

MASTER AGENCY AGREEMENT

between

**COUNTY OF CONTRA COSTA
as Issuer**

and

**MECHANICS BANK,
as Agent**

Dated as of August 1, 2013

Relating to

**[\$Par Amount]
County of Contra Costa
Multifamily Housing Revenue Bonds
(Oak Ridge Family Apartments Project)
2013 Series A**

MASTER AGENCY AGREEMENT

This MASTER AGENCY AGREEMENT, dated as of August 1, 2013 (this “**Agreement**”), between the COUNTY OF CONTRA COSTA, a political subdivision (the “**Issuer**”), and MECHANICS BANK (the “**Agent**”):

WITNESSETH:

WHEREAS, the Issuer is authorized pursuant to Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended (the “**Act**”), to issue revenue bonds to finance and refinance the acquisition, construction, development and rehabilitation of multifamily rental housing projects to be occupied by persons of low income, to dedicate the revenue from such projects to the repayment of such bonds and to take such action and do all things that may be necessary or appropriate to carry out the powers and duties specifically granted to the Issuer by the Act; and

WHEREAS, the Issuer is authorized by the Act to make loans to any person, firm, partnership or corporation licensed to do business in the State of California (the “**State**”) in furtherance of the purposes and activities stated in the Act; and

WHEREAS, the Issuer has determined to engage in a program of financing the acquisition, construction, rehabilitation and development of multifamily rental housing projects pursuant to the Act to benefit persons of low income, and has determined to borrow funds for such purpose by the issuance of revenue bonds authorized by the Act and to dedicate the revenue from said program to the repayment of said bonds; and

WHEREAS, the Issuer has determined to issue its County of Contra Costa Multifamily Housing Revenue Bonds (Oak Ridge Family Apartments Project) 2013 Series A in the principal amount of \$[Par Amount] (the “**Bonds**”), secured by a Master Pledge and Assignment dated the date hereof (the “**Pledge and Assignment**”), by and among the Issuer, the Agent and Mechanics Bank, as purchaser and holder of the Bonds, to provide financing to 73 Carol Ln., L.P. (the “**Borrower**”), for the construction and development of a 30-unit multifamily rental housing project located in Oakley, California, and generally known as Oak Ridge Family Apartments (the “**Project**”); and

WHEREAS, it is necessary and desirable for the Issuer and the Agent to enter into this Agreement to provide for the appointment and duties of the Agent; and

WHEREAS, all conditions, things and acts required by the Act, and by all other laws of the State to exist, to have happened and to have been performed as a condition precedent to and in connection with the issuance of the Bonds do exist, have happened, and have been performed in due time, form and manner as required by law, and the Issuer is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purpose, in the manner and upon the terms therein provided;

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

Section 1. Appointment of Agent. The Issuer hereby irrevocably appoints the Agent as its agent with full authority and power to act on its behalf for the purposes set forth herein and to do all other acts necessary or incidental to the performance and execution thereof. The appointment provided for in this Section 1 is coupled with an interest and is irrevocable except as expressly set forth herein.

Section 2. Representations of the Issuer and the Agent.

(i) The Issuer represents and warrants to the Agent that the Issuer is a political subdivision of the State of California, with full power and authority to issue the Bonds and to enter into the transactions contemplated by this Agreement and the Pledge and Assignment.

(ii) The Agent represents and warrants to the Issuer that the Agent is a California banking corporation organized and existing under the laws of the State of California with full power and authority to enter into the transactions contemplated by this Agreement and the Pledge and Assignment and to serve as the agent of the Issuer for the purpose of making the Loan (as that term is defined in the Pledge and Assignment) to the Borrower as provided in the Loan Documents (as that term is defined in the Pledge and Assignment).

Section 3. Authority and Agreements of the Agent. The Agent is authorized and agrees to enter into, execute and deliver the Pledge and Assignment and, in its capacity as agent for the Issuer, to execute and deliver the Loan Documents and, pursuant to the terms thereof, advance moneys on behalf of the Issuer to fund the Loan upon satisfaction of the conditions set forth therein and otherwise to act on behalf of the Issuer as provided therein. The Agent is hereby irrevocably authorized, directed and empowered to exercise all of the rights, powers and remedies of the Issuer under the Loan Agreement (as that term is defined in the Pledge and Assignment) and the other Loan Documents, and to make all determinations and exercise all options and elections thereunder, without the necessity of further advice to or consultation with, or consent or authorization by, the Issuer, and all actions taken by the Agent under the Loan Agreement or any of the other Loan Documents shall be as valid, and shall have the same force and effect, as if taken by the Issuer. The Agent agrees to provide the Issuer, upon the Issuer's request, with copies of any policies of insurance provided by or on behalf of the Borrower under the Loan Documents that are required to name the Issuer as an additional insured and to provide Issuer with copies of any notices of default given by, or delivered to, the Agent pursuant to the Loan Agreement or any other information it maintains on behalf of the Issuer with respect to the Bonds or the Project.

Section 4. Agent as Independent Contractor. Except as otherwise expressly set forth herein, in the performance of its duties as Agent hereunder, the Agent is an independent contractor acting on its own behalf and for its own account and without authority, express or implied, to act for or on behalf of the Issuer in any capacity other than as expressly provided herein and in no other respect.

Section 5. Standard of Performance. The Agent will perform its duties hereunder in accordance with sound commercial banking practice, and in accordance with the Pledge and Assignment.

Section 6. Successor Agent. Anything herein to the contrary notwithstanding, any corporation or association into which the Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its business and assets as a whole or substantially as a whole or any corporation or association resulting from any conversion, sale, merger, consolidation or transfer to which it is a party will, *ipso facto*, be and become successor Agent hereunder and vested with all of the title to the whole property and all the powers, discretion, immunities, privileges, obligations and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of the parties hereto.

Section 7. Termination by Agent. Neither the Issuer nor the Agent may terminate Agent's agency under this agreement so long as the Agent or any Affiliate (as such term is defined in the Pledge and Assignment) of Agent is the owner of a majority of the Bonds. In the event all of the Bonds are sold, assigned, transferred or otherwise disposed of in accordance with the provisions of Section 4.4 of the Pledge and Assignment, other than to an Affiliate of Agent, either the Issuer or the Agent may terminate this Agreement upon the terms hereinafter provided in this Section 7 by giving 30 days' written notice to the other party and the owners of the Bonds. Such termination shall take effect, except as to the duties of the Agent under Sections 8 and 9, upon the appointment of a successor agent by the Issuer as directed by the owners of a majority of the Bonds with the consent, which is not to be unreasonably withheld, of the Issuer (such consent not being required if such Agent is the subsequent owner of all of the Bonds or is an Affiliate) and the execution, acknowledgment and delivery by the successor Agent of an instrument in substantially the form of this Agreement.

Section 8. Obligations of Agent in the Event of Termination. From and after the effective date of termination of the Agent's agency under this Agreement pursuant to Section 7, the Agent will be relieved of further responsibility in connection with the Pledge and Assignment and the Loan Documents. In the event of such termination, the Agent will pay over to the Issuer, or, if the Issuer shall so direct, to any successor Agent appointed hereunder, all moneys collected and held by it pursuant to this Agreement and/or pursuant to any other agreement, letter or arrangement relative to the Bonds, the Pledge and Assignment and the Loan Documents simultaneously with such termination, and turn over to the successor Agent appointed hereunder all documents and records held in connection with the Bonds, the Pledge and Assignment and the Loan Documents simultaneously with such termination. The Agent will deliver to the successor Agent a full accounting, including a statement showing the monthly payments collected by it and a statement of moneys held in escrow for the payment of taxes, maintenance or other charges in respect of the Pledge and Assignment and the Loan Documents simultaneously with such termination. The Agent will execute and deliver to its successor without recourse, representation or warranty such instruments as are required to assign to the successor all its right, title and interest in all property of whatever nature that it holds as Agent of the Issuer. Where necessary, all such instruments must be filed and/or recorded in each office where such instruments are required to be filed and/or recorded. In addition, the Agent shall provide to the Issuer an opinion of counsel to the Agent to the effect that all things necessary to transfer to the successor Agent all property held by the Agent as Agent hereunder have been done.

Section 9. Term of Agreement. Unless sooner terminated as herein provided, this Agreement will continue from the date hereof until payment in full of the Bonds.

Section 10. Regulatory Agreement Fees. Agent acknowledges the terms and conditions set forth in Section 20 of the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 1, 2013, by and between the Issuer and the Borrower, and covenants to bill the Borrower, on behalf of the Issuer, the fees due and payable to the Issuer pursuant to said Section 20 and to transfer to the Issuer at County of Contra Costa, Department of Conservation and Development, 30 Muir Road, Martinez, CA 94553, Attention: Community Development Bond Program Manager, or such other designated agent of the Issuer, such fees in a timely manner upon payment thereof. In the event that said fees are not paid by the Borrower to the Agent as required by the Regulatory Agreement, the Agent shall use commercially reasonable efforts to promptly notify the Borrower, with a copy of such notification given to the Issuer, of its failure to pay said fees and demand immediate payment of said fees to the Agent. In no event shall the Agent be liable to the Issuer for the failure of the Borrower to make the payments described in this Section 10. The Agent further acknowledges that in order to preserve the tax-exempt status of the Bonds, the Borrower must comply with requirements for rebate of excess investment earnings to the federal government to the extent applicable. The Agent agrees to use commercially reasonable efforts to send the Borrower a notification or reminder of the Borrower's obligation to rebate excess earnings by August 1 of each fifth year, commencing August 1, 2018. However, in no event shall the Agent be liable to the Issuer or the Borrower for the failure to so notify or remind the Borrower.

Section 11. Governing Law; Severability; Captions; Definitions. This Agreement will be construed in accordance with the laws of the State. In the event any provision of this Agreement is held invalid by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof. Any headings of divisions of this Agreement are solely for convenience of reference and will neither constitute a part of this Agreement nor affect its meaning, construction or effect. All capitalized terms used but not defined herein shall have the meanings given to such terms in the Pledge and Assignment.

Section 12. Notices. Any notice provided for herein must be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered and postage prepaid, addressed as follows:

If to the Issuer:	County of Contra Costa Department of Conservation and Development 30 Muir Road Martinez, CA 94553 Attention: Community Development Bond Program Manager
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If to the Agent:	Mechanics Bank 725 Alfred Noble Drive Hercules, CA 94547 Attention: Loan Services
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If to the original owner of the Bonds:	Mechanics Bank 725 Alfred Noble Drive
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Hercules, CA 94547
Attention: Loan Services

or at such other address as any of them may designate by notice duly given in accordance with this Section 12 to the others.

Section 13. Consent to Assignment. In addition to the assignments otherwise permitted or required by this Agreement, the Issuer agrees that Agent shall have the right to assign all of its rights under this Agreement, and under all instruments and documents executed by it as Agent of the Issuer pursuant to this Agreement, to an Affiliate or to a subsequent owner of all of the Bonds or an Affiliate thereof. The Issuer will execute and deliver to the Agent any documents necessary to effectuate such assignment, and will not take any action to impair Agent's right to assign such rights pursuant to this Section 13.

Section 14. Execution Counterparts. This Agreement may be executed, acknowledged and delivered in any number of counterparts. Each such counterpart will constitute an original but all of such counterparts taken together will constitute one agreement.

IN WITNESS WHEREOF, the Issuer and the Agent have each caused this Agreement to be executed in their respective names, by their authorized representatives, as of the date first above written.

COUNTY OF CONTRA COSTA

By: _____
Authorized Representative

MECHANICS BANK

By: _____
Authorized Representative