Certified Mail, Return Receipt Requested.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

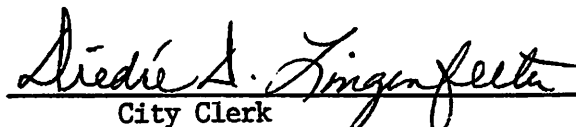
CITY OF CORONA:

By:



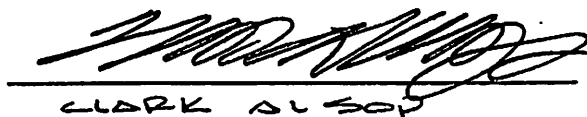
Darrell Talbert
Mayor

ATTEST:



City Clerk

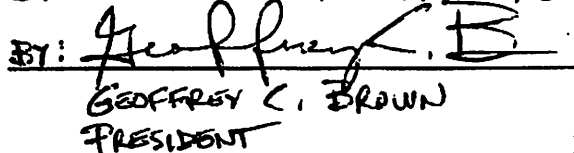
APPROVED AS TO FORM BY CITY ATTORNEY:



CLARK ALSOP

FULLERTON-MAGNOLIA SENIOR APARTMENT, L.P.

BY: USA MAGNOLIA INC., GENERAL PARTNER



GEOFFREY C. BROWN
PRESIDENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 }
 County of RIVERSIDE }

On MAY 20, 1998, before me, KATHLEEN S. DOGENDORF, Notary Public,
 personally appeared CLARK H. ALSOP
 Name(s) of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

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



WITNESS my hand and official seal.

Kathleen S. Dogendorf
 Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 }
County of Placer }

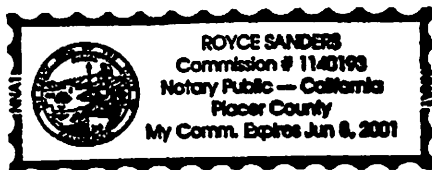
On June 4, 1998 before me, Royce Sanders, Notary Public, personally appeared
Geoffrey C. Brown

Name(s) of Signer(s)

☒ [X] personally known to me
☐ [] proved to me on the basis of satisfactory evidence

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

WITNESS my hand and official seal.



Royce Sanders
Signature of Notary Public

Lot 5 in Block 35 of the Lands of the South Riverside Land and Water Company, in the City of Corona, County of Riverside, State of California, as per map recorded in Book 9, page(s) 6, of Maps, in the office of the County Recorder of San Bernardino County.

Except the Easterly 125.00 feet of the Northerly 75.00 feet.

EXHIBIT "A"
TO AGREEMENT TO INSTALL AND MAINTAIN
LANDSCAPING AND IRRIGATION

LOT 5 IN BLOCK 35 OF THE LANDS OF THE
S. RIVERSIDE LAND and WATER CO., IN THE CITY
OF CORONA, COUNTY OF RIVERSIDE, STATE OF
CALIF., AS PER MAP RECORDED IN BOOK 9, PAGE(S)
6, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER
OF SAN BERNARDINO COUNTY.

EXCEPT THE EASTERLY 125.00 FEET OF THE NORTH-
ERLY 75.00 FEET.

CHICAGO TITLE COMPANY

RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:

GEOFF BROWN
USA PROPERTIES FUND, INC.
2200-B Douglas Blvd., Ste. 150
Roseville, CA 95661

335200

RECEIVED FOR RECORD
AT 8:00AM O'CLOCK

AUG 11 1998

Recorded in Official Records
of Riverside County, California

Recorder

Fees \$ 27



8223214-K16

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AGREEMENT TO INSTALL AND MAINTAIN
LANDSCAPING AND IRRIGATION**

This Agreement to Install and Maintain Landscaping and Irrigation is made this August 7, 1998 by and between the undersigned parties.

WHEREAS, Corona-Norco Unified School District, a California public school district ("District"), is the owner of the real property described in Exhibit "A" attached hereto (the "District Property"); and

WHEREAS, Fullerton-Magnolia Senior Apartments, L.P., a California limited partnership ("Fullerton"), is the owner of the real property described in Exhibit "B" attached hereto (the "Fullerton Property"); and

WHEREAS, the City of Corona has required Fullerton to install and maintain landscaping and irrigation on the District Property as a condition of approval for Conditional Use Permit 97-18;

NOW, THEREFORE, in consideration of the mutual promises of the parties to this Agreement, and expressly for the benefit of, and to

bind, their successors in interest, the parties agree as follows:

Chicago Title Company has recorded this instrument by request as an accommodation only and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described herein.

1. **COVENANT TO INSTALL AND MAINTAIN IMPROVEMENTS.** Fullerton shall install and maintain landscaping and related irrigation systems, together with any and all appurtenances pertaining thereto, on, over, under and across such portion of the District Property described in Exhibit "C" and shown in Exhibit "D", both attached hereto (the "Landscape Area"). Such improvements shall be installed in accordance with a Landscape Plan approved by the City of Corona. All costs of installation and maintenance shall be borne by Fullerton. District will not modify the landscaping or impair the irrigation systems once they are installed.

2. **HOLD HARMLESS.** Fullerton shall indemnify and hold District harmless from and against all damages, claims, and causes of action arising from Fullerton's installation and maintenance of the improvements described herein.

3. **RIGHT OF ACCESS.** District agrees that Fullerton shall have the right to access the Landscape Area at any time to install or maintain the improvements described herein.

4. **COVENANTS TO RUN WITH THE LAND.** The covenants set forth herein are to run with the District Property and the Fullerton Property, and to bind the successors and assigns of the parties in perpetuity, unless an instrument executed by a duly authorized representative of the City of Corona and the parties is recorded consenting to earlier termination of this Agreement. Each party shall notify the other party in writing of any successors or assigns of the District Property or the Fullerton Property.

5. **ENFORCEMENT.** Enforcement of this Agreement will be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain

violation or to recover damages. The parties hereto and the City of Corona shall have the right to enforce this Agreement.

6. **ATTORNEY FEES.** In the event of litigation to enforce or interpret this Agreement, the prevailing party shall be entitled to its attorney fees.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CORONA-NORCO UNIFIED SCHOOL DISTRICT,
A California Public School District

By *[Signature]*

FULLERTON-MAGNOLIA SENIOR APARTMENTS,
L.P., A California Limited Partnership

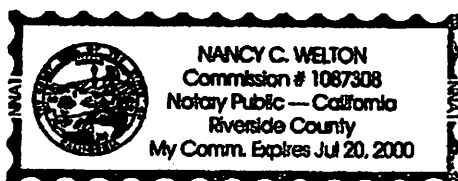
By USA MAGNOLIA INC., GENERAL PARTNER

[Signature]
BY: GEORGEY C. BROWN
PRESIDENT

STATE OF CALIFORNIA)
) ss.
 COUNTY OF RIVERSIDE)

On June 17, 1998, before me, Nancy C. Welton,
 a Notary Public in and for said County and State, personally
 appeared LEE V. POLLARD,
 personally known to me or proved to me on the basis of satisfactory
 evidence to be the person whose name is subscribed to the within
 instrument and acknowledged to me that he executed the same in his
 authorized capacity, and that by his signature on the instrument
 the person or the entity upon behalf of which the person acted,
 executed the instrument.

WITNESS my hand and official seal.

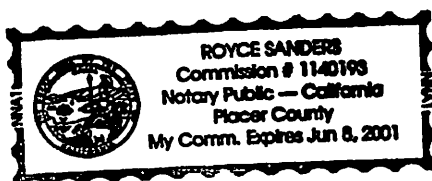


Nancy C. Welton
 Notary Public in and for said
 County and State

STATE OF CALIFORNIA)
) ss.
 COUNTY OF Placer)

On August 7, 1998, before me, Royce Sanders,
 a Notary Public in and for said County and State, personally
 appeared Geoffrey C. Brown,
 personally known to me or proved to me on the basis of satisfactory
 evidence to be the person whose name is subscribed to the within
 instrument and acknowledged to me that he executed the same in his
 authorized capacity, and that by his signature on the instrument
 the person or entity upon behalf of which the person acted,
 executed the instrument.

WITNESS my hand and official seal.



Royce Sanders
 Notary Public in and for said
 County and State

In the County of Riverside, State of California and described as follows:

The Southerly one-half of Lot 4 in Block 35 of the Lands of South Riverside Land and Water Company, as shown by map on file in book 9 page 6 of Maps, San Bernardino County Records.

EXHIBIT "A"
TO AGREEMENT TO INSTALL AND MAINTAIN
LANDSCAPING AND IRRIGATION

**AGREEMENT FOR LANDSCAPE PURPOSES
LYING OVER, UNDER AND ACROSS, A PORTION OF
LOT 4 IN BLOCK 35, OF THE LANDS OF THE SOUTH
RIVERSIDE LAND AND WATER COMPANY, RECORDED
IN BOOK 9, PAGE 6 OF MAPS, RECORDS OF RIVERSIDE COUNTY,
IN THE CITY OF CORONA, STATE OF CALIFORNIA**

Lying over, under and across, a portion of Lot 4 in Block 35, of the Lands of the South Riverside Land and Water Company, Recorded in Book 9, Page 6, of Maps, Records of Riverside County, in the City of Corona, State of California, being more particularly described as follows:

BEGINNING AT A POINT, at the northeasterly corner of said Lot 4;

Thence South 80°48'08" West, a distance of 145.34 feet, to a angle point;

Thence North 87°40'35" West, a distance of 682.99 feet, to an angle point said point also being on the westerly line of said Lot 4;

Thence northeasterly along said westerly line of Lot 4, North 01°06'05" East, a distance of 11.50 feet, to an angle point, said point also being the northwesterly corner of said Lot 4;

Thence southeasterly along the northerly line of said Lot 4, South 88°53'35" East, a distance of 825.84 feet, to the **POINT OF BEGINNING**.

Subject to: covenants, conditions, restrictions, reservations, easements and right-of-ways of record, if any.

See Exhibit "B" attached hereto, and by this reference made a part hereof.

LLH/MDR/mdr
March 11, 1998
J.N. 97.867.1.10

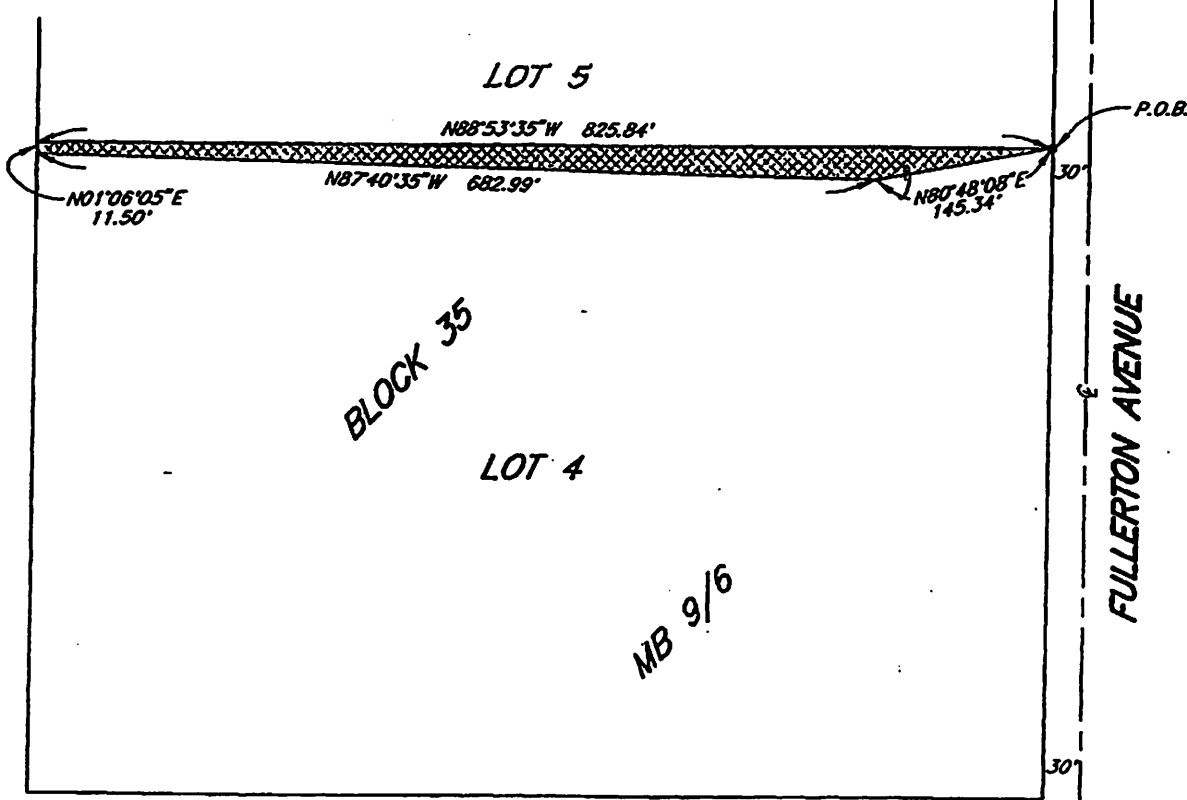


Lindsey L. Harris 3/11/98
Lindsey L. Harris Date
No. 32203 Expires 3-31-00

EXHIBIT "C"
**TO AGREEMENT TO INSTALL AND MAINTAIN
LANDSCAPING AND IRRIGATION**



MAGNOLIA AVENUE



TRACT NO. 17225
MB 117 / 6-8

OLD TEMESCAL ROAD



Lindsey L. Harris 3/11/98
LINDSEY L. HARRIS DATE
R.C.E. 32,203 EXP. 3-31-00

PREPARED BY:



CIVIL ENGINEERS, PLANNERS AND CONSTRUCTION CONSULTANTS
1269 W. POMONA ROAD, SUITE 104 • CORONA, CA 91720 • 909 / 734-2130

AGREEMENT FOR LANDSCAPE PURPOSES
LYING OVER, UNDER AND ACROSS, A PORTION OF
LOT 4 IN BLOCK 35 OF THE LANDS OF THE SOUTH
RIVERSIDE LAND AND WATER COMPANY, RECORDED
IN BOOK 9, PAGE 6 OF MAPS, RIVERSIDE COUNTY.

DATE	DRAWN BY	CHECKED BY	J.N.
03-11-98	LUCY	REILLY	97.867.1.10

IN THE COUNTY OF RIVERSIDE, STATE OF CALIF.
AND DESCRIBED AS FOLLOWS:

THE SOUTHERLY ONE-HALF OF LOT 4 IN
BLOCK 35 OF THE LANDS OF SOUTH RIVERSIDE
LAND AND WATER COMPANY, AS SHOWN BY
MAP ON FILE IN BOOK 9 PAGE 6 OF MAPS,
SAN BERNARDINO COUNTY RECORDS.