

RECORDING REQUESTED PURSUANT
AND WHEN RECORDED MAIL TO:

Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

No fee for recording pursuant to
Government Code Section 27383

INTERCREDITOR AGREEMENT

(St. Paul's Commons)

This Intercreditor Agreement (the "Agreement") is dated March 1, 2018, and is among the City of Walnut Creek, a California municipal corporation (the "City"), the County of Contra Costa, a political subdivision of the State of California (the "County"), and SP Commons, L.P., a California limited partnership ("Borrower"), with reference to the following facts:

RECITALS

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

B. St. Paul's Episcopal Church in Walnut Creek, California ("St. Paul's") is the owner of that certain real property located at 1860 Trinity Avenue in the City of Walnut Creek, County of Contra Costa, State of California, as more particularly described in Exhibit A (the "Property"). Concurrently herewith Borrower is entering into a ground lease agreement with St. Paul's (the "Ground Lease"), pursuant to which Borrower will acquire a leasehold interest in the Property from St. Paul's for a period of seventy-seven (77) years (the "Leasehold Interest"). Borrower intends to demolish the existing improvements on the Property and construct forty-five (45) multifamily housing units on the Property for rental to extremely low, very low and low income households, including one (1) manager's unit, and attendant site improvements (the "Housing Improvements"). The Property will also be improved with a social service facility that will be leased back to St. Paul's, and will house a homeless day shelter and service program (the "Service Facility Improvements"). The Housing Improvements and the Service Facility Improvements are collectively, the "Improvements." Borrower's Leasehold Interest and Borrower's fee interest in the Improvements, are collectively, the "Development."

C. The County is making a loan to Borrower of Two Million Six Hundred Forty-Two Thousand Dollars (\$2,642,000) of HOME Investment Partnerships Act Program funds (the "HOME Loan") and Two Hundred Thirty-Two Thousand Six Hundred Eighty-One Dollars (\$232,681) of Housing Opportunities for Persons with AIDS Program funds (the "HOPWA Loan"), for a combined total loan amount of Two Million Eight Hundred Seventy-Four

Thousand Six Hundred Eighty-One Dollars (\$2,874,681) (the "County Loan"). The County Loan is evidenced by the following documents (among others), each of even date herewith: (i) HOME and HOPWA Loan Agreement by and between Borrower and the County (the "County Loan Agreement"), (ii) Deed of Trust With Assignment of Rents, Security Agreement and Fixture Filing executed by Borrower for the benefit of the County (the "County Deed of Trust"), and (iii) Promissory Note executed by Borrower for the benefit of the County in the amount of the County Loan (the "County Note").

D. The City is making a loan to Borrower of Five Million Five Hundred Thousand Dollars (\$5,500,000) (the "City Loan"). The City Loan is evidenced by the following documents (among others): (i) City Loan Agreement by and between Borrower and the City dated March 1, 2018 (the "City Loan Agreement"); (ii) Deed of Trust With Assignment of Rents, Security Agreement and Fixture Filing executed by Borrower for the benefit of the City (the "City Deed of Trust"); and (iii) Promissory Note executed by Borrower for the benefit of the City in the amount of the City Loan (the "City Note").

E. The City and the County desire to cause the City Deed of Trust and the County Deed of Trust (together, the "Deeds of Trust") to be equal in lien priority. The City and the County also desire to divide (i) the proceeds of any foreclosure, condemnation or insurance claim, and (ii) the Lenders' Share of Residual Receipts, as described herein.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Definitions. The following terms have the following meanings:

(a) "Adjusted City Loan" means, to the extent less than the full amount of the City Loan is funded, an amount equal the actual principal amount loaned to Borrower by the City pursuant to the City Loan Agreement. If the full amount of the City Loan is funded and no portion repaid as a Special City Loan Payment, the Adjusted City Loan is equal to the City Loan.

(b) "Adjusted HOME Loan" means, to the extent less than the full amount of the HOME Loan is funded, an amount equal to the actual principal amount loaned to Borrower by the County pursuant to the County Loan Agreement. If the full amount of the HOME Loan is funded and no portion repaid as a Special County Loan Payment, the Adjusted HOME Loan is equal to the HOME Loan.

(c) "Adjusted HOPWA Loan" means, to the extent less than the full amount of the HOPWA Loan is funded, an amount equal to the actual principal amount loaned to Borrower by the County pursuant to the County Loan Agreement. If the full amount of the HOPWA Loan is funded, the Adjusted HOPWA Loan is equal to the HOPWA Loan.

(d) "AHP" has the meaning set forth in Section 1(i)ii.

(e) "AHP Loan" has the meaning set forth in Section 1(i)ii.

- (f) "Annual County Loan Payment" has the meaning in Section 2(a).
- (g) "Annual City Loan Payment" has the meaning in Section 2(b).
- (h) "Annual Operating Expenses" means for each calendar year, the following costs reasonably and actually incurred for operation and maintenance of the Development:
 - i. property taxes and assessments imposed on the Development;
 - ii. debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Housing Improvements) on the Permanent Loan;
 - iii. on-site service provider fees for tenant social services, provided the County and City have approved, in writing, the plan and budget for such services before such services begin;
 - iv. property management fees and reimbursements, on-site property management office expenses, and salaries of property management and maintenance personnel, not to exceed amounts that are standard in the industry and which are pursuant to a management contract approved by the County and the City;
 - v. the Partnership/Asset Fee;
 - vi. fees for accounting, audit, and legal services incurred by Borrower's general partner in the asset management of the Development, not to exceed amounts that are standard in the industry, to the extent such fees are not included in the Partnership/Asset Fee;
 - vii. premiums for insurance required for the Improvements to satisfy the requirements of any lender of Approved Financing;
 - viii. utility services not paid for directly by tenants, including water, sewer, and trash collection;
 - ix. maintenance and repair expenses and services;
 - x. any annual license or certificate of occupancy fees required for operation of the Development;
 - xi. security services;
 - xii. advertising and marketing;
 - xiii. cash deposited into the Replacement Reserve Account in the amount set forth in Section 4.2(a) of the County Loan Agreement;
 - xiv. cash deposited into the Operating Reserve Account to maintain the

amount set forth in Section 4.2(b) of the County Loan Agreement (excluding amounts deposited to initially capitalize the account);

xv. payment of any previously unpaid portion of Developer Fee (without interest), not to exceed the amount set forth in Section 3.17 of the County Loan Agreement;

xvi. extraordinary operating costs specifically approved in writing by the County and the City;

xvii. payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves, and other ordinary and reasonable operating expenses approved in writing by the County and the City and not listed above.

Annual Operating Expenses do not include the following: depreciation, amortization, depletion or other non-cash expenses, initial deposits to capitalize a reserve account, any amount expended from a reserve account, and any capital cost associated with the Development.

(i) "Approved Financing" means all of the following loans, grants and equity obtained by Borrower and approved by the County and the City for the purpose of financing the acquisition of the Leasehold Interest and construction of the Improvements in addition to the County Loan and the City Loan:

i. a construction loan from Bank of America, N.A., a national banking association (the "Bank") in the approximate amount of _____ Dollars (\$ _____) (the "Bank Loan"), which will convert to a permanent loan in the approximate amount of _____ Dollars (\$ _____) (the "Permanent Loan");

ii. loan of affordable housing program ("AHP") funds from _____, administered by the Federal Home Loan Bank of San Francisco in the approximate amount of Four Hundred Forty Thousand Dollars (\$440,000) (the "AHP Loan");

iii. the Low Income Housing Tax Credit investor equity funds in the approximate amount of _____ Dollars (\$ _____) (the "Tax Credit Investor Equity") provided by the Investor Limited Partner; and

iv. the capital contribution from Borrower's general partner in the approximate amount of _____ Dollars (\$ _____) (the "GP Capital Contribution").

(j) "Available Net Proceeds" means the result obtained by multiplying the Net Proceeds of Permanent Financing by 0.75.

(k) "Bank" has the meaning set forth in Section 1(i).

- (l) "Bank Loan" has the meaning set forth in Section 1(i)i.
- (m) "City Deed of Trust" has the meaning set forth in Paragraph D of the Recitals.
- (n) "City Loan" has the meaning set forth in Paragraph D of the Recitals.
- (o) "City Loan Agreement" has the meaning set forth in Paragraph D of the Recitals.
- (p) "City Loan Prorata Percentage" means the result, expressed as a percentage, obtained by dividing the Adjusted City Loan by the sum of the Adjusted HOME Loan, the Adjusted HOPWA Loan, and the Adjusted City Loan.
- (q) "City Note" has the meaning set forth in Paragraph D of the Recitals.
- (r) "Completion Date" means the date a final certificate of occupancy, or equivalent document is issued by the City to certify that the Housing Improvements may be legally occupied.
- (s) "County Deed of Trust" has the meaning set forth in Paragraph C of the Recitals.
- (t) "County Loan" has the meaning set forth in Paragraph C of the Recitals.
- (u) "County Loan Agreement" has the meaning set forth in Paragraph C of the Recitals.
- (v) "County Loan Prorata Percentage" means the result, expressed as a percentage, obtained by dividing the sum of (1) the Adjusted HOME Loan and the Adjusted HOPWA Loan, by (2) the sum of the Adjusted HOME Loan, the Adjusted HOPWA Loan, and the Adjusted City Loan.
- (w) "County Note" has the meaning set forth in Paragraph C of the Recitals.
- (x) "Deeds of Trust" has the meaning set forth in Paragraph E of the Recitals.
- (y) "Default Rate" means a rate of interest equal to the lesser of the maximum rate permitted by law and ten percent (10%) per annum.
- (z) "Developer Fee" has the meaning set forth in Section 3.18 of the County Loan Agreement.
- (aa) "Development" has the meaning set forth in Paragraph B of the Recitals.
- (bb) "Enforcing Party" has the meaning set forth in Section 6(b).

(cc) "Fifteen Year Compliance Period" means the fifteen (15)-year compliance period as described in Section 42(i)(1) of the Internal Revenue Code of 1986, as amended.

(dd) "Final Cost Certification" means the Final Cost Certification Sources and Uses of Funds prepared by Borrower for the Development that (1) Borrower submits to the California Tax Credit Allocation Committee, and (2) has been prepared using generally accepted accounting standards in effect in the United States of America from time to time, consistently applied.

(ee) "Final Development Cost" means the total of the cost of acquisition of the Leasehold Interest and construction of the Improvements as shown on the Final Cost Certification.

(ff) "Foreclosure Net Proceeds" means the proceeds that result from a foreclosure, or any other action, whether judicial or non-judicial, less (i) all amounts paid to any senior lien holder, and (ii) expenses incurred by a lender that is a Party to this Agreement in connection with such foreclosure or other action.

(gg) "GP Capital Contribution" has the meaning set forth in Section 1(i)iv.

(hh) "Gross Revenue" means for each calendar year, all revenue, income, receipts, and other consideration actually received from the operation and leasing of the Development. Gross Revenue includes, but is not limited to:

- (i) all rents, fees and charges paid by tenants;
- (ii) Section 8 payments or other rental subsidy payments received for the dwelling units;
- (iii) deposits forfeited by tenants;
- (iv) all cancellation fees;
- (v) price index adjustments and any other rental adjustments to leases or rental agreements;
- (vi) net proceeds from vending and laundry room machines;
- (vii) the proceeds of business interruption or similar insurance not paid to senior lenders;
- (viii) the proceeds of casualty insurance not used to rebuild the Development and not paid to senior lenders; and
- (ix) condemnation awards for a taking of part or all of the Development for a temporary period.

Gross Revenue does not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

(ii) "Ground Lease" has the meaning set forth in Paragraph B of the Recitals.

(jj) "HOME Loan" has the meaning set forth in Paragraph C of the Recitals.

(kk) "HOPWA Loan" has the meaning set forth in Paragraph C of the Recitals.

(ll) "Housing Improvements" has the meaning set forth in Paragraph B of the Recitals.

(mm) "Improvements" has the meaning set forth in Paragraph B of the Recitals.

(nn) "Investor Limited Partner" means collectively, Bank of America, N.A., a national banking association, and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, and their successors and assigns.

(oo) "Leasehold Interest" has the meaning set forth in Paragraph B of the Recitals.

(pp) "Lenders' Share of Residual Receipts" means seventy-five percent (75%) of Residual Receipts.

(qq) "Net Proceeds of Permanent Financing" means the amount by which Permanent Financing exceeds the Final Development Costs.

(rr) "Parties" means the City, the County, and Borrower.

(ss) "Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership, dated on or about the date of recordation of the Deeds of Trust, as may be amended from time to time, that governs the operation and organization of Borrower as a California limited partnership.

(tt) "Partnership/Asset Fee" means (i) partnership management fees (including any asset management fees) payable pursuant to the Partnership Agreement to any partner or affiliate of Borrower or any affiliate of a partner of Borrower, if any, during the Fifteen Year Compliance Period, and (ii) after expiration of the Fifteen Year Compliance Period, asset management fees payable to Borrower, in the amounts approved by the County as set forth in Section 3.19 of the County Loan Agreement.

(uu) "Permanent Financing" means the sum of the following amounts: (i) the Permanent Loan; (ii) the Adjusted HOME Loan; (iii) the Adjusted HOPWA Loan; (iv) the Adjusted City Loan; (v) the Tax Credit Investor Equity; (vi) the GP Capital Contribution; and (vii) the AHP Loan.

(vv) "Permanent Loan" has the meaning set forth in Section 1(i).

(ww) "Property" has the meaning set forth in Paragraph B of the Recitals.

(xx) "Residual Receipts" means for each calendar year, the amount by which Gross Revenue exceeds Annual Operating Expenses.

(yy) "Service Facility Improvements" has the meaning set forth in Paragraph B of the Recitals.

(zz) "Special City Loan Prorata Percentage" means the result, expressed as a percentage, obtained by dividing the City Loan by the sum of the County Loan and the City Loan.

(aaa) "Special City Loan Payment" has the meaning set forth in Section 3(b).

(bbb) "Special County Loan Prorata Percentage" means the result, expressed as a percentage, obtained by dividing the County Loan by the sum of the County Loan and the City Loan.

(ccc) "Special County Loan Payment" has the meaning set forth in Section 3(a).

(ddd) "Statement of Residual Receipts" means an itemized statement of Residual Receipts.

(eee) "Tax Credit Investor Equity" has the meaning set forth in Section 1(i)iii.

(fff) "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 fifty-fifth (55th) anniversary of the Completion Date; provided, however, if a record of the Completion Date cannot be located or established, the Term will expire on the fifty-seventh (57th) anniversary of this Agreement.

2. Annual Payments to County and City.

(a) County Loan.

i. Commencing on June 1, 2020, and on June 1 of each year thereafter during the Term, Borrower shall make a loan payment to the County in an amount equal to the County Loan Prorata Percentage of the Lenders' Share of Residual Receipts (each such payment, an "Annual County Loan Payment"). A numerical example of the methodology to be used to calculate the Annual County Loan Payment is shown in Exhibit B attached hereto. In the event of a conflict between the text of this Section 2(a) and Exhibit B, the text of this Section 2(a) will prevail. The County shall apply all Annual County Loan Payments to the County Loan as follows: (1) first, to accrued interest, and (2) second, to principal.

ii. Borrower shall repay the County Loan pursuant to the terms of the County Loan Agreement and the County Note. In the event of any conflict between the repayment terms and provisions of the County Loan Agreement and this Agreement, the

provisions of this Agreement apply. The County may not consent to any amendment or waiver of the terms of the County Loan Agreement or the County Note if such amendment or waiver could reasonably be deemed to materially adversely affect the City, without the City's prior written approval, which the City may withhold in its sole discretion.

(b) City Loan.

i. Commencing on June 1, 2020, and on June 1 of each year thereafter during the Term, Borrower shall make a loan payment to the City in an amount equal to the City Loan Prorata Percentage of the Lenders' Share of Residual Receipts (each such payment, an "Annual City Loan Payment"). A numerical example of the methodology to be used to calculate the Annual City Loan Payment is shown in Exhibit B attached hereto. In the event of a conflict between the text of this Section 2(b) and Exhibit B, the text of this Section 2(b) will prevail. The City shall apply all Annual City Loan Payments as follows: (1) first, to accrued interest, and (2) second, to principal for the City Loan.

ii. Borrower shall repay the City Loan pursuant to the terms of the City Loan Agreement and the City Note. In the event of any conflict between the repayment terms of the City Loan Agreement and this Agreement, the provisions of this Agreement apply. The City may not consent to any amendment or waiver of the terms of the City Loan Agreement or the City Note, if such amendment or waiver could reasonably be deemed to materially adversely affect the County, without the County's prior written approval, which the County may withhold in its sole discretion.

3. Special Repayments from Net Proceeds of Permanent Financing.

(a) No later than ten (10) days after the date Borrower receives its final capital contribution from the Investor Limited Partner, Borrower shall pay to the County as a special repayment of the HOME Loan, an amount equal to the result obtained by multiplying the Special County Loan Prorata Percentage by the Available Net Proceeds (the "Special County Loan Payment").

(b) No later than ten (10) days after the date Borrower receives its final capital contribution from the Investor Limited Partner, Borrower shall pay to the City as a special repayment of the City Loan, an amount equal to the result obtained by multiplying the Special City Loan Prorata Percentage by the Available Net Proceeds (the "Special City Loan Payment").

(c) No later than one hundred eighty (180) days following completion of construction of the Development, Borrower shall submit to the County and the City a preliminary calculation of the Net Proceeds of Permanent Financing and a draft of the Final Cost Certification. The County and the City shall approve or disapprove Borrower's determination of the amount of the Net Proceeds of Permanent Financing in writing within thirty (30) days of receipt. If Borrower's determination is disapproved by the County or the City, Borrower shall re-submit documentation to the County and the City until approval of the County and the City is obtained.

4. Reports and Accounting of Residual Receipts.

(a) Annual Reports. In connection with the Annual County Loan Payment and the Annual City Loan Payment, Borrower shall furnish to the City and the County:

i. The Statement of Residual Receipts for the relevant period. The first Statement of Residual Receipts will cover the period that begins on January 1, 2019 and ends on December 31 of that same year. Subsequent statements of Residual Receipts will cover the twelve-month period that ends on December 31 of each year;

ii. A statement from the independent public accountant that audited Borrower's financial records for the relevant period, which statement must confirm that Borrower's calculation of the Lender's Share of Residual is accurate based on Operating Income and Annual Operating Expenses; and

iii. Any additional documentation reasonably required by the County or the City to substantiate Borrower's calculation of Lender's Share of Residual Receipts.

(b) Books and Records. Borrower shall keep and maintain at the principal place of business of Borrower set forth in Section 11 below, or elsewhere with the written consent of the County and the City, full, complete and appropriate books, record and accounts relating to the Development, including all books, records and accounts necessary or prudent to evidence and substantiate in full detail Borrower's calculation of Residual Receipts and disbursements of Residual Receipts. 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, which provide for the calculation of Residual Receipts on a cash basis. Borrower shall cause all books, records, and accounts to be open to and available for inspection by the County and the City, their 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 and the City at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(c) County and City Audits.

i. The receipt by the County or the City of any statement pursuant to subsection (a) above or any payment by Borrower or acceptance by the County or the City of any loan repayment for any period does not bind the County or the City as to the correctness of such statement or such payment. The County or the City or any designated agent or employee of the County or the City is entitled at any time to audit the Residual Receipts and all books, records, and accounts pertaining thereto. The County and/or the City may conduct such audit during normal business hours at the principal place of business of Borrower and other places where records are kept. Immediately after the completion of an audit, the County or the City, as the case may be, shall deliver a copy of the results of the audit to Borrower.

ii. If it is determined as a result of an audit that there has been a deficiency in a loan repayment to the County and/or the City, 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. In addition, if the audit determines that Residual Receipts have been understated for any year by the greater of (i) \$2,500, and (ii) an amount that exceeds five percent (5%) of the Residual Receipts, then, in addition to paying the deficiency with interest, Borrower shall pay all of the costs and expenses connected with the audit and review of Borrower's accounts and records incurred by the County and/or the City.

5. Deeds of Trust. Notwithstanding the fact that the City Deed of Trust may be recorded prior to the County Deed of Trust or that the County Deed of Trust may be recorded prior to the City Deed of Trust, the Deeds of Trust are equal in lien priority.

6. Notice of Default.

(a) The County and the City shall each notify the other promptly upon declaring a default or learning of the occurrence of any material event of default, or any event which with the lapse of time would become a material event of default, under its respective loan documents for the City Loan and the County Loan.

(b) The City and the County agree not to make a demand for payment from Borrower or accelerate the City Note or the County Note, as the case may be, or commence enforcement of any of the rights and remedies under the City Deed of Trust or the County Deed of Trust, as the case may be, until the date that is five (5) business days following delivery of written notice by the Party enforcing its rights (the "Enforcing Party") to the other Party stating that a "default" (as defined in the relevant Deed of Trust) has occurred and is continuing and that the Enforcing Party is requesting the other Party's assistance in foreclosure pursuant to Section 7.

7. Cooperation in Foreclosure.

(a) If there is a default under the City Loan and/or County Loan, after expiration of any applicable cure periods, the party who is the lender on the defaulted loan shall cooperate with the other lender that is a Party to this Agreement to coordinate any foreclosure proceedings or other appropriate remedies.

(b) Neither the County nor the City may contest the validity, perfection, priority, or enforceability of the lien granted to the other Party by a deed of trust secured by the Development. Notwithstanding any failure of a Party to perfect its lien on the Development or any other defect in the security interests or obligations owing to such Party, the priority and rights as between the lenders that are Parties to this Agreement are as set forth in this Agreement.

8. Foreclosure Proceeds. If there is a foreclosure, or any other action, whether judicial or nonjudicial, under any or both of the Deeds of Trust (including the giving of a deed in lieu of foreclosure), the proceeds resulting from such foreclosure or action will be first used to pay (i) all amounts paid to any senior lien holder, and (ii) expenses incurred by the County, the City, or both, in connection with such foreclosure or other action. After such payments (i) the City is entitled to the result obtained by multiplying the City Loan Prorata Percentage by the

Foreclosure Net Proceeds, and (ii) the County is entitled to the result obtained by multiplying the County Loan Prorata Percentage by the Foreclosure Net Proceeds.

9. Insurance and Condemnation Proceeds. If, as a result of having made the City Loan and the County Loan, the City and County are entitled to insurance or condemnation proceeds, they will share such proceeds as follows: (i) the City is entitled the result obtained by multiplying the City Loan Prorata Percentage by the available proceeds, and (ii) the County is entitled to the result obtained by multiplying the County Loan Prorata Percentage by the available proceeds.

10. Title to Development. If, as a result of having made the City Loan and the County Loan, either the City or the County is entitled to title to the Development as a consequence of Borrower's default, then title is to be held in tenancy in common by the City and the County in accordance with their respective prorata share of the Foreclosure Net Proceeds. Subsequent decisions to hold or sell the Development will be made by joint decision of the City and the County.

11. Notices. 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:

City: City of Walnut Creek
1666 North Main Street
Walnut Creek, CA 94596
Attn: Housing Program Manager

County: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

Borrower: SP Commons, L.P.
c/o RCD GP, LLC
2220 Oxford Street
Berkeley, CA 94720
Attention: Executive Director

Investor Limited
Partner: Bank of America, N.A.
Community Development Banking Group
MA1-225-02-02
225 Franklin Street
Boston, MA 02110
Attention: Asset Management

With a copy to:

Buchalter, a Professional Corporation
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017
Attention: Michael A. Williamson, Esq.
Re: B0965-0363 (St. Paul Commons)

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 as provided in this Section. Receipt will be deemed to have occurred on the date marked on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

12. Titles. 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.

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

14. 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.

15. Legal Actions. If any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach of this Agreement, then the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action.

16. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the distribution of proceeds upon foreclosure of or other remedies under the Deeds of Trust, and the entire understanding and agreement of the Parties with respect to the equal lien priority of the City Deed of Trust and County Deed of Trust.

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

18. Amendments. This Agreement may not be modified except by written instrument executed by and amongst the Parties.

[Remainder of Page Left Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

BORROWER:

SP Commons, L.P., a California limited partnership

By: RCD GP III LLC, a California limited liability company, its general partner

By: Resources for Community Development, a California nonprofit public benefit corporation, its sole member/manager

By: _____
Daniel Sawislak, Executive Director

Approved as to form:

SHARON L. ANDERSON
County Counsel

By: _____
Kathleen Andrus
Deputy County Counsel

COUNTY:

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

By: _____
John Kopchik
Director, Department of Conservation and Development

Approved as to form

By: _____
City Attorney

CITY:

CITY OF WALNUT CREEK, a California municipal corporation

By: _____

Name: _____

Its: _____

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B
COUNTY/CITY
RESIDUAL RECEIPTS NUMERICAL EXPLANATION