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**BORROWER LOAN AGREEMENT**

**by and among**

**BAYPOINT FAMILY APARTMENTS, LLC**

**and the**

**COUNTY OF CONTRA COSTA, CALIFORNIA**

**and**

**BAYPOINT FAMILY APARTMENTS, L.P.,  
a California limited partnership**

**dated as of November 1, 2018**

**relating to:  
\$3,500,000  
County of Contra Costa, California  
Multifamily Housing Revenue Note  
(Baypoint Family Apartments) Series 2018B-2**

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## **BORROWER LOAN AGREEMENT**

THIS BORROWER LOAN AGREEMENT ("Agreement") is made and entered as of November 1, 2018, among Baypoint Family Apartments, LLC, a California limited liability company ("Baypoint"), Baypoint Family Apartments, L.P., a California limited partnership ("Borrower"), and the County of Contra Costa, California, a public body, corporate and politic, duly organized and existing under the laws of the State of California ("Governmental Lender").

### RECITALS:

A. Governmental Lender has agreed to lend to Borrower the sum up to three million five hundred nineteen thousand dollars (\$3,500,000) (the "Borrower Loan") to finance a portion of costs of the acquisition of the Land (as defined below) on which the Borrower will construct 193 affordable multifamily housing rental units to be known as Baypoint Family Apartments (the "Project"), which Land is located in the Bay Point unincorporated area of the County of Contra Costa, California (the "Project").

B. In order to originate the Borrower Loan, the Governmental Lender has issued its County of Contra Costa, California Multifamily Housing Revenue Note (Baypoint Family Apartments) Series 2018B-2 (the "Funding Loan Note") pursuant to a Funding Loan Agreement, dated as of November 1, 2018 (the "Funding Loan Agreement"), between the Governmental Lender and Baypoint, with amounts due on the Funding Loan Note to be payable solely from amounts payable by the Borrower on the Borrower Loan.

C. Borrower intends to acquire the real property upon which the Project is located (the "Land"), as described in Exhibit A attached hereto. In this Agreement, all present improvements to the Land, plus any others which may later be located on the Land, will be collectively referred to as the "Improvements." In connection with the Land and Improvements, Borrower will acquire personal property, including furniture, fixtures and equipment, plans and specifications, service contracts, construction contracts, rights and benefits, rights to payment, insurance proceeds, general intangibles and other categories and items of personal property. In this Agreement, all such personal property will be collectively referred to as the "Personal Property." The Land, Improvements and the Personal Property are hereinafter collectively referred to as the "Property."

D. Borrower shall execute a promissory note (the "Borrower Note") payable to Governmental Lender and which, upon Borrower' acquisition of the Property, will be secured by a subordinate deed of trust with assignment of rents, security agreement and fixture filing substantially in the form of Exhibit C hereto (the "Deed of Trust") encumbering the Property, together with all other documents listed on Exhibit B, attached hereto and incorporated herein by this reference. When used in this Agreement and in the Funding Loan Agreement, the term "Borrower Loan Documents" means this Agreement, the Borrower Note, the Deed of Trust, the other documents listed in Exhibit B hereto, and all exhibits to each of those documents and all other documents referred to in any of them or which otherwise evidence, guaranty or secure the Borrower Loan.

E. In order to provide security for the repayment of the Funding Loan Note, the Governmental Lender has assigned its rights under this Agreement and the other Borrower Loan Documents (other than the Reserved Rights, as defined in the Funding Loan Agreement) to Baypoint pursuant to the Assignment Agreement, dated as of November 1, 2018, between the

Governmental Lender and Baypoint; and, accordingly, Baypoint is acting as the assignee of the Governmental Lender under this Agreement.

F. Capitalized terms used in this Agreement and not defined herein have the meanings given to them in the Funding Loan Agreement.

#### AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals (which are hereby incorporated into and shall be deemed part of this Agreement) and of the covenants and mutual agreements contained in this Agreement and in reliance upon the representations and warranties hereinafter set forth, Baypoint, Governmental Lender and Borrower agree as follows:

#### ARTICLE I CLOSING AND ORIGINATION OF THE BORROWER LOAN

1.1 Closing of Borrower Loan. The closing of the Borrower Loan is expressly conditioned upon (i) the satisfaction of all of the conditions set forth in Section 1.2 and satisfaction of the conditions to the closing of the Funding Loan in Section 3.1 of the Funding Loan Agreement; and (ii) Borrower's delivery to Baypoint of the following documents, together with such other documents that Governmental Lender or Baypoint may reasonably require, in form and content satisfactory to Baypoint, duly executed (and acknowledged where necessary) by the appropriate parties thereto:

1.1.1 This Agreement, duly executed by Baypoint and Borrower;

1.1.2 A true copy of all of the organizational documents of General Partner, including, without limitation, the operating agreement and articles of formation or organization of General Partner, if General Partner is a limited liability company, and the certificate or articles of incorporation and bylaws of General Partner, if General Partner is a corporation;

1.1.3 A borrowing authorization of General Partner duly executed by General Partner on behalf of Borrower;

1.1.4 Certificates issued by the Secretary of State of the State and the relevant state of formation showing Borrower and General Partner, to be in existence and in good standing under the laws of such state, together with certified organizational documents and resolutions of the partners or members of Borrower authorizing and approving the closing and consummation of the Borrower Loan and all instruments, documents and agreements executed in connection therewith;

1.1.5 All of the documents described in Exhibit B; and

1.1.6 Any other documents that Governmental Lender or Baypoint may reasonably request.

1.2 Condition Precedent. The closing of the Borrower Loan shall be subject to the conditions set forth in this Section 1.2, in addition to the delivery of the documents described in Section 1.1 and satisfaction of the conditions to the closing of the Funding Loan in Section 3.1 of the Funding Loan Agreement.

1.2.1 Recordation of Borrower Loan Documents. All Borrower Loan Documents which by their express terms are required to be recorded, including, without limitation, the Regulatory Agreement and the Deed of Trust, must be duly recorded.

1.2.2 Financing Statement. Governmental Lender shall have a junior priority perfected security interest in all Personal Property, and Borrower shall execute any and all financing statements and fixture filings required in connection therewith, which financing statements shall have been filed in the appropriate office therefor.

1.2.3 Full Performance of Covenants and Requirements. Borrower shall have performed or satisfied all of the covenants and obligations required to be performed for the Borrower Loan in accordance with that certain Commitment Letter of Baypoint dated May 17, 2018 (the "Commitment Letter").

1.2.4 Survey. Borrower shall have provided to Baypoint either (i) an ALTA No. 100 Endorsement and an ALTA No. 116 Endorsement as part of the Title Insurance Policy (defined below), which Title Insurance Policy shall provide Form 1 coverage and shall exclude the General Survey Exception; or (ii) a survey to resolve any survey-related title concern.

1.2.5 Title Insurance. Baypoint shall receive a pro forma ALTA policy of title insurance and commitment (and such endorsements as may be required by Baypoint, including, without limitation, CLTA Endorsement No.'s 100 (or ALTA 9), 110.9 (ATLA 8.1), 116, or 116.1 deleting the arbitration provisions #13 in the Conditions and Stipulations Section by FA 39, to the extent deemed appropriate or desirable by Baypoint, 116.4, 103.1, 103.3, 103.6 and 103.7, all in form satisfactory to and in favor of Baypoint (collectively, with such endorsements, the "Title Insurance Policy"), issued by a title insurance company or companies acceptable to Baypoint (the "Title Insurer"), in an amount not less than the amount of the Borrower Loan, insuring that the Deed of Trust is a valid junior lien on Borrower's fee estate in the Property, subject only to such title exceptions as have been approved in writing by Baypoint in the written title instructions provided to Title Insurer. No "General Survey Exception" shall be allowed in the Title Insurance Policy. The Title Insurance Policy must have Form 1 coverage with respect to street improvements, and the "Taxes and Supplemental Taxes" listed thereon must be shown as a "lien not yet due and payable" and such taxes and assessments must not be delinquent. Borrower shall pay the premiums for the Title Insurance Policy and all of the costs and expenses incurred by the Title Insurer in complying with this Agreement or Baypoint's title instructions.

1.2.6 Hazard Insurance. Baypoint shall have received evidence of all policies of insurance, required under the Borrower Loan Documents, and under Section 2.6 hereof. All policies of insurance shall be issued by companies having an A.M. Best's rating of at least A:VIII, or the equivalent approved by Baypoint, and shall be in such amounts, policy forms and coverage satisfactory to Baypoint in its sole discretion.

1.2.7 Opinion of Counsel. Borrower's counsel shall have delivered to Governmental Lender and Baypoint its opinion addressed to Governmental Lender and Baypoint in form, scope and substance satisfactory to Governmental Lender and Baypoint, concerning the legality, validity, enforceability and binding effect of all Borrower Loan Documents against the Borrower, and as to such other matters as Governmental Lender or Baypoint may reasonably require.

1.2.8 Payment of Fees and Costs. Borrower shall pay all reasonable and necessary costs and expenses Governmental Lender or Baypoint may incur in connection with the Borrower Loan closing.

1.2.9 Approval of Financial Condition of Borrower. Baypoint shall have received and approved Borrower's financial statements for its last two fiscal years.

1.2.10 Property Management. Baypoint has received, reviewed and approved the management agreement, management plan and form of residential lease for use at the Project.

1.2.11 Taxes and Assessments. Borrower shall provide evidence that all installments of general real estate taxes, special taxes and assessments then due and payable, and all service charges, water and sewer charges, private maintenance charges, and other prior lien charges by whatever name called have been paid in full.

1.2.12 No Adverse Change. Except as may otherwise be required by this Agreement, at the time of the closing of the Borrower Loan (i) the credit of Borrower shall be as represented by Borrower in this Agreement, the Borrower Loan Documents or in other written instruments, documents and materials delivered to Baypoint without material adverse change; and (ii) Borrower shall not be involved as a debtor in any bankruptcy, reorganization or insolvency proceeding.

1.2.13 Truth of Representations. Each of the representations, warranties, acknowledgments and statements of fact in this Agreement and the Borrower Loan Documents, including those in the Recitals and Exhibits hereto, are and shall remain true and correct in all material respects as of the date of the closing of the Borrower Loan.

1.2.14 Miscellaneous Information. Baypoint shall have received such accurate and complete information as Baypoint may have reasonably requested concerning any facts, events, conditions or circumstances regarding Borrower or its agents, employees, or officers.

1.2.15 No Event of Default. No default or Event of Default shall exist under this Agreement or any of the Borrower Loan Documents on the closing date or would exist after the giving of notice or the passage of time or both.

1.3 Amount of Borrower Loan. The Governmental Lender hereby makes to the Borrower, and the Borrower hereby accepts from the Governmental Lender, upon the terms and conditions set forth herein and in the Borrower Note, the Borrower Loan in an aggregate principal amount of \$3,500,000.00.

1.4 Consideration for Borrower Loan and Funding Loan. The Governmental Lender, Baypoint and the Borrower acknowledge and agree that the amount of the Borrower Loan (and consequently the amount of the Funding Loan) shall serve as a credit against the acquisition price of the Project site by the Borrower from Baypoint. Given the foregoing, the total principal amount of the Borrower Loan (and consequently the total principal amount of the Funding Loan) shall be deemed to have been disbursed upon the transfer of title to the Project site on the Closing Date from Baypoint to the Borrower.

ARTICLE II  
COVENANTS OF THE BORROWER

Borrower promises to keep each of the covenants set forth below, unless Baypoint, as assignee of the Governmental Lender under the Assignment Agreement, has waived compliance in writing.

2.1 Compliance with Laws. Borrower shall comply with all existing and future laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial or legal authorities having jurisdiction over the Property, including those pertaining to the sale, leasing or financing of the Land, Improvements and Personal Property, and with all recorded covenants and restrictions affecting the Property (all collectively, the "Requirements").

2.2 Permits, Licenses and Approvals. Borrower shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from governmental bodies in order to complete the construction work, occupy, operate, market and lease the Property. Borrower shall promptly deliver copies of all such permits, licenses and approvals to Baypoint.

2.3 Purchase of Material: Conditional Sales Contracts. Borrower shall not purchase or contract for any materials, equipment, furnishings, fixtures or articles of personal property to be placed or installed on the Land or in any Improvements under any security agreement or other agreement where the seller retains or claims title or the right of removal or repossession, or the right to consider them personal property after they are so placed or installed, unless Baypoint in each instance shall provide its advance written consent to such action.

2.4 Site Visits Governmental Lender and Baypoint, and their respective agents and representatives, shall have the right to enter and visit the Property at any reasonable time for the purposes of performing an appraisal and observing the Property. Governmental Lender and Baypoint shall also have the right to examine, copy and audit the books, records, accounting data and other documents of Borrower which relate to the Property. In each instance, Governmental Lender or Baypoint, as applicable, shall give Borrower reasonable notice before entering the Property. Governmental Lender and Baypoint shall make reasonable efforts to avoid interfering with Borrower's use of the Property when exercising any of the rights granted in this Section 2.4.

2.5 Protection Against Lien Claims. Borrower shall promptly pay, discharge or bond around all claims and liens for labor done, and for materials and services furnished, which may affect the Property, in a manner satisfactory to Baypoint. Borrower shall have the right to contest in good faith any claim or lien, provided that it does so diligently and without prejudice to Governmental Lender or Baypoint.

If (a) Borrower fails to promptly discharge or contest such liens, claims or liens and provide the bond in the manner provided in this Section 2.5, or (b) after having complied with the provisions of this Section 2.5, there is an adverse conclusion to any such contest and Borrower does not cause any final judgment or decree to be immediately satisfied and the lien to be discharged, then, in either event, Baypoint may, but shall not be required to, procure the release and discharge of any such lien and any judgment or decree thereon, and in furtherance thereof may, in its sole discretion, affect any settlement or compromise or furnish any security or indemnity as may be required by the title company. All amounts expended by Baypoint in connection with the provisions of this Section 2.5 shall be deemed to constitute a disbursement of the Borrower Loan to the Borrower. In settling, compromising or arranging for the discharge



of any liens under this Section 2.5, Baypoint shall not be required to establish or confirm the validity or amount of the lien or stop notice.

## 2.6 Insurance.

2.6.1 At all times, Borrower shall provide, maintain and keep in force comprehensive general public liability insurance, fire and extended coverage property damage insurance, and any of the following types of insurance or equivalents required by Baypoint in its sole discretion: (i) flood, if in a flood plain, (ii) earthquake, if available at a commercially reasonable price, (iii) course of construction, (iv) business interruption following completion of construction, including riot and civil commotion, vandalism, and malicious mischief, (v) loan loss reserve and premium as provided in Borrower's annual operating budget, and (vi) such other insurance, including endorsements and renewals, as Governmental Lender may require. At Baypoint's request, Borrower shall supply Baypoint with a counterpart original of any policy.

2.6.2 All policies of insurance required under the Borrower Loan Documents must be issued by companies approved by Baypoint having an A.M. Best's ratings of not less than A:VIII, or the equivalent approved by Baypoint, and be approved by Baypoint as to amounts, forms, risk coverages, deductibles, expiration dates, and loss payable and cancellation provisions. In addition, each required policy must contain such endorsements as Baypoint may require, as well as a Non-Contributory Standard Mortgagee Clause or its equivalent in favor of Governmental Lender and Baypoint, and must provide that all proceeds be payable to Baypoint, as assignee of the Governmental Lender, to the extent of its interest. An approval by Baypoint is not, and shall not be deemed to be, a representation of the solvency of any insurer or the sufficiency of any amount of insurance.

2.6.3 Each policy of insurance required under the Borrower Loan Documents must provide that it may not be modified or canceled without at least thirty (30) days prior written notice to Baypoint. At least ten (10) days before expiration of any required insurance policy, Borrower shall furnish Baypoint with proof acceptable to Baypoint that a new policy has been issued, continuing in force the insurance covered by the policy which is expiring. At the same time, Borrower shall also furnish Baypoint with evidence satisfactory to Baypoint that all premiums for any such new policy have been paid. If at least ten (10) days before a required policy expires, Baypoint does not receive proof and evidence that a new policy has been issued and that premiums for it have been paid, Baypoint in its sole discretion may procure a new policy and advance funds to pay the premiums for it. Borrower shall repay Baypoint immediately on demand for any advance for such premiums, which shall be considered to be an additional loan to the Borrower bearing interest at the rate of interest provided for in the Note, and secured by the Borrower Loan Documents.

2.7 Payment of Expenses. Borrower shall pay Governmental Lender's and Baypoint's costs and expenses incurred in connection with the making, disbursement and administration of the Borrower Loan, as well as any revisions, extensions, renewals or "workouts" of the Borrower Loan, and in the exercise of any of Governmental Lender's or Baypoint's rights or remedies under this Agreement. Such costs and expenses include (but are not limited to) title insurance, recording and escrow charges, fees for appraisal, mortgage taxes, legal fees and expenses of Governmental Lender's counsel, if any, Baypoint's counsel, if any, and any other reasonable fees and costs for services, regardless of whether such services are furnished by Governmental Lender's or Baypoint's employees or agents or independent contractors. Borrower acknowledges that any loan fee for the Borrower Loan does not include amounts payable by Borrower under this Section 2.7.

2.8 Financial Information. Borrower shall keep true and correct financial books and records for the Property, using generally accepted accounting principles consistently applied, unless otherwise noted. Within one hundred twenty (120) days after the end of each of Borrower's fiscal years, Borrower shall deliver to Baypoint a balance sheet and income statement, together with a statement showing all changes in Borrower's financial condition. Borrower shall also promptly deliver to Baypoint its quarterly balance sheets and income statements if Baypoint requests them. Borrower shall promptly provide Baypoint with any additional audited financial information that Borrower may obtain, as well as signed copies of any tax returns and such other information concerning its affairs and properties as Baypoint may reasonably request.

2.9 Notices. Borrower shall promptly notify Baypoint in writing of:

2.9.1 Any litigation affecting Borrower where the amount claimed is fifty thousand dollars (\$50,000) or more;

2.9.2 Any communication, whether written or oral, that Borrower may receive from any governmental, judicial or legal authority, giving notice of any claim or assertion that the Property fails in any material respect to comply with any of the Requirements or any other applicable governmental law; and

2.9.3 Any material adverse change in the physical condition of the Property or Borrower's financial condition or operations.

2.10 Indemnity. Borrower agrees to indemnify, defend and hold Governmental Lender and Baypoint harmless from and against all liabilities, claims, actions, damages, costs and expenses (including all legal fees and expenses of Governmental Lender's and Baypoint's counsel) arising out of or resulting from any of the following: (i) the breach of any representation or warranty made or given by Borrower to Governmental Lender or Baypoint in this Agreement or in any Borrower Loan Document; (ii) the breach of any obligation of Borrower contained in any of the Borrower Loan Documents; (iii) Governmental Lender's making of the Borrower Loan or Governmental Lender's or Baypoint's performance of the Borrower Loan Documents (excluding Governmental Lender's willful misconduct or Baypoint's gross negligence or willful misconduct, respectively); (iv) the construction of the Improvements; and (v) any claim or cause of action of any kind by any party that Governmental Lender or Baypoint is liable for any act or omission committed or made by Borrower or any other person or entity, whether on account of any theory of derivative liability, comparative negligence or otherwise (excluding any such claims arising in whole or in part as a direct or indirect result of Governmental Lender's willful misconduct or Baypoint's gross negligence or willful misconduct, respectively) in connection with (A) the ownership, operation or development of the Property, or (B) on account of the making of the Borrower Loan contemplated by this Agreement or the other Borrower Loan documents or the transactions contemplated herein or therein. Upon demand by Governmental Lender or Baypoint, respectively, Borrower shall defend any action or proceeding brought against Governmental Lender or Baypoint arising out of or alleging any claim or cause of action covered by this indemnity, all at Borrower's own cost and by counsel to be approved by Governmental Lender or Baypoint, respectively, in the exercise of its reasonable judgment. In the alternative, Governmental Lender or Baypoint may elect to conduct its own defense at the expense of Borrower including reasonable attorneys' fees. The provisions of this Section 2.10 shall survive the termination of this Agreement and the repayment of the Borrower Loan.

2.11 Income from Property. Borrower shall first apply all income derived from the Property, including all income from leases, to amounts due under the Loan Documents (as such

term is defined in the Senior Borrower Loan Agreement), to pay costs and expenses, including reserves, associated with the ownership, maintenance, operation and marketing of the Land, Improvements and Personal Property, including all amounts then required to be paid under the Borrower Loan Documents, before using or applying such income for any other purpose. No such income shall be distributed to Borrower unless all such costs and expenses which are then due have been paid in full.

2.12 Performance of Acts. Upon request of Baypoint, Borrower shall perform all acts which may be necessary or advisable to perfect any lien or security interest provided for in this Agreement or to carry out the intent of this Agreement.

2.13 Affordability Covenants. For a term of not less than thirty (30) years, the residential apartment units at the Property shall be rented at such rates and to such persons as shall be required by the Regulatory Agreement, as well as the appropriate governmental agency in any other regulatory agreement to be executed by Borrower. During the term of the Regulatory Agreement and any such other regulatory agreement, Borrower shall provide Baypoint, upon Baypoint's written request, with a copy of Borrower's annual tenant and rent certification and qualification report made to any governmental agencies charged with determining Borrower's compliance with regulations applicable to the Property.

2.14 Due on Sale or Further Encumbrance. Upon any sale or transfer of (i) all or any part of the Property or any interest therein (other than leases in the ordinary course of business), or (ii) any beneficial interests in Borrower (other than (i) the replacement of the general partner of Borrower in accordance with the Borrower's partnership agreement, or (ii) any limited partnership interests); or upon any financing obtained by Borrower secured by the Property or any part thereof and not specified herein, without the prior written consent in each instance of Baypoint, which consent may be withheld in Baypoint's sole and absolute discretion, or which otherwise is not in compliance with Section 12 of the Regulatory Agreement referred to in Section 2.20 hereof, Baypoint (on behalf of the Governmental Lender) may, at Baypoint's option, declare all sums secured by the Deed of Trust to be immediately due and payable, and Baypoint (on behalf of the Governmental Lender) may invoke any remedies permitted under the Borrower Loan Documents. Notwithstanding anything to the contrary set forth herein or in any loan documents Baypoint's consent shall not be required for the transfer of limited partner interests in the Borrower, or for the grant and exercise of any option and/or right of first refusal in accordance with Borrower's limited partnership documents.

2.15 Impounds for Property Taxes and Insurance Premiums; Control of Operating and Replacement Reserves. Subject to the rights of Pacific Western Bank under the Senior Bank Loan Agreement and the Senior Borrower Loan Agreement, and the terms and provision of the Borrower's Partnership Agreement, Baypoint shall have the right at any time during the term of the Borrower Loan following an Event of Default (defined below) to require Borrower to maintain on deposit in one or more accounts designated or held by Baypoint (i) funds sufficient to pay property taxes and insurance premiums owing with respect to the Property, and (ii) funds designated and/or set aside as and for operating reserves for the Property. In the event that Baypoint requires the impounding of property taxes and insurance premiums, Borrower shall execute whatever security agreements, financing statements and other documents and instruments as Baypoint may require in order to confirm Baypoint's security interest in and/or control over such accounts, and funds deposited therein.

2.16 Property Management. Borrower shall engage and hire a professional property manager ("Manager") to provide property management services for the Property during the term of the Borrower Loan. The terms and provisions of the written Property Management Agreement between Borrower and Manager shall be subject to Baypoint's prior written

approval, which approval shall not be unreasonably withheld or delayed. Borrower shall not change the Manager without Baypoint's prior written approval, which approval shall not be unreasonably withheld or delayed.

2.17 Marketing Plan. Prior to Closing, Borrower shall have submitted a marketing plan developed for the Project and shall have obtained Baypoint's written approval of such plan.

[2.18 Charitable Mission. Borrower acknowledges that the charitable mission of Baypoint requires that Baypoint provide financing for the continued availability of affordable housing (i) for low-income families and individuals earning up to eighty percent (80%) of the area median income and/or (ii) to lessen the burdens of government to provide adequate housing for families and individuals earning up to one hundred twenty percent (120%) of area median income. Borrower represents and warrants to Baypoint that the Property shall benefit only such low and/or moderate-income families and individuals, and Borrower shall provide to Baypoint such periodic reports as reasonably requested by Baypoint to verify such compliance. Borrower agrees to allow Baypoint, at the option of Baypoint and at Baypoint's sole cost, to perform an audit of Borrower's records to verify compliance with this Section 2.18.]

2.19. Tax Exempt Status of the Governmental Obligations.

(a) It is the intention of the Governmental Lender and the Borrower that interest on the Governmental Obligations shall be and remain excludable from the gross income of the owners of the Governmental Obligations for federal income taxation purposes, and to that end the covenants and agreements of the Borrower in this Section 2.19 are for the benefit of Baypoint and the Governmental Lender.

(b) The Borrower covenants and agrees that it will not knowingly and willingly use or permit the use of any of the funds provided by the Senior Borrower Loan or any other funds of the Borrower, directly or indirectly, in such manner as would, or enter into, or allow any "related person" (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Funding Loan Note or the Governmental Lender Note that would, or take or omit to take any other action that would cause the Funding Loan Note or the Governmental Lender Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or "federally guaranteed" within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder.

(c) In the event that at any time the Borrower is of the opinion or becomes otherwise aware that for purposes of this Section 2.19 it is necessary to restrict or to limit the yield on the investment of any moneys held by Baypoint or by the owner of the Governmental Lender Note, the Borrower shall determine the limitations and so instruct Baypoint or the owner of the Governmental Lender Note, as applicable, in writing and cause Baypoint or the owner of the Governmental Lender Note, as applicable, to comply with those limitations.

(d) The Borrower will take such action or actions as may be reasonably necessary in the opinion of counsel to the Governmental Lender, or of which it otherwise becomes aware, to fully comply with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service under Section 142 of the

Code which is applicable to the Funding Loan Note and to the Governmental Lender Note.

(e) The Borrower further warrants and covenants that it has not executed and will not execute any other agreement, or any amendment or supplement to any other agreement, with provisions contradictory to, or in opposition to, the provisions of this Agreement and of the Regulatory Agreement, and that in any event, the requirements of this Agreement and such Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith and therewith.

(f) The Borrower shall not purchase, and shall use its best efforts to prevent any guarantor of the Borrower from purchasing, pursuant to an arrangement, formal or informal, any of the Governmental Obligations or any interest therein.

(g) The Borrower will use due diligence to complete the acquisition and construction of the Property and reasonably expects to fully expend the full authorized principal of the Senior Borrower Loan within thirty-six months of the date of execution of this Agreement.

(h) The Borrower will take such action or actions as necessary to ensure compliance with the Tax Certificate.

(i) The Borrower will make timely payment of any rebate amount due to the federal government by reason of any investment of the proceeds of the Senior Borrower Loan or any moneys pledged to the repayment of the Borrower Note, the Senior Borrower Loan, or the Governmental Obligations, at a yield in excess of the yield on the Governmental Obligations, or otherwise as required under the Code.

2.20. Regulatory Agreement. In order to maintain the exclusion from gross income under federal tax law of interest on the Governmental Obligations and to assure compliance with the laws of the State of California and the Act, the Borrower hereby agrees that it shall, concurrently with or before the Closing Date, execute and deliver and cause to be recorded the Regulatory Agreement.

The Borrower shall comply with every term of the Regulatory Agreement, and the Borrower hereby acknowledges that in the event of a default under the Regulatory Agreement the Borrower Loan and the Senior Borrower Loan may be accelerated. The Borrower agrees to cause any amendments to the Regulatory Agreement to be recorded in the appropriate official public records.

2.21. Useful Life. The Borrower hereby represents and warrants that, within the meaning of Section 147(a)(14) of the Code, the average maturity of the aggregate of the Governmental Obligations does not exceed 120 percent of the average reasonably expected economic life of the facilities being financed with the proceeds of the Senior Borrower Loan.

2.22. Federal Guarantee Prohibition. The Borrower shall take no action, nor permit nor suffer any action to be taken if the result of the same would be to cause the Funding Loan Note or the Governmental Lender Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

2.23. Prohibited Facilities. The Borrower represents and warrants that no portion of the proceeds of the Borrower Loan or the Senior Borrower Loan shall be used to provide any

airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Senior Borrower Loan shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimus amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

### ARTICLE III LEASES

3.1 Existing Leases. Borrower has submitted to Baypoint, for its written approval, copies of the form of all leases of any part of the land or any space within the Project, which are in effect on the date of this Agreement.

3.2 Future Leases. Borrower may enter into leases or residency agreements with any person for occupancy of dwelling units, within the Project without Baypoint's consent. Borrower shall comply in all respects with any restrictions or guidelines as to the rents or other fees which may be charged for such units, which are contained in this Agreement or any other agreement by which Borrower or the Project may be bound. Following the occurrence and during the continuance of any Event of Default (as defined in Section 6.1), Baypoint may make written demand on Borrower to submit all future leases and residency agreements for Baypoint's approval prior to execution, and Borrower shall comply with any such demand by Baypoint.

3.3 Delivery of Leasing Information and Documents. Borrower shall promptly deliver to Baypoint rent rolls and operating statements quarterly. Baypoint, from time to time, may request additional leasing information.

3.4 Landlord's Obligations. Borrower shall perform all obligations required to be performed by it as landlord under any lease affecting any part of the Project.

### ARTICLE IV HAZARDOUS MATERIALS

4.1 Covenants Relating to Hazardous Materials. The Deed of Trust contains covenants of Borrower regarding "Hazardous Materials" (as defined in the Environmental Indemnification Agreement referred to in Section 4.2 below) affecting the Project.

4.2 Environmental Indemnification Agreement. In addition to the covenants regarding hazardous or materials set forth in the Deed of Trust, Borrower and Governmental Lender have executed that certain Environmental Indemnification Agreement, of even date herewith, between the Borrower and the Governmental Lender.

### ARTICLE V REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Governmental Lender and Baypoint as follows:

5.1 Organization of Borrower. Borrower is and shall at all times hereafter be an organization duly organized and validly existing under the laws of the state of its formation and is and at all times hereafter shall be qualified and licensed to do business, and is in good standing, in any state in which it conducts its business or in which the failure to qualify could

have a material adverse effect on the condition, financial or otherwise, business, property or results of operations of Borrower.

5.2 Requisite Power. Borrower has all requisite power to borrow the sums provided for in this Agreement and has all requisite power to execute, deliver, issue and perform this Agreement and all other Borrower Loan Documents to which it is a party. The individuals signing the Borrower Loan Documents have all requisite power to act on Borrower's behalf in connection with Borrower's execution, delivery and performance of this Agreement and the other Borrower Loan Documents to which it or Borrower is a party and the consummation of the transactions hereunder.

5.3 Authorization. All action on the part of Borrower necessary for the authorization, execution, delivery and performance of this Agreement and the other Borrower Loan Documents has been duly taken and is in full force and effect. All action on the part of Borrower necessary for the authorization, execution, delivery and performance of this Agreement and the other Borrower Loan Documents to which Borrower is a party has been duly taken and is in full force and effect.

5.4 Validity. This Agreement and all of the other Borrower Loan Documents to which Borrower is a party have been duly executed and delivered and are the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity.

5.5 No Breach. The execution by Borrower of the Borrower Loan Documents to which it is a party shall not constitute a breach of any provision contained in the Borrower's organizational documents, nor does the execution or performance thereof constitute an event of default under any agreement to which Borrower is now or hereafter becomes a party or by which it is subject, nor do such Borrower Loan Documents violate any order, decree or judgment of any court or public authority.

5.6 Compliance with Laws. Borrower is in compliance in all respects with all applicable laws, rules, regulations and ordinances.

5.7 No Violation. Borrower is not in material violation of any law, regulation or ordinance, or any order of any court or governmental entity. No provision or obligation of Borrower contained in any of the Borrower Loan Documents violates any of the Requirements, any other applicable law, regulation or ordinance, or any order or ruling of any court or governmental entity. No such provision or obligation conflicts with, or constitutes a breach or default under, any agreement binding or regulating the Property.

5.8 No Claims. There are no claims, actions, proceedings or investigations pending against Borrower affecting the Property before any court or public authority, except for those previously disclosed by Borrower to Governmental Lender and Baypoint in writing. Borrower has no knowledge of any pending, threatened or imminent litigation, governmental investigations or complaints, actions or prosecutions involving Borrower, or any breaches by Borrower or any other person of any agreement to which Borrower is a party or by which it is bound.

5.9 Financial Information. All financial information which has been or will be delivered to Baypoint, including all information relating to the financial condition of Borrower or the Property, fairly and accurately represents or will represent, when delivered, the financial condition being reported on. All such information was or will be prepared in accordance with

generally accepted accounting principles consistently applied, unless otherwise noted. There has been no material adverse change in any financial condition reported at any time to Baypoint.

5.10 Accuracy. All reports, documents, instruments, information and forms of evidence which have been delivered to Governmental Lender or Baypoint concerning the Borrower Loan and required by the Borrower Loan Documents or the Commitment Letter, are accurate, correct and sufficiently complete in all material respects to give Governmental Lender true and accurate knowledge of their subject matter. None of them contains any material misrepresentation or omission.

5.11 Taxes. Borrower has filed complete and correct federal, state and local tax reports and returns required to be filed by Borrower, prepared in accordance with any applicable laws or regulations, and except for extensions duly obtained, has either duly paid all taxes, duties and charges owed by them, or made adequate provisions for the payment thereof. There are no material unresolved questions or claims concerning any tax liability of Borrower. None of the transactions contemplated hereby or under any agreements referred to herein will result in any material tax liability for Borrower or result in any other material adverse tax consequence for Borrower. In addition, Borrower has paid all real property taxes which are due and payable, and knows of no basis for any additional assessment of taxes affecting the Property.

5.12 Permits, Licenses and Utilities. When needed for the ownership, rehabilitation and operation of the Project, Borrower will have properly obtained, and has been and is current and in good standing with respect to, all governmental approvals, permits, certificates, licenses, inspections, consents and franchises (collectively, the "Licenses") necessary to continue to conduct its respective businesses and to own, market, occupy, lease and operate the Property, including without limitation, all Licenses related to environmental laws. All utility services which are necessary to occupy and operate the Property are available to it.

5.13 Borrower Not a Foreign Person . Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended from time to time.

5.14 Full Disclosure. This Agreement, the financial information delivered in connection herewith, and the representations and warranties of Borrower herein and in any other document delivered or to be delivered by or on behalf of Borrower, do not and will not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein, in light of the circumstances under which they were made, not misleading. To the best knowledge of Borrower, after diligent inquiry and investigation, there is no material fact which Borrower has not disclosed to Governmental Lender and Baypoint in writing which materially and adversely affect the assets, business, prospects, profits or condition (financial or otherwise) of Borrower, the rights of Governmental Lender and of Baypoint, the ability of Borrower to perform this Agreement and the Borrower Loan Documents.

5.15 Costs of Issuance. Not in excess of two percent (2%) of the proceeds of the Senior Borrower Loan will be used to pay costs of issuance of the Governmental Obligations.

5.16 Ownership. The Borrower intends to hold the Property for its own account, has no current plans to sell and has not entered into any agreement to sell the Property, except in accordance with the terms of the Regulatory Agreement and a possible sale to a partner of the Borrower as reflected in the Borrower's partnership agreement.



5.17 Interests in Governmental Obligations. The Borrower has contacted all “related persons” thereof (within the meaning of Section 147(a) of the Code); and none of them shall, at any time, pursuant to any arrangement, formal or informal, acquire any interest in the Governmental Obligations.

5.18 Limitations. The Borrower shall comply with Section 6.12 of the Funding Loan Agreement. The Borrower shall assure that the proceeds of the Borrower Loan and the Senior Borrower Loan are expended so as to cause the Governmental Obligations to constitute “qualified residential rental bonds” within the meaning of Section 142(d) of the Internal Revenue Code of 1986 (the “Code”).

5.19 No Adverse Action. The Borrower has not knowingly taken or permitted to be taken and will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on the Governmental Obligations to be included in the gross income of the owners thereof for purposes of federal income taxation.

5.20 No Arbitrage Bond. The Borrower covenants that it shall not take, or permit or suffer to be taken by Baypoint or otherwise, any action with respect to the proceeds of the Governmental Obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the Closing Date, would have caused either of the Governmental Obligations to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

5.21 Compliance With Covenants Related to Senior Borrower Loan. The Borrower will comply with the covenants set forth in Section 6.14 of the Senior Loan Agreement.

## ARTICLE VI DEFAULT AND REMEDIES

6.1 Events of Default. Borrower will be in default under this Agreement upon the occurrence of any one or more of the following events after the expiration of applicable cure periods, if any, (some or all collectively, “Events of Default,” any one singly, an “Event of Default”):

6.1.1 Payments. Borrower’s failure to pay when due and payable (i) any payment of principal and/or interest under the Borrower Note within ten (10) days after the date when due, or (ii) within ten (10) business days after written notice from Governmental Lender or Baypoint, any other sum payable hereunder or under any of the other Borrower Loan Documents.

6.1.2 Breach of Covenants. Borrower’s failure or neglect to perform, keep or observe any term, provision, condition, covenant, or agreement contained in this Agreement, any other Borrower Loan Document, the Senior Borrower Loan Agreement or any other present or future agreement between Borrower and Governmental Lender or Baypoint, and/or evidencing and/or securing the Obligations, other than those covenants referred to in clause (a) above, and does not cure that failure either (i) within thirty (30) days (“Initial Cure Period”) after written notice from Baypoint, or (ii) within such additional time as is reasonably necessary after such written notice, so long as Borrower begins within the Initial Cure Period and diligently continues to cure the failure, and Baypoint exercising reasonable judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period.

6.1.3 Breach of Representation. Any representation, warranty, statement, report or certificate made or delivered by Borrower, or any of its officers, employees or agents on behalf of Borrower, to Governmental Lender or Baypoint which proves false in any material respect when made or deemed to be made.

6.1.4 Voluntary Insolvency. Any involuntary insolvency proceeding commenced by Borrower, or Borrower's becoming insolvent.

6.1.5 Involuntary Insolvency. Any insolvency proceeding commenced against Borrower, except that if Borrower is contesting such insolvency proceeding, it shall not constitute an Event of Default unless not dismissed within sixty (60) days of commencement.

6.1.6 Sale of Assets. Borrower ceases its operations or except for a transfer approved by Baypoint, sells or otherwise disposes of all or substantially all of its assets, or a governmental authority condemns or expropriates, or an order is issued by a governmental authority for the condemnation or expropriation of, all or substantially all of Borrower's assets or the Project.

6.1.7 Change of Control. Borrower dissolves or liquidates.

6.1.8 Attachment or Levy. All or any of Borrower's assets in excess of fifty thousand dollars (\$50,000) in aggregate value are attached, seized, subjected to a writ or distress warrant, or are levied upon, or come into the possession of any judicial officer or assignee for the benefit of credits unless, with respect to any such assets, such attachment, seizure, writ, warrant or levy shall be dismissed, released or stayed within ten (10) days of issuance thereof.

6.1.9 Governmental Lien. A notice of lien, levy or assessment in excess of fifty thousand dollars (\$50,000) in the aggregate, is filed of record with respect to any or all of Borrower's assets by the United States Government, or any department, agency or instrumentality thereof, or by any other public authority, or any taxes or debts owing at any time hereafter to any one or more of such entities in excess of fifty thousand dollars (\$50,000) in the aggregate, becomes a lien, whether choate or otherwise, upon any or all of Borrower's assets, and the same is not paid on the payment date thereof.

6.2 Remedies. If an Event of Default occurs under this Agreement or under any other Borrower Loan Document, the Borrower Note and all other obligations of the Borrower hereunder and thereunder shall, at Baypoint's option, become immediately due and payable. If an Event of Default referred to in Section 6.1.1 hereof shall occur, the Note and all such other obligations shall automatically become due and payable. Baypoint may exercise any right or remedy which it has under this Agreement or any other Borrower Loan Document, or which is otherwise available at law or in equity or by statute, and all of Baypoint's rights and remedies shall be cumulative. Borrower specifically agrees that any action by Governmental Lender, or Baypoint or its designee, to obtain performance under this Agreement or any other Borrower Loan Document, of an obligation other than repayment of the debt secured by the Deed of Trust shall not constitute an "action" within the meaning of California Civil Code Procedure § 726, and Borrower hereby waives any defense it might otherwise have based on the "one-action" rule in any subsequent proceeding involving Governmental Lender's or Baypoint's foreclosure rights under the Deed of Trust. Notwithstanding anything to the contrary contained herein, any default arising hereunder or under the Deed of Trust or the Borrower Note may be cured by Borrower's limited partner, or its affiliate on behalf of Borrower, and such cure shall be accepted or rejected by Baypoint on the same terms as if made by Borrower itself.

Notwithstanding the foregoing or any other provision of this Agreement or of any other Borrower Loan Document, in no event may the Borrower Loan be accelerated or cancelled until after the Placed in Service Date (as defined in \_\_\_\_\_).

## ARTICLE VII JUDICIAL REFERENCE

ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE RESOLVED BY A JUDICIAL REFERENCE PROCEEDING PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE § 638. THE JUDICIAL REFEREE APPOINTED TO DECIDE THE JUDICIAL REFERENCE PROCEEDING SHALL BE EMPOWERED TO HEAR AND RESOLVE ANY OR ALL ISSUES IN THE PROCEEDING, WHETHER OF FACT OR LAW. EACH PARTY SHALL PAY ITS OWN ATTORNEY'S FEES IN THE JUDICIAL REFERENCE AND SHARE EQUALLY THE COSTS AND FEES OF THE JUDICIAL REFEREE.

## ARTICLE VIII MISCELLANEOUS PROVISIONS

8.1 No Waiver; Consents. Each waiver by Governmental Lender or Baypoint must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Governmental Lender or Baypoint to take action on account of any default of Borrower. Consent by Governmental Lender or Baypoint to any act or omission by Borrower shall not be construed as a consent to any other or subsequent act or omission or as a waiver of the requirement for Governmental Lender's or Baypoint's, as applicable, consent to be obtained in any future or other instance.

8.2 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of Governmental Lender, Baypoint and Borrower and their successors and assigns. No trust fund is created by this Agreement and no other persons or entities shall have any right of action under this Agreement or any right to the Borrower Loan funds.

8.3 Joint and Several Liability. If more than one entity signs as Borrower, each shall be jointly and severally liable to Governmental Lender and Baypoint for the faithful performance of this Agreement.

8.4 Notices. All notices given to the parties under this Agreement must be in writing and shall be effectively served upon delivery, or if mailed, upon the first to occur of receipt or the expiration of seventy-two hours after deposit in first-class or certified United States mail, postage prepaid, sent to the party at their respective addresses as they appear in Section 10.2 of the Funding Loan Agreement.

8.5 Actions. Governmental Lender and Baypoint each shall have the right, but not the obligation, to commence, appear in, and defend any action or proceeding which might affect its security or its rights, duties or liabilities relating to the Borrower Loan, the Property, or any of the Borrower Loan Documents. Borrower shall pay promptly on demand all of Governmental Lender's and Baypoint's reasonable out-of-pocket costs, expenses, and legal fees and expenses of Governmental Lender's or Baypoint's counsel incurred in those actions or proceedings.

8.6 Applicable Law. This Agreement shall be governed by California law applicable to contracts made and performed in California.

8.7 Heirs, Successors and Assigns. The terms of this Agreement shall bind and benefit the heirs, legal representatives, successors and assigns of the parties; provided, however, that Borrower may not assign this Agreement or any Borrower Loan funds, or assign or delegate any of its rights or obligations, without the prior written consent of Governmental Lender and Baypoint in each instance.

8.8 Improvement District. Borrower shall not consent to, vote in favor of, or directly or indirectly advocate or assist in the incorporation of any of the Property into any improvement or other special tax or assessment district without Baypoint's prior written consent in each instance.

8.9 Restriction on Personal Property. Borrower shall not sell, convey, or otherwise transfer or dispose of its interest in any Personal Property or contract to do any of the foregoing, without the prior written consent of Baypoint in each instance, except such Personal Property as is customarily transferred in the ordinary course of operation of residential developments similar to the Property.

8.10 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall in no way affect any other provision.

8.11 Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Agreement are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Agreement. Time is of the essence in the performance of this Agreement and each of the Borrower Loan Documents by Borrower. The exhibits to this Agreement are hereby incorporated in this Agreement.

8.12 Amendments. This Agreement may not be modified or amended except by written agreement signed by the parties hereto.

8.13 Counterparts. This Agreement and any attached consents or exhibits requiring signatures may be executed in counterparts, but all counterparts shall constitute but one and the same document.

8.14 Language of Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any party.

8.15 Integration and Relation to Borrower Loan Commitment. The Borrower Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Agreement. The Borrower Loan Documents supersede all oral negotiations and prior writings concerning the subject matter of the Borrower Loan Documents, including Baypoint's Commitment Letter to Borrower. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, including any of the Borrower Loan Documents, the terms, conditions and provisions of this Agreement shall prevail.

8.16 Signage, Groundbreaking, Public Announcements. Signage employed on the Project shall prominently include Baypoint's name and address and shall conform with lending regulations as well as Baypoint's specifications. Baypoint shall be given advance notice and

shall participate in all groundbreakings and grand opening events, such events shall be planned for and included in the Project budget. Baypoint shall have the right to review any public announcements made relating to the Project and all such announcements shall, if directed by Baypoint, include the statement that the project financing is provided by the Governmental Lender, by means of a loan by Baypoint to Governmental Lender.

8.17 No Punitive Damages. The parties hereby agree that no punitive or consequential damages shall be awarded in any suit, action or other proceeding arising out of or based upon the Borrower Loan, this Agreement or the subject matter hereof.

#### ARTICLE IX LIMITED LIABILITY OF GOVERNMENTAL LENDER

9.1 Limited Liability. All obligations and any liability of the Governmental Lender incurred hereunder shall be limited, special obligations of the Governmental Lender, payable solely and only from amounts received from the Governmental Lender pursuant to this Borrower Loan Agreement. All obligations and any liability of the Governmental Lender shall be further limited as provided in Section 4.1, 5.2 and 6.14 of the Funding Loan Agreement.

Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Borrower Loan Documents and the Funding Loan Documents shall be limited to the extent set forth in the Borrower Note.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Borrower: BAYPOINT FAMILY APARTMENTS L.P., a  
California limited partnership

By: BayPoint Family Apartments, LLC,  
a California limited liability company,  
its administrative general partner

By: \_\_\_\_\_  
Kasey Burke,  
Vice President

By: CHBA Affordable IX, LLC,  
a California limited liability company,  
its managing general partner

By: \_\_\_\_\_  
Graham Espley-Jones,  
President

Governmental Lender: COUNTY OF CONTRA COSTA, CALIFORNIA

By: \_\_\_\_\_  
John Kopchik,  
Director, Department of  
Conservation and Development

Baypoint: BAYPOINT FAMILY APARTMENTS, LLC, a  
California limited liability company

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

03007.44:J15314

[signature page to Borrower Loan Agreement – Baypoint Family Apartments]

## EXHIBIT A

### DESCRIPTION OF PROPERTY

All that certain real property situated in the County of Contra Costa, State of California, described as follows:

#### PARCEL 1:

BEING ALL OF PARCELS B AND C, IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AS SHOWN ON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP SUBDIVISION MS 11-84", FILED FOR RECORD DECEMBER 26, 1984 IN BOOK 113 OF PARCEL MAPS, PAGES 42 AND 43, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THE ABOVE LEGAL IS INCLUDED IN THE LOT LINE ADJUSTMENT APPLICATION LL 118-0008 RECORDED AUGUST 7, 2018 AS INSTRUMENT NO. 2018-0126023-00

#### PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR COMMON DRIVEWAY AND UTILITIES PURPOSES AS AN APPURTENANCE TO PARCEL B OVER THE WESTERLY 12.5 FEET, MEASURED AT RIGHT ANGLES, OF PARCEL D, AS SHOWN ON PARCEL MAP M.S. 11-84, FILED DECEMBER 26, 1984 IN BOOK 113 OF PARCEL MAPS, PAGES 42 AND 43, IN THE OFFICE OF THE CONTRA COSTA COUNTY RECORDER, AS RESERVED IN THE DEED TO WILLOW PASS-120, LTD, AN OREGON LIMITED PARTNERSHIP, RECORDED JANUARY 10, 1986, IN BOOK 12702, PAGE 297, INSTRUMENT NO. 86-4690 AND MODIFIED BY A DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED OCTOBER 26, 1998 AS INSTRUMENT NO. 98-0265409 BOTH OF OFFICIAL RECORDS.

#### PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR COMMON DRIVEWAY AND UTILITIES PURPOSES AS AN APPURTENANCE TO PARCEL B OVER THE EASTERLY 10.5 FEET OF THE WESTERLY 23 FEET, MEASURED AT RIGHT ANGLES, OF PARCEL D, AS SHOWN AS SAID PARCEL MAP M.S. 11-84, FILED DECEMBER 26, 1984 IN BOOK 113 OF PARCEL MAPS, PAGES 42 AND 43, IN THE OFFICE OF THE CONTRA COSTA COUNTY RECORDER, AS RESERVED IN THE DEED TO WILLOW PASS-120, LTD, AN OREGON LIMITED PARTNERSHIP, RECORDED JANUARY 10, 1986, IN BOOK 12702, PAGE 297, INSTRUMENT NO. 86-4690 AND MODIFIED BY A DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED OCTOBER 26, 1998 AS INSTRUMENT NO. 98-0265409 BOTH OF OFFICIAL RECORDS.

#### PARCEL 4:

AN EXCLUSIVE EASEMENT FOR SANITARY SEWER PURPOSES AS AN APPURTENANCE TO PARCEL B, AS RESERVED IN THE DEED TO WILLOW PASS-120, LTD, AN OREGON LIMITED PARTNERSHIP, RECORDED JANUARY 10, 1986, IN BOOK 12702, PAGE 297, INSTRUMENT NO. 86-4690 AND MODIFIED BY A DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED OCTOBER 26, 1998 AS INSTRUMENT NO. 98-0265409 BOTH OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBED PORTION OF PARCEL D, AS SHOWN ON SAID PARCEL MAP M.S., 11-84, FILED DECEMBER 26, 1984 IN BOOK 113 OF PARCEL MAPS, PAGES 42 AND 43, IN THE OFFICE OF THE CONTRA COSTA COUNTY RECORDER:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID PARCEL D; THENCE FROM SAID POINT OF COMMENCEMENT ALONG THE NORTHERLY LINE OF SAID PARCEL D, SOUTH 88° 49' 24" EAST 23.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 88° 49' 24" EAST 109.23 FEET; THENCE SOUTH 86° 50' 23" WEST 109.50 FEET; THENCE NORTH 00° 55' 16" EAST 8.28 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 5:

A NON-EXCLUSIVE EASEMENT FOR COMMON DRIVEWAY AND UTILITIES PURPOSES OVER THE EAST 12.5 FEET OF PARCEL A AS SHOWN ON THE PARCEL MAP M.S. 11-84, FILED DECEMBER 26, 1984 IN BOOK 113 OF PARCEL MAPS, PAGES 42 AND 43, IN THE OFFICE OF THE CONTRA COSTA COUNTY RECORDER, AS RESERVED IN THE DEED TO CIRCLE K CONVENIENCE STORES, INC., RECORDED FEBRUARY 5, 1985 AS INSTRUMENT NO. 85-14281 IN BOOK 12172, PAGE 15, OFFICIAL RECORDS.

APN Nos: 098-240-058-2 and 098-240-059-0



**EXHIBIT B**  
**BORROWER LOAN DOCUMENTS**

Borrower Loan Agreement

Borrower Note

Regulatory Agreement and Declaration of Restrictive Covenants

Deed of Trust

Environmental Indemnification

UCC-1 (State) Financing Statement

Flood Insurance Acknowledgement