

HOPWA LOAN AGREEMENT
Tabora Gardens Senior Apartments

This HOPWA Loan Agreement (the "Agreement") is dated April 1, 2016, and is between the County of Contra Costa, a political subdivision of the State of California (the "County"), and Tabora Gardens, L.P., a California limited partnership ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The County has received Housing Opportunities for Persons with AIDS Program funds from the United States Department of Housing and Urban Development ("HUD") pursuant to the HOPWA Program ("HOPWA Funds"). The HOPWA Funds are available to and administered by the County, as a subrecipient of the City of Oakland, which is the representative for the Alameda-Contra Costa County Eligible Metropolitan Area. The HOPWA Funds must be used by the County in accordance with 24 C.F.R. Section 574 et seq.

C. Borrower intends to acquire that certain real property located at the southeast corner of Tabora Drive and James Donlon Blvd. (Assessor's Parcel No. 072-011-062) in the City of Antioch, County of Contra Costa, State of California, as more particularly described in Exhibit A (the "Property"). Borrower intends to construct eighty-five (85) senior housing units on the Property, eighty-four (84) of which will be for rental to extremely low and very low income households, and one (1) manager's unit (the "Development"). The Development, as well as all landscaping, roads and parking spaces on the Property and any additional improvements on the Property, are the "Improvements".

D. Borrower desires to borrow from the County Six Hundred Fifty Thousand Dollars (\$650,000) of HOPWA Funds (the "Loan").

E. The Loan is evidenced by the Note and is secured by the Deed of Trust.

F. The Loan is being made to finance predevelopment costs of the Development. Construction of the Development is intended to maintain the supply of affordable rental housing in Contra Costa County. Due to the assistance provided Borrower through the Loan, the County is designating five (5) units as HOPWA-assisted units (the "HOPWA-Assisted Units").

G. The City has determined the Development to be categorically exempt pursuant to the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA").

H. In accordance with the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347) ("NEPA"), the County has completed and approved all applicable environmental review for the activities proposed to be undertaken under this Agreement.

The parties therefore agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following terms have the following meanings:

- (a) "Agreement" means this HOPWA Loan Agreement.
- (b) "Approved Development Budget" means the proforma predevelopment and development budget, including sources and uses of funds, as approved by the County, and attached hereto and incorporated herein as Exhibit B.
- (c) "Borrower" has the meaning set forth in the first paragraph of this Agreement.
- (d) "CDLAC" means the California Debt Limit Allocation Committee.
- (e) "CEQA" has the meaning set forth in Paragraph G of the Recitals.
- (f) "City" means the City Antioch, California, a municipal corporation.
- (g) "Construction Closing" means the date upon which all of the following has occurred: (i) escrow closes for all financing necessary for the construction of the Improvements, and (ii) any deeds of trust related to such financing are recorded against the Property.
- (h) "County" has the meaning set forth in the first paragraph of this Agreement.
- (i) "Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith among Borrower, as Trustor, Old Republic Title Company, as trustee, and the County, as beneficiary, that will encumber the Property to secure repayment of the Loan and performance of the covenants of the Loan Documents.
- (j) "Default Rate" means the lesser of the maximum rate permitted by law and ten percent (10%) per annum.
- (k) "Development" has the meaning set forth in Paragraph C of the Recitals.
- (l) "Event of Default" has the meaning set forth in Section 5.1.
- (m) "Hazardous Materials" means: (i) any substance, material, or waste

that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, and (ii) any waste, substance or material defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic materials", "toxic waste", "toxic substances," or words of similar import under any Hazardous Materials Law.

(n) "Hazardous Materials Claims" means with respect to the Property (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any Hazardous Materials Law; and (ii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

(o) "Hazardous Materials Law" means any federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto.

(p) "HOPWA-Assisted Units" has the meaning set forth in Paragraph F of the Recitals.

(q) "HOPWA" means the Housing Opportunities for Persons with AIDS Program pursuant to the AIDS Housing Opportunity Act (42 USC 12901 et seq.), as amended by the Housing and Community Development Act of 1992 (42 USC 5301 et seq.).

(r) "HOPWA Eligible Household" means a household that includes at least one Person with HIV/AIDS.

(s) "HOPWA Funds" has the meaning set forth in Paragraph B of the Recitals.

(t) "HOPWA Term" means the period beginning on the date of this Agreement and ending on the tenth (10th) anniversary of the date of this Agreement.

(u) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(v) "Improvements" has the meaning set forth in Paragraph C of the Recitals.

(w) "Loan Documents" means this Agreement, the Note, and the Deed of Trust.

(x) "Loan" has the meaning set forth in Paragraph D of the Recitals.

(y) "NEPA" has the meaning set forth in Paragraph H of the Recitals.

(z) "Note" means the promissory note of even date herewith that

evidences Borrower's obligation to repay the Loan.

(aa) "Persons with HIV/AIDS" has the meaning set forth in the Regulatory Agreement.

(bb) "Predevelopment Activities" means the activities related to the Development that are performed by Borrower prior to Construction Closing, including but not limited to preparation of funding applications, design, engineering, and planning costs.

(cc) "Predevelopment Costs" has the meaning set forth in Section 2.3.

(dd) "Property" has the meaning set forth in Paragraph C of the Recitals.

(ee) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower that will (i) regulate the use and occupancy of the Development, and (ii) be recorded against the Property at Construction Closing. The form of the Regulatory Agreement will be provided by the County.

(ff) "Subsequent Loan" means a loan from the County to Borrower that may be approved or denied in the County's sole discretion and, if approved, will be (i) used for the development of the Improvements and (ii) funded at Construction Closing.

(gg) "Subsequent Loan Documents" means the loan agreement, promissory note, deed of trust, Regulatory Agreement, and any other document evidencing, or entered into by and between the County and Borrower regarding the Subsequent Loan.

(hh) "TCAC" means the California Tax Credit Allocation Committee.

(ii) "Tenant" means the tenant household that occupies a unit in the Development.

(jj) "Term" means the period of time that commences on the date of this Agreement, and expires, unless sooner terminated in accordance with this Agreement, on the earlier of: (i) December 31, 2016, and (ii) the date of the Construction Closing.

(kk) "Transfer" has the meaning set forth in Section 3.17 below.

Section 1.2 Exhibits

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A: Legal Description of the Property
- Exhibit B: Approved Development Budget
- Exhibit C: NEPA Mitigation Requirements

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

Upon satisfaction of the conditions set forth in Section 2.5 of this Agreement, the County shall lend to Borrower the Loan for the purposes set forth in Section 2.3 of this Agreement. Borrower's obligation to repay the Loan is evidenced by the Note.

Section 2.2 Interest.

(a) Loan. Subject to the provisions of subsection (b) below, no interest will accrue on the outstanding principal balance of the Loan.

(b) Default Interest. Upon the occurrence of an Event of a Default, interest on the outstanding principal balance of the Loan will begin to accrue, beginning on the date of such occurrence and continuing until the date the Loan is repaid in full or the Event of Default is cured, at the Default Rate.

Section 2.3 Use of Loan Funds.

Borrower shall use the Loan to finance the expenses incurred in connection with the Predevelopment Activities consistent with the Approved Development Budget (the "Predevelopment Costs"). Predevelopment Costs include HOPWA-eligible costs incurred by Borrower in connection with the Development prior to the date of this Agreement. Any HOPWA Funds not disbursed pursuant to Section 2.5 to finance Predevelopment Costs may be disbursed pursuant to the Subsequent Loan Documents for construction costs consistent with the Approved Development Budget. Borrower may not use the Loan proceeds for any other purposes without the prior written consent of the County.

Section 2.4 Security.

In consideration of the Loan, Borrower shall secure its obligation to repay the Loan, as evidenced by the Note, by executing the Deed of Trust, and cause or permit it to be recorded as a lien against the Property.

Section 2.5 Conditions Precedent to Disbursement of Loan Funds for Predevelopment Costs.

The disbursements for Predevelopment Costs may not exceed the Loan amount. The County is not obligated to disburse any portion of the Loan for Predevelopment Costs, or to take any other action under the Loan Documents unless all of the following conditions have been and continue to be satisfied:

(a) There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement;

(b) Borrower holds title to the Property or is acquiring title to the Property

simultaneously with the disbursement of the Loan proceeds;

(c) Borrower has delivered to the County a copy of a corporate resolution authorizing Borrower to obtain the Loan and execute the Loan Documents;

(d) There exists no material adverse change in the financial condition of Borrower from that shown by the financial statements and other data and information furnished by Borrower to the County prior to the date of this Agreement;

(e) Borrower has furnished the County with evidence of the insurance coverage meeting the requirements of Section 3.18 below;

(f) Borrower has executed and delivered to the County the Loan Documents and has caused all other documents, instruments, and policies required under the Loan Documents to be delivered to the County;

(g) The Deed of Trust has been recorded against the Property in the Office of the Recorder of the County of Contra Costa;

(h) A title insurer reasonably acceptable to the County is unconditionally and irrevocably committed to issuing a 2006 ALTA Lender's Policy of title insurance insuring the priority of the Deed of Trust in the amount of the Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the County, and containing such endorsements as the County may reasonably require. Borrower shall provide whatever documentation (including an indemnification agreement), deposits or surety is reasonably required by the title company in order for the County's Deed of Trust to be senior in lien priority to any mechanics liens in connection with any start of construction that has occurred prior to the recordation of the Deed of Trust against the Property in the Office of the Recorder of the County of Contra Costa;

(i) All environmental review necessary for the construction of the Development has been completed, and Borrower has provided the County evidence of planned compliance with all NEPA and CEQA requirements and mitigation measures applicable to construction, and evidence of compliance with all NEPA and CEQA requirements and mitigation measures applicable to preconstruction;

(j) The County has determined the undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that Borrower has obtained in connection with the Development, are not less than the amount the County determines is necessary to pay for the construction of the Development and to satisfy all of the covenants contained in this Agreement; and

(k) The County has received a written draw request from Borrower, including: (i) certification that the condition set forth in Section 2.5(a) continues to be satisfied; (ii) certification that the proposed uses of funds is consistent with the Approved Development Budget; (iii) the amount of funds needed; and, (iv) where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with Improvements, the written request must be accompanied

by: (1) certification by Borrower's architect reasonably acceptable to the County that the work for which disbursement is requested has been completed (although the County reserves the right to inspect the Property and make an independent evaluation); and (2) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the County.

Section 2.6 Repayment Schedule.

(a) Payment in Full of Loan. Subject to Sections 2.6(b), Borrower shall pay all outstanding principal and accrued interest on the Loan, in full, on the earliest to occur of: (i) any Transfer other than as permitted pursuant to Section 3.17; (ii) an Event of Default; and (iii) the expiration of the Term.

(b) Subsequent Loan. If a Subsequent Loan is approved by the County and Subsequent Loan Documents are executed by the parties and if all, or any portion, of the Subsequent Loan is then funded, then (i) this Agreement will terminate, (ii) the Note will be cancelled and replaced with the promissory note associated with the Subsequent Loan, (iii) the Loan will be combined with the Subsequent Loan for purposes of repayment, (iv) the deed of trust associated with the Subsequent Loan will supersede in its entirety the Deed of Trust, (v) Borrower will execute the Regulatory Agreement; and (vi) thereafter the Loan will be repaid in accordance with the terms of the Subsequent Loan Documents. The County has no obligation to provide Borrower the Subsequent Loan.

(c) Prepayment. Borrower may prepay the Loan at any time without premium or penalty. However, the Regulatory Agreement and the Deed of Trust will remain in effect for the entire Term, regardless of any prepayment or Transfer.

Section 2.7 Non-Recourse.

Except as provided below, neither Borrower, nor any partner of Borrower, has any direct or indirect personal liability for payment of the principal of, and interest on, the Loan. Following recordation of the Deed of Trust, the sole recourse of the County with respect to the principal of, or interest on, the Note will be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability limits or impairs the enforcement of all the rights and remedies of the County against all such security for the Note, or impairs the right of County to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation to repay the principal and interest on the Note. Except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the County under Sections 3.10(b)(vi), 3.11, and 6.4 of this Agreement, or liability for: (i) loss or damage of any kind resulting from waste, fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 LOAN REQUIREMENTS

Section 3.1 TCAC and CDLAC Applications.

(a) Within thirty (30) days of the execution of this Agreement Borrower shall submit timely and complete applications to CDLAC for a tax exempt bond allocation and to TCAC for a reservation of 4% tax credits.

(b) Upon award of the reservation of tax credits from TCAC, Borrower shall exercise diligent good faith efforts to obtain a funding commitment from a reputable equity investor reasonably acceptable to the County. The County shall review and reasonably approve or disapprove of the submitted equity information within ten (10) days after submission. If the County disapproves the equity investor or funding commitment, it shall specify in writing the reasons for such disapproval. The County shall not disapprove the equity investor if such investor is a well-established investor in low income housing tax credit projects. The County shall not disapprove the equity funding commitment if the pricing of the credits in the commitment is commensurate with other equity financing currently provided in the low income housing tax credit market for projects similar to the Development and is consistent with the Approved Development Budget.

Section 3.2 Approved Development Budget; Revisions to Budget.

As of the date of this Agreement, the County has approved the Approved Development Budget set forth in Exhibit B which includes the Predevelopment Costs and the percentage of each such line item to be funded by the Loan. Borrower shall submit any amendments to the Approved Development Budget to the County for approval within five (5) days after the date Borrower receives information indicating that actual costs of the Development vary or will vary from the costs shown on the Approved Development Budget. Written consent of the County will be required to amend the Approved Development Budget.

Section 3.3 Information.

Borrower shall provide any information reasonably requested by the County in connection with the Development, including (but not limited to) any information required by HUD in connection with Borrower's use of the Loan funds.

Section 3.4 Progress Reports; Periodic Development Evaluation.

During the performance of the Predevelopment Activities Borrower shall on the first day of each month of the Term, and from time to time as reasonably requested by the County, provide the County with written progress reports regarding the status of the performance of the Predevelopment Activities.

Section 3.5 Borrower Supervision of Predevelopment Activities.

Borrower is solely responsible for all aspects of Borrower's conduct in connection with

the performance of the Predevelopment Activities, including (but not limited to) the quality and suitability of the plans and specifications, the supervision of work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, and consultants. Any review or inspection undertaken by the County with reference to the Predevelopment Activities and the Improvements is solely for the purpose of determining whether Borrower is properly discharging its obligations to the County, and should not be relied upon by Borrower or by any third parties as a warranty or representation by the County as to the quality of the design or construction of the Improvements.

Section 3.6 Compliance with Laws.

Borrower shall comply with all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, including (without limitation and where applicable) the prevailing wage provisions of Sections 1770 et seq., of the California Labor Code and implementing rules and regulations, in owning the Property, and performing the Predevelopment Activities.

Section 3.7 Equal Opportunity.

During the performance of the Predevelopment Activities, there will be no discrimination on the basis of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin, ancestry, or disability in the hiring, firing, promoting, or demoting of any person engaged in the work.

Section 3.8 Records.

(a) Borrower shall keep and maintain at the principal place of business of Borrower set forth in Section 6.9 below, or elsewhere with the County's written consent, full, complete and appropriate books, records and accounts relating to the Development. Borrower shall cause all books, records and accounts relating to its compliance with the terms, provisions, covenants and conditions of this Agreement to be kept and maintained in accordance with generally accepted accounting principles consistently applied, and to be consistent with requirements of this Agreement. Borrower shall cause all books, records, and accounts to be open to and available for inspection and copying by HUD, the County, its auditors or other authorized representatives at reasonable intervals during normal business hours. Borrower shall cause copies of all tax returns and other reports that Borrower may be required to furnish to any government agency to be open for inspection by the County at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve such records for a period of not less than five (5) years after their creation in compliance with all HUD records and accounting requirements. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Loan is pending at the end of the record retention period stated herein, then Borrower shall retain the records until such action and all related issues are resolved. Borrower shall cause the records to include all invoices, receipts, and other documents related to expenditures from the Loan funds. Borrower shall cause records to be accurate and current and in a form that allows the County to comply with the record keeping requirements contained in 24 C.F.R. 574.450 and 24 C.F.R. 574.530. Such records are to include but are not limited to:

(i) Records providing a full description of the activities undertaken with the use of the Loan funds;

(ii) Records demonstrating that each activity undertaken with the HOPWA Funds meets one of the eligible activities of the HOPWA program set forth in 24 C.F.R. Section 574.300 and 24 C.F.R. Section 574.310;

(iii) Records demonstrating compliance with the HUD property standards and lead-based paint requirements including the property standards of 24 C.F.R. Section 574.310(b) and the lead-based paint requirements of 24 C.F.R. Section 574.635;

(iv) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;

(v) Financial records as required by 2 C.F.R. Part 200, and during the HOPWA Term, financial records and other documents necessary to document compliance with the requirements of 24 C.F.R. Part 574 et seq;

(vi) Records demonstrating compliance with the HOPWA marketing, tenant selection, affordability, and income requirements;

(vii) Records demonstrating compliance with MBE/WBE requirements;

(viii) Records demonstrating compliance with 24 C.F.R. Part 135 which implements Section 3 of the Housing Development Act of 1968;

(ix) Records demonstrating compliance with applicable relocation requirements, which must be retained for at least five (5) years after the date by which persons displaced from the property have received final payments;

(x) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid; and

(xi) Records documenting compliance with the supportive service requirements of 24 C.F.R. Section 574.310(a)(1).

(b) The County shall notify Borrower of any records it deems insufficient. Borrower has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the County in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Borrower must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 3.9

County Audits.

(a) Each year, Borrower shall provide the County with a copy of Borrower's

annual audit, which is to include information on all of Borrower's activities and not just those pertaining to the Development. Borrower shall also follow the applicable audit requirements of 2 C.F.R. Part 200 and the additional audit requirements set forth in 24 C.F.R. 574.650.

(b) In addition, the County may, at any time, audit all of Borrower's books, records, and accounts pertaining to the Development including but not limited to the Residual Receipts of the Development. Any such audit is to be conducted during normal business hours at the principal place of business of Borrower and wherever records are kept. Immediately after the completion of an audit, the County shall deliver a copy of the results of the audit to Borrower.

(c) If it is determined as a result of an audit that there has been a deficiency in a loan repayment to the County then such deficiency will become immediately due and payable, with interest at the Default Rate from the date the deficient amount should have been paid.

Section 3.10 HOPWA Requirements.

(a) Borrower shall comply with all applicable laws and regulations governing the use of the HOPWA Funds, as set forth in 24 C.F.R. Part 574 et. seq. In the event of any conflict between this Agreement and applicable laws and regulations governing the use of the Loan funds, the applicable laws and regulations govern. During the HOPWA Term, these requirements are federal requirements, implemented by the County; thereafter, these requirements are deemed local County requirements.

(b) The laws and regulations governing the use of the Loan funds include (but are not limited to) the following:

(i) Environmental and Historic Preservation. 24 C.F.R. Part 58, which prescribes procedures for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4361), and the additional laws and authorities listed at 24 C.F.R. 58.5;

(ii) Applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The applicable policies, guidelines, and requirements of 2 C.F.R. Part 200;

(iii) Debarred, Suspended or Ineligible Contractors. The prohibition on the use of debarred, suspended, or ineligible contractors set forth in 24 C.F.R. Part 24;

(iv) Civil Rights, Housing and Community Development, and Age Discrimination Acts. The Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964 as amended; Title VIII of the Civil Rights Act of 1968 as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended; Section 504 of the Rehabilitation Act of 1973 (29 USC 794, et seq.); the Age Discrimination Act of 1975 (42 USC 6101, et seq.); Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 C.F.R. Part 107; Executive Order 11246 as amended by Executive Orders

11375, 12086, 11478, 12107; Executive Order 11625 as amended by Executive Order 12007; Executive Order 12432; Executive Order 12138 as amended by Executive Order 12608;

(v) Lead-Based Paint. The requirement of the Lead-Based Paint Poisoning Prevention Act, as amended (42 U.S.C. 4821 et seq.), the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. 4851 et seq.), and implementing regulations at 24 C.F.R. Part 35;

(vi) Relocation. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), and implementing regulations at 49 C.F.R. Part 24; Section 104(d) of the Housing and Community Development Act of 1974 and implementing regulations at 24 C.F.R. 42 et seq.; 24 C.F.R. 574.630; and California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq. If and to the extent that development of the Development results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, then Borrower shall comply with all applicable local, state, and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. Borrower shall prepare and submit a relocation plan to the County for approval. Borrower is solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. Borrower shall indemnify, defend (with counsel reasonably chosen by the County), and hold harmless the County against all claims that arise out of relocation obligations to residential tenants, homeowners, or businesses permanently or temporarily displaced by the Development;

(vii) Discrimination against the Disabled. The requirements of the Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and federal regulations issued pursuant thereto, which prohibit discrimination against the disabled in any federally assisted program, the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and the applicable requirements of Title II and/or Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), and federal regulations issued pursuant thereto;

(viii) Clean Air and Water Acts. The Clean Air Act, as amended, 42 U.S.C. 7401 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 1500, as amended from time to time;

(ix) Uniform Administrative Requirements. The provisions of 24 C.F.R. 574.650 regarding cost and auditing requirements;

(x) Housing Quality Standards. The housing quality standards set forth in 24 C.F.R. Section 574.310(b);

(xi) Supportive Services. The supportive service requirements of 24 C.F.R. Section 574.310(a)(1). Borrower shall procure services to satisfy such service requirements;

(xii) Training Opportunities. The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"), requiring that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and agreements for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the areas of the project. Borrower agrees to include the following language in all subcontracts executed under this Agreement:

(1) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(2) The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause; and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference; shall set forth minimum number and job titles subject to hire; availability of apprenticeship and training positions; the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(4) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(5) The contractor will certify that any vacant employment positions, including training positions, that are filled (A) after the contractor is selected but before the contract is executed, and (B) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 135.

(6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(7) With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

(xiii) Drug Free Workplace. The requirements of the Drug Free Workplace Act of 1988 (P.L. 100-690) and implementing regulations at 24 C.F.R. Part 24;

(xiv) Anti-Lobbying; Disclosure Requirements. The disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 C.F.R. Part 87;

(xv) Historic Preservation. The historic preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. Section 470) and the procedures set forth in 36 C.F.R. Part 800. If archeological, cultural, or historic period resources are discovered during construction, all construction work must come to a halt and Borrower shall immediately notify the County. Borrower shall not shall alter or move the discovered material(s) until all appropriate procedures for "post-review discoveries" set forth in Section 106 of the National Historic Preservation Act have taken place, which include, but are not limited to, consultation with the California State Historic Preservation Officer and evaluation of the discovered material(s) by a qualified professional archeologist;

(xvi) Religious Organizations. If Borrower is a religious organization, as defined by the HOPWA requirements, Borrower shall comply with all conditions prescribed by HUD for the use of HOPWA Funds by religious organizations, including the First Amendment of the United States Constitution regarding church/state principles and the applicable constitutional prohibitions set forth in 24 C.F.R. 574.300(c);

(xvii) Violence Against Women. The requirements of the Violence Against Women Reauthorization Act of 2013 (Pub. L. 113-4, 127 Stat. 54) applicable to HUD-funded programs; and

(xviii) HUD Regulations. Any other HUD regulations present or as may be amended, added, or waived in the future pertaining to the Loan funds.

Section 3.11 Hazardous Materials.

(a) Borrower shall keep and maintain the Property (including but not limited to, soil and ground water conditions) in compliance with all Hazardous Materials Laws and may not cause or permit the Property to be in violation of any Hazardous Materials Law. Borrower may not cause or permit the use, generation, manufacture, storage or disposal of

on, under, or about the Property or transportation to or from the Property of any Hazardous Materials, except such of the foregoing as may be customarily used in construction of projects like the Development or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the County in writing if at any time it receives written notice of any Hazardous Materials Claims, and Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code, Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The County has the right to join and participate in, as a party if it so elects, and be represented by counsel acceptable to the County (or counsel of its own choice if a conflict exists with Borrower) in any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower.

(d) Borrower shall indemnify and hold harmless the County and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, fine, penalty, judgment, award, settlement, expense or liability, directly or indirectly arising out of or attributable to: (i) any actual or alleged past or present violation of any Hazardous Materials Law; (ii) any Hazardous Materials Claim; (iii) any actual or alleged past or present use, generation, manufacture, storage, release, threatened release, discharge, disposal, transportation, or presence of Hazardous Materials on, under, or about the Property; (iv) any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Property relating to Hazardous Materials (whether on the Property or any other property); and (v) the breach of any representation of warranty by or covenant of Borrower in this Section 3.11, and Section 4.1(1). Such indemnity shall include, without limitation: (x) all consequential damages; (y) the costs of any required or necessary investigation, repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (z) all reasonable costs and expenses incurred by the County in connection with clauses (x) and (y), including but not limited to reasonable attorneys' fees and consultant fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property, (2) loss or restriction of use of rentable space on the Property, (3) adverse effect on the marketing of any rental space on the Property, and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement and will not be diminished or affected in any respect as a result of any notice, disclosure, knowledge, if any, to or by the County of Hazardous Materials.

(e) Without the County's prior written consent, which will not be

unreasonably withheld, Borrower may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the County's judgment, impair the value of the County's security hereunder; provided, however, that the County's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the County's consent before taking such action, provided that in such event Borrower shall notify the County as soon as practicable of any action so taken. The County agrees not to withhold its consent, where such consent is required hereunder, if: (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Borrower establishes to the satisfaction of the County that there is no reasonable alternative to such remedial action which would result in less impairment of the County's security hereunder; or (iv) the action has been agreed to by the County.

(f) Borrower hereby acknowledges and agrees that: (i) this Section is intended as the County's written request for information (and Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(g) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the County's or the trustee's rights and remedies under the Deed of Trust, the County may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to: (i) waive its lien on such environmentally impaired or affected portion of the Property; and (ii) exercise, (1) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the County's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower will be deemed to have willfully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the County in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally

impaired, plus interest thereon at the Default Rate, until paid, will be added to the indebtedness secured by the Deed of Trust and is due and payable to the County upon its demand made at any time following the conclusion of such action.

Section 3.12 Maintenance; Damage and Destruction.

(a) Borrower shall maintain the Development and the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving a County notice of such a condition, then in addition to any other rights available to the County, the County may perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property, subject to the provisions provided in subsection (b) below.

(b) Subject to the requirements of senior lenders, and if economically feasible in the County's judgment after consultation with Borrower, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the County with such changes as have been approved by the County. Such work or repair is to be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the County in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and is to be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction are to be applied to the cost of such repairs or restoration and, if such insurance proceeds are insufficient for such purpose, then Borrower shall make up the deficiency. If Borrower does not promptly make such repairs then any insurance proceeds collected for such damage or destruction are to be promptly delivered by Borrower to the County as a special repayment of the Loan, subject to the rights of the senior lenders, if any.

Section 3.13 Fees and Taxes.

Borrower is solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Development, and shall pay such charges prior to delinquency. However, Borrower is not required to pay and discharge any such charge so long as: (i) the legality thereof is being contested diligently and in good faith and by appropriate proceedings; and (ii) if requested by the County, Borrower deposits with the County any funds or other forms of assurance that the County in good faith from time to time determines appropriate to protect the County from the consequences of the contest being unsuccessful.

Section 3.14 Notices.

Borrower shall promptly notify the County in writing of any and all of the following:

(a) Any litigation known to Borrower affecting Borrower, or the Property and of any claims or disputes that involve a material risk of such litigation;

(b) Any written or oral communication Borrower receives from any governmental, judicial, or legal authority giving notice of any claim or assertion that the Property fails in any respect to comply with any applicable governmental law;

(c) Any material adverse change in the physical condition of the Property (including any damage suffered as a result of fire, earthquakes, or floods);

(d) Any material adverse change in Borrower's financial condition, any material adverse change in Borrower's operations, or any change in the management of Borrower;

(e) That any of the statements in Section 4.1(l) regarding Hazardous Materials are no longer accurate;

(f) Any Default or event which, with the giving of notice or the passage of time or both, would constitute a Default; and

(g) Any other circumstance, event, or occurrence that results in a material adverse change in Borrower's ability to timely perform any of its obligations under any of the Loan Documents.

Section 3.15 Operation of Development as Affordable Housing.

Borrower shall operate the Development as an affordable housing development consistent with: (i) HUD's requirements for use of HOPWA Funds (with respect to the HOPWA-Assisted Units); (ii) the Regulatory Agreement; and (iii) any other regulatory requirements imposed on Borrower. Upon the Construction Closing the County and Borrower shall cause to be recorded against the Property the Regulatory Agreement providing, among other matters, for the rental of the HOPWA-Assisted Units to HOPWA Eligible Households with incomes that do not exceed thirty percent (30%) of area median income for a time period of no less than the HOPWA Term, and to income eligible households after the expiration of the HOPWA Term through the end of fifty-five (55) years.

Section 3.16 Nondiscrimination.

(a) Borrower covenants by and for itself and its successors and assigns that there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor may Borrower or any person claiming under or through Borrower 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 in the Property. The foregoing covenant will run with the land.

(b) Nothing in this Section prohibits Borrower from requiring HOPWA-Assisted Units in the Development to be available to and occupied by income eligible

households in accordance with the Regulatory Agreement, or from requiring the HOPWA-Assisted Units in the Development to be available to and occupied by HOPWA Eligible Households.

Section 3.17 Transfer.

(a) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of: (i) any rights and/or duties under this Agreement; and/or (ii) any interest in the Development, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Development is transferred and Borrower retains title. The term "Transfer" excludes the leasing of any single unit in the Development to an occupant in compliance with the Regulatory Agreement. The County Deputy Director – Department of Conservation and Development is authorized to execute assignment and assumption agreements on behalf of the County to implement any approved Transfer.

(b) No Transfer is permitted without the prior written consent of the County, which the County may withhold in its sole discretion. The Loan will automatically accelerate and be due in full upon any Transfer made without the prior written consent of the County.

Section 3.18 Insurance Requirements.

(a) Borrower shall maintain the following insurance coverage throughout the Term of the Loan:

(i) Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than One Million Dollars (\$1,000,000) each accident.

(ii) Commercial General Liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(iii) Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable.

(iv) Builders' Risk insurance during the course of construction, and upon completion of construction, property insurance covering the Development, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the County, naming the County as a Loss Payee, as its interests may appear. Flood insurance must be obtained if required by applicable federal regulations.

(v) Commercial crime insurance covering all officers and employees, for loss of Loan proceeds caused by dishonesty, in an amount approved by the County, naming the County a Loss Payee, as its interests may appear.

(b) Borrower shall cause any general contractor, agent, or subcontractor working on the Development under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described in subsections (i), (ii), and (iii) above, except that the limit of liability for commercial general liability insurance for subcontractors must be One Million Dollars (\$1,000,000), and must require that such insurance will meet all of the general requirements of subsections (d) and (e) below.

(c) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsection (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(d) Commercial General Liability, Automobile Liability and Property insurance policies must be endorsed to name as an additional insured the County and its officers, agents, employees and members of the County Board of Supervisors.

(e) All policies and bonds are to contain: (i) the agreement of the insurer to give the County at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the County; (iii) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the County and its authorized parties in connection with any loss or damage thereby insured against.

Section 3.19 Anti-Lobbying Certification.

(a) Borrower certifies, to the best of Borrower's knowledge or belief, that:

(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, grant, loan, or

cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(b) This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and no more than One Hundred Thousand Dollars (\$100,000) for such failure.

Section 3.20 Other Indebtedness and Liens.

Borrower shall not incur any indebtedness of any kind or encumber the Property with any liens without the prior written consent of the County. If the County and Borrower enter into the Subsequent Loan Documents, such agreement will set forth the County's standard provisions regarding additional liens and subordination.

Section 3.21 NEPA Mitigation Requirements.

Borrower shall comply with the NEPA mitigation requirements set forth in the attached Exhibit C in the development of the Development.

ARTICLE 4 REPRESENTATIONS AND
WARRANTIES OF BORROWER

Section 4.1 Representations and Warranties.

Borrower hereby represents and warrants to the County as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 5 are deemed to be continuing during all times when any portion of the Loan remains outstanding:

(a) Organization. Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement

and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. The Loan Documents and all other documents or instruments executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will: (i) conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever that is binding on Borrower, or conflict with any provision of the organizational documents of Borrower, or conflict with any agreement to which Borrower is a party; or (ii) result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The performance of the Predevelopment Activities and construction of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the Loan or impair the security to be given to the County pursuant hereto.

(h) Title to Land. At the time of recordation of the Deed of Trust, Borrower will have good and marketable fee title to the Development and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than liens for current real property taxes and liens in favor of the County or approved in writing by the County.

(i) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the County fairly and accurately present the information contained therein. As of the date of this Agreement, there has not been any material adverse change in the financial condition of Borrower from that shown by such financial statements and other data and information.

(j) Sufficient Funds. Borrower holds sufficient funds and/or binding commitments for sufficient funds to complete the acquisition of the Property and the performance of the Predevelopment Activities in accordance with the terms of this

Agreement.

(k) Taxes. Borrower and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Borrower or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect on the property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower and its subsidiaries, taken as a whole, or which could result in (i) a material impairment of the ability of Borrower to perform under any loan document to which it is a party, or (ii) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document.

(l) Hazardous Materials. To the best of Borrower's knowledge, except as disclosed in writing by Borrower to the County prior to the date of this Agreement: (i) no Hazardous Material has been disposed of, stored on, discharged from, or released to or from, or otherwise now exists in, on, under, or around, the Property; (ii) neither the Property nor Borrower is in violation of any Hazardous Materials Law; and (iii) neither the Property nor Borrower is subject to any existing, pending or threatened Hazardous Materials Claims.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Any one or more of the following constitutes an "Event of Default" by Borrower under this Agreement:

(a) Failure to Make Payment. If Borrower fails to make any payment when such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. If Borrower fails to duly perform, comply with, or observe any other condition, term, or covenant contained in this Agreement (other than as set forth in Section 6.1(a) and Section 6.1(c) through Section 6.1(j)), or in any of the other Loan Documents, and Borrower fails to cure such default within thirty (30) days after receipt of written notice thereof from the County to Borrower.

(c) Insolvency. If a court having jurisdiction makes or enters any decree or order: (i) adjudging Borrower to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of Borrower, or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties; (iv) directing the winding up or liquidation of Borrower if any such decree or order described in clauses (i) to (iv), inclusive, is unstayed or undischarged for a period of ninety (90) calendar days; or (v)

Borrower admits in writing its inability to pay its debts as they fall due or will have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the Events of Default in this paragraph will act to accelerate automatically, without the need for any action by the County, the indebtedness evidenced by the Note.

(d) Assignment; Attachment. If Borrower assigns its assets for the benefit of its creditors or suffers a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon is returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the County, the indebtedness evidenced by the Note.

(e) Suspension; Termination. If Borrower voluntarily suspends its business or, the partnership is dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(f) Liens on Property and the Development. If any claim of lien (other than liens approved in writing by the County) is filed against the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the County.

(g) Condemnation. If there is a condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development.

(h) Unauthorized Transfer. If any Transfer occurs other than as permitted pursuant to Section 3.17.

(i) Representation or Warranty Incorrect. If any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the County in connection with any of the Loan Documents, proves to have been incorrect in any material respect when made.

(j) Applicability to General Partner. The occurrence of any of the events set forth in Section 6.1(c), through Section 6.1(e) in relation to Borrower's managing general partner.

Section 5.2 Remedies.

Upon the occurrence of an Event of Default and until such Event of Default is cured or waived, the County is relieved of any obligation to disburse any portion of the Loan. In addition, upon the occurrence of an Event of Default and following the expiration of all applicable notice and cure periods the County may proceed with any and all remedies available to it under law,

this Agreement, and the other Loan Documents. Such remedies include but are not limited to the following:

(a) Acceleration of Note. The County may cause all indebtedness of Borrower to the County under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The County may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the County as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. Borrower is liable to pay the County on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the County in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Specific Performance. The County has the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents.

(c) Right to Cure at Borrower's Expense. The County has the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loan. Upon demand therefor, Borrower shall reimburse the County for any funds advanced by the County to cure such monetary default by Borrower, together with interest thereon from the date of expenditure until the date of reimbursement at the Default Rate.

Section 5.3 Right of Contest.

Borrower may contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest is to be prosecuted diligently and in a manner unprejudicial to the County or the rights of the County hereunder.

Section 5.4 Remedies Cumulative.

No right, power, or remedy given to the County by the terms of this Agreement or the other Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy is cumulative and in addition to every other right, power, or remedy given to the County by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the County to exercise any such rights and remedies will operate as a waiver thereof, nor does any single or partial exercise by the County of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Relationship of Parties.

Nothing contained in this Agreement is to be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the County and Borrower or its agents, employees or contractors, and Borrower will at all times be deemed an independent contractor and to be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the construction and operation of the Development, Borrower is solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and must include requirements in each contract that contractors are solely responsible for similar matters relating to their employees. Borrower is solely responsible for its own acts and those of its agents and employees.

Section 6.2 No Claims.

Nothing contained in this Agreement creates or justifies any claim against the County by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, the construction or operation of the Development, and Borrower shall include similar requirements in any contracts entered into for the construction or operation of the Development.

Section 6.3 Amendments.

No alteration or variation of the terms of this Agreement is valid unless made in writing by the Parties. The County Deputy Director, Department of Conservation and Development is authorized to execute on behalf of the County amendments to the Loan Documents or amended and restated Loan Documents as long as any discretionary change in the amount or terms of this Agreement is approved by the County's Board of Supervisors.

Section 6.4 Indemnification.

Borrower shall indemnify, defend and hold the County and its board members, supervisors, directors, officers, employees, agents, successors and assigns harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement, including but not limited to the purchase of the Property and the development, construction, marketing and operation of the Development, except to the extent such claim arises from the gross negligence or willful misconduct of the County, its agents, and its employees. The provisions of this Section will survive the expiration of the Term and the reconveyance of the Deed of Trust.

Section 6.5 Non-Liability of County Officials, Employees and Agents.

No member, official, employee or agent of the County is personally liable to Borrower in the event of any default or breach of this Agreement by the County or for any amount that may become due from the County pursuant to this Agreement.

Section 6.6 No Third Party Beneficiaries.

There are no third party beneficiaries to this Agreement.

Section 6.7 Discretion Retained By County.

The County's execution of this Agreement in no way limits any discretion the County may have in the permit and approval process related to the construction of the Development.

Section 6.8 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 6.8(b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have immediate family or business ties, during, or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 6.8(a) is followed.

(b) The conflict of interest provisions of Section 6.8(a) above apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the County.

(c) In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Borrower, or immediate family member of any of the preceding, may make or participate in a decision, made by the County or a County board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Borrower. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

(d) Borrower shall comply with the conflict of interest provisions set forth in 24 C.F.R. Section 574.625.

Section 6.9 Notices, Demands and Communications.

All notices required or permitted by any provision of this Agreement must be in writing

and sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

County: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attention: Affordable Housing Program Manager

Borrower: Tabora Gardens, L.P.
c/o Satellite Affordable Housing Associates
1835 Alcatraz Avenue
Berkeley, CA 94703

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt will be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 6.10 Applicable Law.

This Agreement is governed by the laws of the State of California.

Section 6.11 Parties Bound.

Except as otherwise limited herein, this Agreement binds and inures to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and to bind Borrower and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof is to inure to the benefit of the County and its successors and assigns.

Section 6.12 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit from the other party.

Section 6.13 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 6.14 Force Majeure.

In addition to specific provisions of this Agreement, performance by either party will not

be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, quarantine restrictions, freight embargoes, lack of transportation, or court order. An extension of time for any cause will be deemed granted if notice by the party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other party within ten (10) days after receipt of the notice. In no event will the County be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 6.15 County Approval.

The County has authorized the County Deputy Director- Department of Conservation and Development to execute the Loan Documents and deliver such approvals or consents as are required by this Agreement, and to execute estoppel certificates concerning the status of the Loan and the existence of Borrower defaults under the Loan Documents.

Section 6.16 Waivers.

Any waiver by the County of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the County to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement does not operate as a waiver or release from any of its obligations under this Agreement. Consent by the County to any act or omission by Borrower may not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the County's written consent to future waivers.

Section 6.17 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 6.18 Entire Understanding of the Parties.

The Loan Documents constitute the entire agreement of the parties with respect to the Loan.

Section 6.19 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Remainder of Page Left Intentionally Blank

The parties are executing this Agreement as of the date first above written.

COUNTY:

COUNTY OF CONTRA COSTA, a political
subdivision of the State of California

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

SHARON L. ANDERSON
County Counsel

By: _____

Kathleen Andrus
Deputy County Counsel

BORROWER:

Tabora Gardens, L.P.,
a California limited partnership

By: Satellite AHA Development, Inc.
a California nonprofit public benefit
corporation, its general partner

By: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land is situated in the State of California, County of Contra Costa, and is described as follows:

Parcel One:

Portion of the Northwest $\frac{1}{4}$ of Section 36, Township 2 North, Range 1 East, Mount Diablo Base and Meridian, described as follows:

Beginning at a point on the northern line of the land described in the Deed to United States of America, recorded May 24, 1938, in Book 461, Page 34 Official Records, distant thereon South $85^{\circ} 31' 50''$ East, 30.06 feet from the western line of said Section; running thence North $1^{\circ} 05' 07''$ East, said bearings used for the purpose of his description, 404.40 feet; thence on the arc of a tangent curve to the left having a radius of 255 feet, through a central angle of $28^{\circ} 04' 21''$, a distance of 124.94 feet to said western line of Section 36; thence along the last named line, North $1^{\circ} 05' 07''$ East, 85 feet, more or less, to the northeastern line of the land described in the grant of easement for Federal Engineering Co., recorded February 28, 1930, in Book 237, Page 9 of Official Records; thence along the last named line South $43^{\circ} 04'$ East to said northern line, (461 OR 34); thence along the last named line North $85^{\circ} 31' 50''$ West, to the point of beginning.

Excepting from Parcel One:

That portion thereof described in the Deed to Battaglia & Del Favero Construction and Development Co., Inc., recorded April 22, 1980, Book 9824, Official Records, page 224.

Parcel Two:

Portion of the Northwest $\frac{1}{4}$ of Section 36, Township 2 North, Range 1 East, Mount Diablo Base and Meridian, described as follows:

Beginning at the southwest corner of Parcel A of Sunnyridge Unit 2, Subdivision 4921, recorded in Map Book 195, at Page 41, Recorders Office, Contra Costa County, California; thence North $03^{\circ} 34' 28''$ East, 7.82 feet to a point on a curve, said curve being the souther line of Paso Corto Road; thence, along said curve concave to the northeast with a radius of 801.00 feet, central angle of $20^{\circ} 54' 55''$ an arc length of 292.40 feet to a point of tangency; Thence North $57^{\circ} 30' 00''$ West, 67.97 feet to a point; thence leaving said Paso Corto Road, South $43^{\circ} 30' 00''$ East, 196.15 feet; thence South $86^{\circ} 25' 32''$ East, 190.94 feet to point of beginning.

(Being APN 072-011-062)

EXHIBIT B

APPROVED DEVELOPMENT BUDGET

EXHIBIT C

NEPA MITIGATION REQUIREMENTS

NEPA Mitigation and Monitoring Plan – Tabora Gardens

All mitigations / conditions of approval must be included in project agreement and/or legal documents.

Compliance with mitigations / conditions of approval must be documented prior to final payment of County funds

| Mitigation Measure(s) | Source | Method and date County staff informed Project Sponsor | Included in County loan document and /or project agreement | Verification of Mitigation Measure(s) | Responsible for implementation | Mitigation Timing | Responsible for monitoring and reporting on implementation | Monitoring and reporting frequency | Verification of compliance | Date completed | Comments |
|---|--|---|--|--|--------------------------------|---------------------------|--|------------------------------------|---|----------------|----------|
| Phase 1 Environmental Site Assessment: Based on the findings of the Phase I Environmental Assessment (as may be amended) conducted by Furgo West Inc. dated September 9, 2010, the conclusions and recommendations listed on pages 17 and 18 shall be implemented. | Phase 1 Environmental Site Assessment September 2010 | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | Project sponsor, architect | Pre and post construction | Architect and contractor | ongoing | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |
| Phase 2 Environmental Assessment: Based on the findings of the Phase II Environmental Assessment (as may be amended) conducted by Furgo West Inc. dated November 23, 2010, the conclusions and recommendations listed on page 4 shall be implemented. | Phase 2 Environmental Site Assessment November 2010 | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | Project sponsor, architect | Pre and post construction | Architect and contractor | ongoing | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |

| | | | | | | | | | | | |
|--|---|--|--------------------------|--|-----------------------------------|----------------------------------|---------------------------------|----------------|---|--|--|
| <p>Geotechnical Feasibility Evaluation: Based on the finding of the Geotechnical Feasibility Evaluation (as may be amended) conducted by Furgo West Inc. dated November 8, 2010, the conclusions listed on page 3 and 4 including but not limited to highly expansive surficial soils, seismic design considerations and other design considerations shall be implemented.</p> | <p>Geotechnical Feasibility Evaluation November 2010</p> | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | <p>Project sponsor, architect</p> | <p>Pre and post construction</p> | <p>Architect and contractor</p> | <p>ongoing</p> | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |
| <p>Contra Costa Water District: Based on the Contra Costa Water District's letter dated December 15, 2010 the following conditions shall be implemented:</p> <ul style="list-style-type: none"> • CCWD property line needs to be indicated on Tentative Map as well as any project drainage coming towards the Contra Costa Canal. • No construction activities should occur on Reclamation property. • No East Bay Regional Park District trail access or landscaping to occur within | <p>Contra Costa Water District letter December 15, 2010</p> | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | <p>Project sponsor, architect</p> | <p>Pre and post construction</p> | <p>Architect and contractor</p> | <p>ongoing</p> | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |

| | | | | | | | | | | | |
|--|---|--|--------------------------|--|-----------------------------------|----------------------------------|---------------------------------|----------------|---|--|--|
| <p>Reclamation property.</p> <ul style="list-style-type: none"> • Project bio swales shall not impact Reclamation right-of-way. • There shall be no project drainage onto Reclamation property. • Reclamation fence to remain during grading and construction. • A six-foot chain link fence (or other appropriate fencing) should be installed. | | | | | | | | | | | |
| <p>Contra Costa County Fire Protection District: Based on the Contra Costa County Fire Protection District's letter dated November 16, 2010 the 11 requirements identified in the letter shall be implemented.</p> | <p>Contra Costa Fire Protection District letter November 16, 2010</p> | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | <p>Project sponsor, architect</p> | <p>Pre and post construction</p> | <p>Architect and contractor</p> | <p>ongoing</p> | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |
| <p>Biological Assessment Report: Based on the findings of the Biological Assessment Report (as may be amended) conducted by Wood Biological Consulting dated August 25, 2010, the conclusions and recommendations listed on page 12 through 14 shall be implemented.</p> | <p>Biological Assessment Report August 2010</p> | | <input type="checkbox"/> | <input type="checkbox"/> City of Antioch Approved Construction Plans | <p>Project sponsor, architect</p> | <p>Pre and post construction</p> | <p>Architect and contractor</p> | <p>ongoing</p> | <input type="checkbox"/> Letter from architect <input type="checkbox"/> Copy of Final approved Building Permit | | |

TABLE OF CONTENTS

Page

| | | |
|--------------|---|----|
| ARTICLE 1 | DEFINITIONS AND EXHIBITS..... | 2 |
| Section 1.1 | Definitions..... | 2 |
| Section 1.2 | Exhibits | 4 |
| ARTICLE 2 | LOAN PROVISIONS..... | 5 |
| Section 2.1 | Loan. | 5 |
| Section 2.2 | Interest..... | 5 |
| Section 2.3 | Use of Loan Funds..... | 5 |
| Section 2.4 | Security. | 5 |
| Section 2.5 | Conditions Precedent to Disbursement of Loan Funds for Predevelopment Costs..... | 5 |
| Section 2.6 | Repayment Schedule..... | 7 |
| Section 2.7 | Non-Recourse. | 7 |
| ARTICLE 3 | LOAN REQUIREMENTS..... | 8 |
| Section 3.1 | TCAC and CDLAC Applications. | 8 |
| Section 3.2 | Approved Development Budget; Revisions to Budget..... | 8 |
| Section 3.3 | Information. | 8 |
| Section 3.4 | Progress Reports; Periodic Development Evaluation. | 8 |
| Section 3.5 | Borrower Supervision of Predevelopment Activities. | 8 |
| Section 3.6 | Compliance with Laws. | 9 |
| Section 3.7 | Equal Opportunity..... | 9 |
| Section 3.8 | Records. | 9 |
| Section 3.9 | County Audits. | 10 |
| Section 3.10 | HOPWA Requirements..... | 11 |
| Section 3.11 | Hazardous Materials. | 14 |
| Section 3.12 | Maintenance; Damage and Destruction..... | 17 |
| Section 3.13 | Fees and Taxes..... | 17 |
| Section 3.14 | Notices. | 17 |
| Section 3.15 | Operation of Development as Affordable Housing. | 18 |
| Section 3.16 | Nondiscrimination..... | 18 |
| Section 3.17 | Transfer..... | 19 |
| Section 3.18 | Insurance Requirements..... | 19 |
| Section 3.19 | Anti-Lobbying Certification. | 20 |
| Section 3.20 | Other Indebtedness and Liens..... | 21 |
| Section 3.21 | NEPA Mitigation Requirements..... | 21 |
| ARTICLE 4 | REPRESENTATIONS AND WARRANTIES OF BORROWER..... | 21 |
| Section 4.1 | Representations and Warranties..... | 21 |
| ARTICLE 5 | DEFAULT AND REMEDIES..... | 23 |
| Section 5.1 | Events of Default. | 23 |
| Section 5.2 | Remedies..... | 24 |
| Section 5.3 | Right of Contest..... | 25 |
| Section 5.4 | Remedies Cumulative. | 25 |

TABLE OF CONTENTS

(continued)

| | | <u>Page</u> |
|--------------|--|-------------|
| ARTICLE 6 | GENERAL PROVISIONS | 26 |
| Section 6.1 | Relationship of Parties. | 26 |
| Section 6.2 | No Claims. | 26 |
| Section 6.3 | Amendments. | 26 |
| Section 6.4 | Indemnification. | 26 |
| Section 6.5 | Non-Liability of County Officials, Employees and Agents..... | 27 |
| Section 6.6 | No Third Party Beneficiaries. | 27 |
| Section 6.7 | Discretion Retained By County. | 27 |
| Section 6.8 | Conflict of Interest. | 27 |
| Section 6.9 | Notices, Demands and Communications. | 27 |
| Section 6.10 | Applicable Law. | 28 |
| Section 6.11 | Parties Bound. | 28 |
| Section 6.12 | Attorneys' Fees..... | 28 |
| Section 6.13 | Severability. | 28 |
| Section 6.14 | Force Majeure. | 28 |
| Section 6.15 | County Approval..... | 29 |
| Section 6.16 | Waivers. | 29 |
| Section 6.17 | Title of Parts and Sections. | 29 |
| Section 6.18 | Entire Understanding of the Parties. | 29 |
| Section 6.19 | Multiple Originals; Counterpart..... | 29 |
| | | |
| EXHIBIT A | Legal Description of the Property | |
| EXHIBIT B | Approved Development Budget | |
| EXHIBIT C | NEPA Mitigation Requirements | |

HOPWA LOAN AGREEMENT

Between

COUNTY OF CONTRA COSTA

And

TABORA GARDENS, L.P.

Tabora Gardens Apartments

dated April 1, 2016