

CALENDAR FOR THE BOARD OF SUPERVISORS
CONTRA COSTA COUNTY
AND FOR SPECIAL DISTRICTS, AGENCIES, AND AUTHORITIES GOVERNED BY THE BOARD
**BOARD CHAMBERS ROOM 107, ADMINISTRATION BUILDING, 651 PINE STREET
MARTINEZ, CALIFORNIA 94553-1229**

JOHN GIOIA, CHAIR, 1ST DISTRICT
CANDACE ANDERSEN, VICE CHAIR, 2ND DISTRICT
DIANE BURGIS, 3RD DISTRICT
KAREN MITCHOFF, 4TH DISTRICT
FEDERAL D. GLOVER, 5TH DISTRICT

DAVID J. TWA, CLERK OF THE BOARD AND COUNTY ADMINISTRATOR, (925) 335-1900
PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO
AN ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO TWO (2) MINUTES.

The Board Chair may reduce the amount of time allotted per speaker at the beginning of each item or public comment period depending on the number of speakers and the business of
the day. Your patience is appreciated.

A lunch break or closed session may be called at the discretion of the Board Chair.

Staff reports related to open session items on the agenda are also accessible on line at www.contracosta.ca.gov

AGENDA
January 7, 2020

9:30 A.M. Convene, call to order and opening ceremonies.

- Presentation of the Colors by the Contra Costa County Sheriff's Honor Guard
- The Pledge of Allegiance
- Singing of the National Anthem, led by Julie DiMaggio Enea, Betsy Koher and Carol Zbacnik

Inspirational Thought - *"With the new day comes new strength and new thoughts."* ~ Eleanor Roosevelt

2020 REORGANIZATION OF THE BOARD OF SUPERVISORS

- Comments of the Outgoing Chair, Supervisor John Gioia
- Swearing in of the 2020 Chair and Vice Chair by Superior Court Presiding Judge Barry Baskin
- Presentation by the Incoming Chair of a token of appreciation to the 2019 Chair John Gioia
- Comments of the Incoming Chair
- Introduction of Staff and Comments of Board Members

CONSIDER CONSENT ITEMS (Items listed as C.1 through C.59 on the following agenda) –
Items are subject to removal from Consent Calendar by request of any Supervisor or on request
for discussion by a member of the public. **Items removed from the Consent Calendar today
will be continued to the January 21, 2020 meeting unless otherwise noted.**

DISCUSSION ITEMS

D. 1 CONSIDER Consent Items previously removed.

D. 2 PUBLIC COMMENT (2 Minutes/Speaker)

D. 3 CONSIDER approving recommendations for Board Member and other appointments to local, regional and statewide committees, boards, and commissions; adopting Resolution No. 2020/09 amending the Master List of Board Member appointments; and approving the posting of Form 806 to the County website to report additional compensation that Board members receive when serving on committees, boards, and commissions of a public agency, special district, and joint powers agency or authority. (Supervisor Andersen)

D. 4 CONSIDER reports of Board members.

**ADJOURN to Board of Supervisors Reorganization Luncheon
Lafayette Veterans Memorial Center
3780 Mt. Diablo Blvd.
Lafayette, CA**

CONSENT ITEMS

Special Districts & County Airports

- C. 1** Acting as the Governing Board of the West Contra Costa Healthcare District, APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment effective January 1, 2020 with Eighty 20 Healthcare Consulting, LLC, to increase the payment limit by \$332,000 to a new payment limit of \$652,000 to provide additional consultation, technical support and planning services for the West Contra Costa Health Care District, with no change in the term of January 1, 2019 through December 31, 2020. (100% West Contra Costa Healthcare District)
- C. 2** Acting as the Governing Board of the Contra Costa County Fire Protection District, APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a Service Agreement with Stryker Corporation in an amount not to exceed \$84,000, for maintenance of 30 LUCAS Chest Compression Systems, for the period December 20, 2019 to December 19, 2023. (100% CCCFPD EMS Transport Fund)
- C. 3** Acting as the Governing Board of the West Contra Costa Healthcare District, APPROVE the “January to June 2019” District audit report and the “2018 and January to June 2019” Successor Retirement Plan audit report, and ADOPT Resolution No. 2020/5 ordering the dissolution of the Doctors Medical Center Foundation, as recommended by the District Finance Committee.

- C. 4 Acting as the Governing Board of the West Contra Costa Healthcare District, APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment effective January 1, 2020 with Vickie Lee Scharr, to increase the payment limit by \$90,000 to a new payment limit of \$390,000 to provide additional technical support and planning services with regard to transitioning the West Contra Costa Health Care District to County, with no change in the term of January 1, 2019 through December 31, 2020. (100% West Contra Costa Healthcare District)
- C. 5 APPROVE and AUTHORIZE the Director of Airports, or designee, to host the 12th Annual Tenant Appreciation Barbeque in an amount of approximately \$18,600 and held at the Buchanan Field Airport to thank customers for choosing Contra Costa County Airports - Buchanan Field and Byron Airports to store their aircraft and/or operate businesses. (100% Airport Enterprise Fund)
- C. 6 ACCEPT the 2019 Advisory Body Annual Report for the Aviation Advisory Committee, as recommended by the Public Works Director.
- C. 7 APPROVE and AUTHORIZE the Director of Airports or designee to execute, on behalf of the County, a consent to assignment of the lease of County-owned property located at 4901 Marsh Drive, Concord, from Lithia Real Estate, Inc., to Future Automotive Concord, Inc. (No fiscal impact)

Claims, Collections & Litigation

- C. 8 APPROVE and AUTHORIZE settlement with Nextel of California, Inc., and Sprint Solutions, Inc., in the False Claims Act lawsuit *State of California ex rel. OnTheGo Wireless, LLC v. Cellco Partnership d/b/a Verizon Wireless, et al.* (Sacramento Superior Court Case No. 34-2012-00127517), requiring payment of approximately \$61,342 to the County, as recommended by the Purchasing Agent. (100% General Fund)
- C. 9 DENY claims filed by Donald Cramer, Ou Feng, Anne Hancock, Stacey Huddleston, Deborah McFadden, Kevin Patterson, Aaron Patrick Pearce, and George West.

Honors & Proclamations

- C.10 ADOPT Resolution No. 2020/3 proclaiming January 2020 as Positive Parenting Awareness Month in Contra Costa County, as recommended by Supervisor Andersen.
- C.11 ADOPT Resolution No. 2020/11 to recognize Jo-Anne Y. Linares, Departmental Personnel Officer, on the occasion of her 30 years of service to Contra Costa County, as recommended by the Health Services Director.

Appointments & Resignations

- C.12** APPOINT Mariana Valdez to the District II seat on the Family and Children's Trust Committee, as recommended by Supervisor Andersen.
- C.13** APPROVE the appointments and re-appointments, privileges, advancements, and voluntary resignations as recommended by the Medical Staff Executive Committee, at its December 16, 2019 meeting, and by the Health Services Director.

Appropriation Adjustments

- C.14** CCHP (0860)/Conservatorship (0451)/Health, Housing and Homeless (0463): APPROVE Appropriation and Revenue Adjustment No. 5033 increasing revenue in an aggregate amount of \$207,659,901 and appropriating it to properly align estimated revenues and expenditures within the Contra Costa Health Plan (0860), Conservatorship (0451), and Health, Housing and Homeless (0463) budget units based on actual experience compared to the FY 2019/20 Adopted Budget.

Intergovernmental Relations

- C.15** APPROVE the Amended 2018/2019 and Amended 2019/20 North Richmond Waste and Recovery Mitigation Fee Expenditure Plans, as recommended by the North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee. (100% North Richmond Mitigation funds)
- C.16** ACCEPT an informational report from the Animal Services Department on a study of the contracted city services and fees for animal control and DIRECT staff to take related actions, as recommended by the Finance Committee.

Personnel Actions

- C.17** ADOPT Position Adjustment Resolution No. 22534 to add a Buyer II position (represented) and cancel a Lead Materials Technician position (represented) in the Health Services Department. (100% Enterprise Fund I Subsidy)
- C.18** ADOPT Position Adjustment Resolution No. 22514 to establish the classification of Weed and Vertebrate Pest Control Technician - Project (represented) position and add three positions in the Agriculture - Weights and Measures Department. (100% State)
- C.19** APPOINT Karen Caoile to the position of Director of Risk Management - Exempt, effective January 14, 2020, as recommended by the County Administrator.

- C.20** ADOPT Position Adjustment Resolution No. 22567 to add one Deputy Director of Health Services-Exempt position (unrepresented) and cancel one Emergency Medical Services Program Coordinator position (represented) in the Health Services Department. (100% Enterprise Fund I)
- C.21** ADOPT Position Adjustment Resolution No. 22568 to add one Administrative Services Assistant II (represented), one Health Services Systems Analyst I (represented), and one Substance Abuse Program Manager (represented) position, and cancel one Substance Abuse Program Manager position (represented) in the Health Services Department. (100% Substance Abuse Block Grant)
- C.22** ADOPT Position Adjustment Resolution No. 22569 to add one Account Clerk-Advanced Level position (represented) and cancel one Accounting Technician position (represented) in the Health Services Department. (Cost savings)

Grants & Contracts

APPROVE and AUTHORIZE execution of agreements between the County and the following agencies for receipt of fund and/or services:

- C.23** APPROVE and AUTHORIZE the County Librarian, or designee, to apply for and accept a grant in the amount of \$195,000 from City of Antioch to provide a new heating, ventilation, and air conditioning system at the Antioch Library, for the period July 1, 2020 through June 30, 2021. (No County match)
- C.24** APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to execute a contract amendment with the California Department of Community Services and Development for the 2019 Community Services Block Grant, to extend the term from December 31, 2019 through February 29, 2020 with no change to the payment to the County of \$850,578. (No County match)
- C.25** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with the City of Oakley to provide congregate meal services for the County's Senior Nutrition Program for the period January 1 through June 30, 2020, with a three-month automatic extension through September 30, 2020. (No County match)
- C.26** APPROVE and AUTHORIZE the Health Services Director, or designee, to submit a grant application to the California Department of Resources Recycling and Recovery, to pay the County an amount not to exceed \$450,000 to perform enforcement/compliance and surveillance activities at waste tire facilities for the Environmental Health Waste Tire Enforcement Program for the period June 29, 2020 through September 30, 2021. (No County match)

- C.27** APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to accept an allocation award from the California Department of Health Care Services in an amount of \$1,385,957 for the Medi-Cal Navigators Project for the period January 1, 2020 through December 31, 2021. (100% State, No County match)
- C.28** ADOPT Resolution No. 2020/10 approving and authorizing the Sheriff-Coroner, or designee, to apply for and accept the California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program funds in an initial amount of \$738,249 for marine patrol and boating regulation enforcement for the period July 1, 2020 through the end of available funding. (100% State)

APPROVE and AUTHORIZE execution of agreement between the County and the following parties as noted for the purchase of equipment and/or services:

- C.29** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Allegis Group Holdings, Inc., in an amount not to exceed \$4,200,000 to provide consulting, technical support, temporary help and recruitment services for the Health Services Department's Information Systems Unit for the period January 1, 2020 through December 31, 2021. (100% Hospital Enterprise Fund I)
- C.30** APPROVE and AUTHORIZE the Auditor-Controller, or designee, to void check #G527664 issued to the Community Foundation of Alamo and reissue a payment on behalf of the Public Works Director in the amount of \$2,000 from County Service Area R-7, payable to the Alamo Rotary Foundation for the holiday lights event at Andrew H. Young Park, Alamo area. (100% County Service Area R-7 Funds)
- C.31** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment effective January 31, 2020 with the Regents of the University of California, on behalf of the University of California, San Francisco, to extend the term from January 31, 2020 through January 31, 2022 and increase the payment limit by \$50,000 to a new payment limit of \$125,000, to provide additional phone and in-person consultation during clinic hours for the Endocrinology Unit at Contra Costa Regional Medical Center. (100% Hospital Enterprise Fund I)
- C.32** APPROVE and AUTHORIZE the Auditor-Controller, or designee, to pay \$27,460 to United Family Care, LLC (dba Family Courtyard), for the provision of augmented board and care services for mentally ill adults in West County during the month of November 2019. (100% Mental Health Realignment)

- C.33** APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract with Benchmark Land Use Group, Inc. (dba Benchmark Resources), in an amount not to exceed \$295,952 to prepare an Environmental Impact Report for the CEMEX Clayton Quarry project, for the period January 7, 2020 through December 31, 2021. (100% Applicant fees)
- C.34** APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of the Sheriff-Coroner, a purchase order with Allen Packaging Company in the amount of \$180,000 to provide three-compartment trays for Seal-a-Meal food to be used at the West County, Martinez, and Marsh Creek Detention Facilities for the period January 1 through December 31, 2020. (100% General Fund)
- C.35** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment effective September 1, 2019 with the U.S. Department of Veterans Affairs, Northern California Health Care System, to increase the payment limit by \$594,640 to a new payment limit of \$1,584,377, with no change in the term from April 1, 2018 through March 31, 2020, to provide additional nuclear medicine services at Contra Costa Regional Medical Center. (100% Hospital Enterprise Fund I)
- C.36** APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of Health Services Director, a purchase order with Hologic, Inc., in an amount not to exceed \$1,000,000 for testing reagents and related laboratory supplies for the Public Health Laboratory for the period January 1, 2020 through December 31, 2022. (100% Hospital Enterprise Fund I)
- C.37** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Peyman Keyashian, M.D., in an amount not to exceed \$2,040,000 to provide anesthesia services at Contra Costa Regional Medical Center and Health Centers for the period February 1, 2020 through January 31, 2023. (100% Hospital Enterprise Fund I)
- C.38** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Diabetes and Endocrinology Specialists, Inc., in an amount not to exceed \$650,000 to provide diabetes and endocrinology services for Contra Costa Health Plan members for the period February 1, 2020 through January 31, 2022. (100% Contra Costa Health Plan Enterprise Fund II)
- C.39** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Nordic Consulting Partners, Inc., in an amount not to exceed \$11,000,000 to provide consultation and technical assistance to the Health Services Department's Information Systems Unit in support of the ccLink Electronic Health Record System, for the period January 1, 2020 through December 31, 2021. (100% Hospital Enterprise Fund I)

- C.40** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Elizabeth M. HollandBerry, M.D., in an amount not to exceed \$900,000 to provide patient care services at Contra Costa County's adult and juvenile detention facilities for the period December 1, 2019 through November 30, 2022. (100% Hospital Enterprise Fund I)
- C.41** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment effective September 1, 2019 with Health Management Systems, Inc., to include additional fraud, waste and abuse auditing services, with no change in the payment limit of \$3,300,000 or term of February 1, 2017 through January 31, 2020. (100% Contra Costa Health Plan Enterprise Fund II)
- C.42** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with The Wright Institute in an amount not to exceed \$1,545,000 to provide behavioral health services to Contra Costa Regional Medical Center and Health Centers for the period January 1 through December 31, 2020. (100% Hospital Enterprise Fund I)
- C.43** APPROVE and AUTHORIZE the Purchasing Agent to purchase, on behalf of the Health Services Department, gift cards in an amount not to exceed \$3,300 to be issued as opioid use disorder prevention client incentives in school- and homeless-based Public Health Clinics for the period December 1, 2019 through August 31, 2020. (100% State)
- C.44** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with John Muir Health, Inc. (dba Community Health Improvement), in an amount not to exceed \$3,000 for the County's use of a mobile van to provide healthcare services to low-income families and individuals in Central, East and West Contra Costa County for the period January 1 through December 31, 2020. (100% Federal Healthcare for the Homeless Grant)
- C.45** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Jackson & Coker Locumtenens, LLC, in an amount not to exceed \$1,218,336 to provide psychiatrists for temporary work and recruitment services at the County's Mental Health Outpatient Clinics for the period January 1 through December 31, 2020. (100% Mental Health Realignment Funds)
- C.46** APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract amendment with ImagingTek, Inc., to extend the term from January 31, 2020 through January 31, 2022 and increase the payment limit by \$80,000 to a new payment limit of \$492,000, to provide continuing document imaging services. (100% Land Development Fund)

Other Actions

- C.47** ADOPT Resolution No. 2020/1 to amend governing requirements and policies for making appointments to advisory bodies of the Board of Supervisors, and to supersede Resolution No. 2011/497, as recommended by the Internal Operations Committee.
- C.48** ADOPT Resolution No. 2020/2 to amend policies for making appointments to independent bodies not governed by the Board of Supervisors, and to supersede Resolution No. 2011/498, as recommended by the Internal Operations Committee.
- C.49** RECEIVE the 2019 Annual Report submitted by the Finance Committee, as recommended by the Finance Committee.
- C.50** APPROVE election consolidation requests from jurisdictions that have filed resolutions with the County-Clerk Recorder, Elections Division, to place measures on the March 3, 2020 Primary Election ballot, and AUTHORIZE the County-Clerk Recorder to conduct elections for: Antioch Unified School District Facilities Improvement District, Lafayette School District, Moraga School District, West Contra Costa School District, Pleasant Hill Recreation and Park District and the Town of Danville, as recommended by the Acting Clerk-Recorder. (100% Participating Jurisdiction fees)
- C.51** APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an exclusive negotiating rights agreement with Overaa Investments, LLC, to enable the County to determine the feasibility of rehabilitating the building at 2555 El Portal Drive in San Pablo for use by the County to provide supportive housing and support services to qualifying individuals through the creation of 55-60 micro housing units. (No fiscal impact)
- C.52** ADOPT Resolution No. 2020/6, approving a side letter between Contra Costa County and the Deputy Sheriffs Association, Rank and File Unit, to provide for a dispatcher hiring incentive, as recommended by County Administrator.
- C.53** ACCEPT the County Service Area P-2A (Blackhawk Police Services) Citizens Advisory Committee 2019 Annual Report, as recommended by the County Administrator.
- C.54** ADOPT Resolution No. 2020/8 authorizing the issuance of a Multifamily Housing Revenue Note in an amount not to exceed \$16,350,000 to provide financing for the acquisition and rehabilitation of Hidden Cove Apartments, an 88-unit multifamily rental housing project in the Bay Point area, as recommended by the Conservation and Development Director. (100% Special Revenue Funds)

- C.55** ADOPT Resolution No. 2020/7 authorizing the issuance of a Multifamily Housing Revenue Note in an amount not to exceed \$40,000,000 to provide financing for the costs of acquisition and construction of Marina Heights Apartments in Pittsburg, as recommended by the Conservation and Development Director. (100% Special Revenue Funds)
- C.56** APPROVE and AUTHORIZE the County Administrator, or designee, to execute a half-day Facility Use Lease Agreement with the DJEK, Inc. (dba The Cobra Experience), in an amount not to exceed \$1,000 for hosting a reentry services providers fair on January 23, 2020. (100% AB 109 Public Safety Realignment funds)
- C.57** ACCEPT the Contra Costa County Alcohol and Other Drugs Advisory Board 2019 Annual Report, as recommended by the Health Services Director. (No fiscal impact)
- C.58** APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with UCSF-Division of Pediatrics Rehabilitation Medicine, to provide physical therapy and medically related services for disabled children placed at medical therapy units throughout Contra Costa County for the period January 1, 2020 through December 31, 2025. (Non-financial agreement)
- C.59** SUPPORT without endorsement Executive Order 13888 on Enhancing State and Local Involvement in Refugee Resettlement; CONSENT to refugee resettlement in Contra Costa County; and AUTHORIZE the Chair of the Board to execute and submit a letter to the U.S. Department of State indicating the County's consent to refugee resettlement in Contra Costa County as per the terms of Executive Order 13888 on Enhancing State and Local Involvement in Refugee Resettlement.

GENERAL INFORMATION

The Board meets in all its capacities pursuant to Ordinance Code Section 24-2.402, including as the Housing Authority and the Successor Agency to the Redevelopment Agency. Persons who wish to address the Board should complete the form provided for that purpose and furnish a copy of any written statement to the Clerk.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Clerk of the Board to a majority of the members of the Board of Supervisors less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, First Floor, Room 106, Martinez, CA 94553, during normal business hours.

All matters listed under CONSENT ITEMS are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Board votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for comments from those persons who are in support thereof or in opposition thereto. After

persons have spoken, the hearing is closed and the matter is subject to discussion and action by the Board. Comments on matters listed on the agenda or otherwise within the purview of the Board of Supervisors can be submitted to the office of the Clerk of the Board via mail: Board of Supervisors, 651 Pine Street Room 106, Martinez, CA 94553; by fax: 925-335-1913.

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 335-1900; TDD (925) 335-1915. An assistive listening device is available from the Clerk, Room 106.

Copies of recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 335-1900, to make the necessary arrangements.

Forms are available to anyone desiring to submit an inspirational thought nomination for inclusion on the Board Agenda. Forms may be obtained at the Office of the County Administrator or Office of the Clerk of the Board, 651 Pine Street, Martinez, California.

Subscribe to receive to the weekly Board Agenda by calling the Office of the Clerk of the Board, (925) 335-1900 or using the County's on line subscription feature at the County's Internet Web Page, where agendas and supporting information may also be viewed:

www.co.contra-costa.ca.us

STANDING COMMITTEES

The **Airport Committee** meets quarterly at the Director of Airports Office, 550 Sally Ride Drive, Concord.

The **Family and Human Services Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Finance Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Hiring Outreach Oversight Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Internal Operations Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Legislation Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Public Protection Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Sustainability Committee** meets in Room 101, County Administration Building, 651 Pine

Street, Martinez.

The **Transportation, Water & Infrastructure Committee** meets in Room 101, County Administration Building, 651 Pine Street, Martinez.

COMMITTEE	DATE	TIME	PLACE
Airports Committee	TBD	TBD	See above
Family & Human Services Committee	TBD	TBD	See above
Finance Committee	TBD	TBD	See above
Hiring Outreach Oversight Committee	TBD	TBD	See above
Internal Operations Committee	TBD	TBD	See above
Legislation Committee	TBD	TBD	See above
Public Protection Committee	TBD	TBD	See above
Sustainability Committee	TBD	TBD	See above
Transportation, Water & Infrastructure Committee	TBD	TBD	See above

AGENDA DEADLINE: Thursday, 12 noon, 12 days before the Tuesday Board meetings.

Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its Board of Supervisors meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with Board meetings:

- AB** Assembly Bill
- ABAG** Association of Bay Area Governments
- ACA** Assembly Constitutional Amendment
- ADA** Americans with Disabilities Act of 1990
- AFSCME** American Federation of State County and Municipal Employees
- AICP** American Institute of Certified Planners
- AIDS** Acquired Immunodeficiency Deficiency Syndrome
- ALUC** Airport Land Use Commission
- AOD** Alcohol and Other Drugs
- ARRA** American Recovery & Reinvestment Act of 2009
- BAAQMD** Bay Area Air Quality Management District
- BART** Bay Area Rapid Transit District
- BayRICS** Bay Area Regional Interoperable Communications System
- BCDC** Bay Conservation & Development Commission
- BGO** Better Government Ordinance
- BOS** Board of Supervisors

CALTRANS California Department of Transportation
CalWIN California Works Information Network
CalWORKS California Work Opportunity and Responsibility to Kids
CAER Community Awareness Emergency Response
CAO County Administrative Officer or Office
CCE Community Choice Energy
CCCFPD (ConFire) Contra Costa County Fire Protection District
CCHP Contra Costa Health Plan
CCTA Contra Costa Transportation Authority
CCRMC Contra Costa Regional Medical Center
CCWD Contra Costa Water District
CDBG Community Development Block Grant
CFDA Catalog of Federal Domestic Assistance
CEQA California Environmental Quality Act
CIO Chief Information Officer
COLA Cost of living adjustment
ConFire (CCCFPD) Contra Costa County Fire Protection District
CPA Certified Public Accountant
CPI Consumer Price Index
CSA County Service Area
CSAC California State Association of Counties
CTC California Transportation Commission
dba doing business as
DSRIP Delivery System Reform Incentive Program
EBMUD East Bay Municipal Utility District
ECCFPD East Contra Costa Fire Protection District
EIR Environmental Impact Report
EIS Environmental Impact Statement
EMCC Emergency Medical Care Committee
EMS Emergency Medical Services
EPSDT Early State Periodic Screening, Diagnosis and Treatment Program (Mental Health)
et al. et alii (and others)
FAA Federal Aviation Administration
FEMA Federal Emergency Management Agency
F&HS Family and Human Services Committee
First 5 First Five Children and Families Commission (Proposition 10)
FTE Full Time Equivalent
FY Fiscal Year
GHAD Geologic Hazard Abatement District
GIS Geographic Information System
HCD (State Dept of) Housing & Community Development
HHS (State Dept of) Health and Human Services
HIPAA Health Insurance Portability and Accountability Act
HIV Human Immunodeficiency Virus
HOME Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households
HOPWA Housing Opportunities for Persons with AIDS Program
HOV High Occupancy Vehicle

HR Human Resources
HUD United States Department of Housing and Urban Development
IHSS In-Home Supportive Services
Inc. Incorporated
IOC Internal Operations Committee
ISO Industrial Safety Ordinance
JPA Joint (exercise of) Powers Authority or Agreement
Lamorinda Lafayette-Moraga-Orinda Area
LAFCo Local Agency Formation Commission
LLC Limited Liability Company
LLP Limited Liability Partnership
Local 1 Public Employees Union Local 1
LVN Licensed Vocational Nurse
MAC Municipal Advisory Council
MBE Minority Business Enterprise
M.D. Medical Doctor
M.F.T. Marriage and Family Therapist
MIS Management Information System
MOE Maintenance of Effort
MOU Memorandum of Understanding
MTC Metropolitan Transportation Commission
NACo National Association of Counties
NEPA National Environmental Policy Act
OB-GYN Obstetrics and Gynecology
O.D. Doctor of Optometry
OES-EOC Office of Emergency Services-Emergency Operations Center
OPEB Other Post Employment Benefits
OSHA Occupational Safety and Health Administration
PACE Property Assessed Clean Energy
PARS Public Agencies Retirement Services
PEPRA Public Employees Pension Reform Act
Psy.D. Doctor of Psychology
RDA Redevelopment Agency
RFI Request For Information
RFP Request For Proposal
RFQ Request For Qualifications
RN Registered Nurse
SB Senate Bill
SBE Small Business Enterprise
SEIU Service Employees International Union
SUASI Super Urban Area Security Initiative
SWAT Southwest Area Transportation Committee
TRANSPAC Transportation Partnership & Cooperation (Central)
TRANSPLAN Transportation Planning Committee (East County)
TRE or **TTE** Trustee
TWIC Transportation, Water and Infrastructure Committee
UASI Urban Area Security Initiative
VA Department of Veterans Affairs

vs. versus (against)

WAN Wide Area Network

WBE Women Business Enterprise

WCCHD West Contra Costa Healthcare District

WCCTAC West Contra Costa Transportation Advisory Committee



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: BOARD MEMBER ASSIGNMENTS TO 2020 BOARD COMMITTEES, SPECIAL COUNTY COMMITTEES,
AND REGIONAL ORGANIZATIONS

RECOMMENDATION(S):

1. ACKNOWLEDGE that the Board of Supervisors adopted a policy on Board Member Committee Assignments on March 21, 2000.
2. ACKNOWLEDGE that adoption of a new Master Resolution with a complete roster of all appointments is required by Board policy whenever terms expire or new appointments are made.
3. ADOPT Resolution No. 2020/09 appointing Board members and other individuals to serve on Board committees, special county committees, and regional boards/ committees/ commissions for 2020, some of which include additional compensation in the form of stipend.
4. INDICATE that this Resolution No. 2020/09 supersedes in its entirety Resolution No. 2019/593, which was adopted by the Board of Supervisors on October 22, 2019.
5. RESOLVE that Board Members as named are APPOINTED to serve on Board committees, special county committees and regional boards/ committees/ commissions as specified on Attachment II to Resolution No. 2020/09 as Internal Standing Committees (Type I), Other Internal Committees, (Type II), Regional Bodies (Type III), Special/Restricted Seats (Type IV), and Ad Hoc Committees (Type V)

-
- APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jami Napier,
925-335-1908

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

RECOMMENDATION(S): (CONTD)

6. ESTABLISH the Board of Supervisors Alternate Seat on the Medical Services Joint Conference Committee and appoint Supervisor Andersen to this seat with an expiration date of December 31, 2020.

7. DIRECT staff to post on the County website a single Fair Political Practices Commission (FPPC) Form 806, which lists all the paid appointed positions on committees, boards, or commissions for members of the Board of Supervisors. When there is a change in compensation or a new appointment, DIRECT staff to update the Form 806 to reflect the change. The form must be updated promptly as changes occur.

8. AUTHORIZE the Chair of the Board to designate one or more members of the Board of Supervisors as delegates from Contra Costa County to the National Association of Counties (NACo) Legislative Meeting to be held on February 29-March 4, 2020 in Washington, D.C. and to the NACo Annual Conference to be held July 17-20, 2020 in Las Vegas, NV.

FISCAL IMPACT:

There is no fiscal impact to the County associated with these actions.

BACKGROUND:

Each year when the Board of Supervisors reorganizes, the incoming Chair reviews and makes recommendations to the Board on committee assignments. The annual review of committee assignments is governed by a policy (Attachment I) adopted by the Board in March 2000. Transmitted herewith are the recommendations of the Board Chair for 2020. These recommendations (Attachment II, sorted by committee type and, Attachment III, sorted alphabetically) seek to provide policy oversight for all major County functional areas, balance the workload of the Supervisors, and consider some of the extracurricular responsibilities and appointments of the Supervisors on regional and other bodies.

The Chair of the Board also recommends that seat terms for appointments for which the term was either unspecified by the body or left to the discretion of the Board of Supervisors be designated as "Unspecified" and reviewed at the discretion of the Board Chair.

In April 2012, the Fair Political Practices Commission (FPPC) adopted Regulation § 18705.5, which permits a Supervisor to vote on his/her own appointment to a body or board paying a salary or stipend for service if all of the following conditions are met:

1. the appointment is to a committee, board, or commission of a public agency, a special district, a joint powers agency or authority, or a metropolitan planning organization; and
2. State law, a local ordinance, or a joint powers agreement requires the Board to appoint;
3. the Board adopts and posts on its website, a list of each appointed position for which compensation is paid, the salary or stipend for the position, the name of the appointee, the name of the alternate, if any, and the term of the appointment.

Form 806 is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of a public agency, special district, and joint powers agency or authority. Each agency must post on its website a single Form 806, listing all of the paid appointed positions. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur. Staff of the County Administrator Office has prepared the Form 806 and has posted it to the County website. Staff will update the form after the Board of Supervisors take action on the Master List of Board Member

Committee Assignments for 2020.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board of Supervisors do not adopt a Master List of committee appointments, special county committees, and regional boards/committees/commissions, there will be no official roster of Board member appointments to these bodies.

ATTACHMENTS

Resolution 2020/9

Attachment I: Board Policy on Board Member Committee Assignments

Attachment II: BOS Committee Assignments - Alphabetical

Attachment III: BOS Committee Assignments - by Type

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:
NO:
ABSENT:
ABSTAIN:
RECUSE:



Resolution No. 2020/9

IN THE MATTER OF DESIGNATING BOARD MEMBER ASSIGNMENTS TO 2020 BOARD COMMITTEES, SPECIAL COUNTY COMMITTEES, AND REGIONAL ORGANIZATIONS

WHEREAS each year when the Board of Supervisors reorganizes, the incoming Chair reviews and makes recommendations to the Board on committee assignments. The annual review of committee assignments is governed by a policy adopted by the Board of Supervisors in March 2000 (see Attachment I); and

WHEREAS these appointments seek to provide policy oversight for all major County functional areas, balance the workload of the Supervisors, as well as consider some of the time-intensive responsibilities and appointments of the Supervisors on regional bodies; and

WHEREAS these appointments attempt to maintain, to the extent possible, continuity on Board standing committees to facilitate recommendations on many very complex policy issues currently on referral to those committees; and

WHEREAS after a period of inactivity of a committee or body, it is advisable to remove it from the list of Board committee assignments; and

WHEREAS adoption of a new Master Resolution with a complete roster of all appointments is required by Board policy whenever terms expire or new appointments are made; and

WHEREAS, after any new appointments or reappointments are made, when there is a change in compensation for any appointment, or where there is a change in the number of meetings of the board or committee to which an appointment is made, the Fair Political Practices Commission requires the County to update and post on the County's website the County's Report of Public Official Appointments, Form 806.

NOW, THEREFORE, THE BOARD OF SUPERVISORS RESOLVES TO:

1. APPOINT the Board members and other individuals to serve on Board committees, special county committees and regional boards / committees / commissions as specified in the Master List (see Attachment II) as Type I for Board Standing Committees, Type II for Other Internal Committees, Type III for Regional Bodies, Type IV for Special/Restricted seats, and Type V for Board Ad Hoc Committees.
2. INDICATE that this Resolution No. 2020/09 supersedes in its entirety Resolution No. 20119/593, which was adopted by the Board of Supervisors on October 22, 2019.
3. UPDATE the County's Report of Public Official Appointments, Form 806, to reflect the appointments on the adopted Master List for 2020 and post it on the County's website.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Jami Napier, 925-335-1908

By: , Deputy

cc:

**BOARD OF SUPERVISORS POLICY ON
BOARD MEMBER COMMITTEE ASSIGNMENTS**

Adopted on March 21, 2000

1. Board Committee appointments shall be categorized in accordance with the following descriptions and delineated as on the attached listing:
 - a) **Internal appointments** that are subject to the annual reorganization process and to which the incoming Chair of the Board of Supervisors makes nominations to be approved by the Board of Supervisors. Ad Hoc committees of the Board also fall under this category.
 - b) **Regional appointments** that are not subject to the annual reorganization process and to which the Chair of the Board of Supervisors makes nominations to fill vacancies, as they occur, in accordance with the agency's terms and by-laws, and which nominations shall be approved by the Board of Supervisors.
 - c) **Special Case/Restricted appointments**, for which the specific assignments are dictated or are in some way restricted by statute or county ordinance, or for which the term of the appointment makes it impractical for it to be considered along with the other annual assignments e.g., a term that runs from July to June. Restrictions might include, for example, that a committee member represent a certain district, be the Chair of the Board, or vest in the Chair of the Board the authority to appoint an alternate.

The Chair of the Board of Supervisors shall make nominations to these appointments to fill vacancies, as they occur, subject to any legislated restrictions, and which nominations shall be approved by the Board of Supervisors.

2. Notwithstanding Paragraph 1 of this policy and as allowed by law, the Board of Supervisors maintains its right to nominate, reconsider and change appointments at any time, irrespective of the term of an appointment.
3. All nominations approved by the Board of Supervisors shall be incorporated in three attachments to an annually adopted Master Resolution covering committee appointments from all three categories: Internal, Regional and Special Case/Restricted. For administrative ease, the Master Resolution shall be amended and re-adopted from time to time as terms expire or if new appointments are made. The Master Resolution shall always reflect the complete roster of Board member appointments and shall be available to the public.

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
IV	ABAG Executive Board (Seat 1)	Karen Mitchoff	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board (Seat 2)	Candace Andersen	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board, Alternate 1	John Gioia	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board, Alternate 2	Diane Burgis	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee	Karen Mitchoff	12/31/2020	NO STIPEND
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee, First Alternate	Candace Andersen	12/31/2020	NO STIPEND
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee, Second Alternate	Russell Watts	12/31/2020	NO STIPEND
IV	ABAG General Assembly	Karen Mitchoff	12/31/2020	NO STIPEND
IV	ABAG General Assembly, Alternate	Diane Burgis	12/31/2020	NO STIPEND
IV	ABAG Regional Planning Committee	Karen Mitchoff	Unspecified	STIPEND of \$150 per meeting.
I	Airport Committee, Chair	Karen Mitchoff	12/31/2020	NO STIPEND
I	Airport Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
III	Bay Area Air Quality Management District Board of Directors	Karen Mitchoff	1/20/2024	Per diem of \$100/meeting + travel exp; max \$6,000

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
III	Bay Area Air Quality Management District Board of Directors	John Gioia	6/17/2021	Per diem of \$100/meeting + travel exp; max \$6,000
II	Bay Area Counties Caucus	Karen Mitchoff	12/31/2020	NO STIPEND
II	Bay Area Counties Caucus, Alternate	Diane Burgis	12/31/2020	NO STIPEND
II	Bay Area Regional Interoperable Communications System (BayRICS) Authority	Mike Casten	12/31/2020	NO STIPEND
IV	Bay Conservation & Development Commission	John Gioia	Unspecified	STIPEND of \$100 per meeting; max of 4 meetings.
IV	Bay Conservation & Development Commission, Alternate	Federal Glover	Unspecified	STIPEND of \$100 per meeting; max of 4 meetings.
II	BayRICS Authority, Alternate	Elise Warren	12/31/2020	NO STIPEND
II	California Identification System Remote Access Network Board (Cal-ID RAN Board)	Diane Burgis	12/31/2020	NO STIPEND
IV	CCCERA (Contra Costa County Employees Retirement Association) Board of Trustees	Candace Andersen	6/30/2023	STIPEND of \$100 per meeting.
III	CCTA, Community Based Transportation Steering Committee	Federal Glover	Unspecified	NO STIPEND
V	Census 2020 , Vice Chair	Candace Andersen	12/31/2020	NO STIPEND
V	Census 2020, Chair	Diane Burgis	12/31/2020	NO STIPEND
II	Central Contra Costa Solid Waste Authority	Candace Andersen	Unspecified	STIPEND of \$50/meeting; max of 2 paid/month

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	Central Contra Costa Solid Waste Authority	Karen Mitchoff	Unspecified	STIPEND of \$50/meeting; max of 2 paid/month
III	Central Contra Costa Transit Authority (CCCTA) Board of Directors	Candace Andersen	5/1/2021	STIPEND of \$100 per meeting; up to \$200 month
III	Central Contra Costa Transit Authority (CCCTA) Board of Directors, Alternate	Karen Mitchoff	5/1/2021	STIPEND of \$100 per meeting; up to \$200 month
V	Childhood Asthma Ad Hoc Committee, Chair	John Gioia	Unspecified	NO STIPEND
V	Childhood Asthma Ad Hoc Committee, Vice Chair	Federal Glover	Unspecified	NO STIPEND
IV	Contra Costa Countywide Redevelopment Successor Agency Oversight Board	Federal Glover	Unspecified	NO STIPEND
IV	Contra Costa Countywide Redevelopment Successor Agency Oversight Board	Karen Mitchoff	Unspecified	NO STIPEND
II	Contra Costa Family Justice Alliance	Diane Burgis	12/31/2020	NO STIPEND
II	Contra Costa Health Plan Joint Conference Committee	Candace Andersen	12/31/2020	NO STIPEND
II	Contra Costa Health Plan Joint Conference Committee	Federal Glover	12/31/2020	NO STIPEND
III	Contra Costa Transportation Authority Board of Commissioners (Seat 1)	Federal D. Glover	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners (Seat 2)	Karen Mitchoff	1/31/2022	STIPEND of \$100 per meeting; up to \$400 month

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
III	Contra Costa Transportation Authority Board of Commissioners, Alternate (Seat 1)	Candace Andersen	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Alternate (Seat 2)	John Gioia	1/31/2022	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Second Alternate (Seat 1)	John Gioia	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Third Alternate (Seat 1)	Diane Burgis	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
IV	CSAC (California State Association of Counties) Board of Directors	John Gioia	11/30/2020	NO STIPEND
IV	CSAC Board of Directors, Alternate	Karen Mitchoff	11/30/2020	NO STIPEND
IV	Delta Diablo Sanitation District Governing Board	Federal Glover	12/31/2020	STIPEND of \$170 per meeting; max of 6 meetings.
IV	Delta Diablo Sanitation District Governing Board, Alternate	Karen Mitchoff	12/31/2020	STIPEND of \$170 per meeting; max of 6 meetings.
IV	Delta Protection Commission	Karen Mitchoff	12/31/2020	NO STIPEND
IV	Delta Protection Commission, Alternate	Diane Burgis	12/31/2020	NO STIPEND
II	Dougherty Valley Oversight Committee	Diane Burgis	12/31/2020	NO STIPEND
II	Dougherty Valley Oversight Committee	Candace Andersen	12/31/2020	NO STIPEND
II	East Bay Regional Communication System (EBRCS) Authority Governing Board	Candace Andersen	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	East Bay Regional Communication System (EBRCS) Authority Governing Board, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	East Contra Costa County Habitat Conservancy, Governing Board	Diane Burgis	12/31/2020	NO STIPEND
II	East Contra Costa County Habitat Conservancy, Governing Board, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	East Contra Costa Regional Fee & Finance Authority	Diane Burgis	12/31/2020	NO STIPEND
II	East Contra Costa Regional Fee & Finance Authority, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	East County Water Management Association	Diane Burgis	12/31/2020	STIPEND of \$170/meeting; max 6 per month
II	East County Water Management Association, Alternate	Federal Glover	12/31/2020	STIPEND of \$170/meeting; max 6 per month
II	eBART (Bay Area Rapid Transit) Partnership Policy Advisory Committee	Federal Glover	12/31/2020	NO STIPEND
II	eBART (Bay Area Rapid Transit) Partnership Policy Advisory Committee	Diane Burgis	12/31/2020	NO STIPEND
I	Family & Human Services Committee, Chair	John Gioia	12/31/2020	NO STIPEND
I	Family & Human Services Committee, Vice Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Finance Committee, Chair	John Gioia	12/31/2020	NO STIPEND
I	Finance Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND
II	First 5 Children and Families Commission Alternate Member	Candace Andersen	12/31/2020	NO STIPEND
II	First 5 Children and Families Commission Member	Diane Burgis	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	Hazardous Waste Management Facility Allocation Committee	Candace Andersen	Unspecified	STIPEND of \$150 per meeting.
II	Hazardous Waste Management Facility Allocation Committee, Alternate	Karen Mitchoff	Unspecified	STIPEND of \$150 per meeting.
I	Hiring Outreach & Oversight Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
I	Hiring Outreach & Oversight Committee, Vice-Chair	John Gioia	12/31/2020	NO STIPEND
V	Industrial Safety Ordinance/Community Warning System Ad Hoc Committee	John Gioia	Unspecified	NO STIPEND
V	Industrial Safety Ordinance/Community Warning System Ad Hoc Committee	Federal Glover	Unspecified	NO STIPEND
I	Internal Operations Committee, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Internal Operations Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
II	Kensington Solid Waste Committee Alternate	Kate Rauch	12/31/2020	NO STIPEND
II	Kensington Solid Waste Committee Member	John Gioia	12/31/2020	NO STIPEND
IV	Law Library Board of Trustees	Nolan Armstrong	12/31/2020	NO STIPEND
I	Legislation Committee, Chair	Karen Mitchoff	12/31/2020	NO STIPEND
I	Legislation Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
III	Local Agency Formation Commission	Candace Andersen	5/2/2022	STIPEND of \$150 per meeting.
III	Local Agency Formation Commission	Federal D. Glover	5/2/2022	STIPEND of \$150 per meeting.
III	Local Agency Formation Commission, Alternate	Diane Burgis	5/6/2024	STIPEND of \$150 per meeting.
III	Marin Energy Authority (MCE) Board of Directors	John Gioia	12/31/2020	NO STIPEND
III	Marin Energy Authority (MCE) Board of Directors, Alternate	Federal Glover	12/31/2020	NO STIPEND

*Note: Type I: Internal Standing Committees; Type II: Internal Appointments; Type III: Regional Appointments; Type IV: Special/Restricted Appointments; Type V: Ad Hoc Committees

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	Medical Services Joint Conference Committee, Alternate	Candace Andersen	12/31/2020	NO STIPEND
II	Medical Services Joint Conference Committee, Chair	John Gioia	12/31/2020	NO STIPEND
II	Medical Services Joint Conference Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND
IV	Mental Health Commission	Diane Burgis	12/31/2020	NO STIPEND
IV	Mental Health Commission, Alternate	Candace Andersen	12/31/2020	NO STIPEND
III	Metropolitan Transportation Commission	Federal Glover	2/1/2023	STIPEND of \$100/meeting; up to \$500/month per agency.
II	North Richmond Waste and Recovery Mitigation Fee Committee	John Gioia	12/31/2020	NO STIPEND
II	North Richmond Waste and Recovery Mitigation Fee Committee, Alternate	Robert Rogers	12/31/2020	NO STIPEND
V	Northern Waterfront Economic Development Ad Hoc Committee	Federal Glover	Unspecified	NO STIPEND
V	Northern Waterfront Economic Development Ad Hoc Committee	Diane Burgis	Unspecified	NO STIPEND
II	Open Space/Parks & East Bay Regional Parks District Liaison Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
II	Open Space/Parks & East Bay Regional Parks District Liaison Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
II	Pleasant Hill BART/Contra Costa Centre Joint Powers Authority Board of Trustees	Karen Mitchoff	Unspecified	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	Pleasant Hill BART/Contra Costa Centre Joint Powers Authority Board of Trustees	Candace Andersen	Unspecified	NO STIPEND
I	Public Protection, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Public Protection, Vice Chair	Federal Glover	12/31/2020	NO STIPEND
IV	Sacramento-San Joaquin Delta Conservancy Board	Karen Mitchoff	Unspecified	NO STIPEND
IV	Sacramento-San Joaquin Delta Conservancy Board, Alternate	Diane Burgis	Unspecified	NO STIPEND
II	State Route 4 Bypass Authority	Diane Burgis	12/31/2020	NO STIPEND
II	State Route 4 Bypass Authority, Alternate	Federal Glover	12/31/2020	NO STIPEND
I	Sustainability Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
I	Sustainability Committee, Vice Chair	John Gioia	12/31/2020	NO STIPEND
II	SWAT (Southwest Area Transportation Committee)	Candace Andersen	12/31/2020	NO STIPEND
II	SWAT, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRAFFIX (Measure J Traffic Congestion Relief Agency)	Candace Andersen	12/31/2020	NO STIPEND
II	TRAFFIX (Measure J Traffic Congestion Relief Agency), Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRANSPAC (Central County Transportation Partnership and Cooperation)	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRANSPAC, Alternate	Candace Andersen	12/31/2020	NO STIPEND
II	TRANSPLAN (East County Transportation Planning)	Diane Burgis	12/31/2020	NO STIPEND
II	TRANSPLAN, Alternate	Federal Glover	12/31/2020	NO STIPEND
I	Transportation, Water & Infrastructure Committee, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Transportation, Water & Infrastructure Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted Alphabetically by Committee Name)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
III	Tri Delta Transit Authority, Board of Directors (Seat 1)	Federal Glover	12/31/2020	STIPEND of \$100/month
III	Tri Delta Transit Authority, Board of Directors (Seat 2)	Diane Burgis	12/31/2021	STIPEND of \$100/month
II	Tri-Valley Transportation Council	Candace Andersen	12/31/2020	NO STIPEND
II	Urban Counties of California	Federal D. Glover	12/31/2020	NO STIPEND
II	Urban Counties of California, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
III	WCC Healthcare District Finance Committee	Federal Glover	Unspecified	NO STIPEND
III	WCC Healthcare District Finance Committee	John Gioia	Unspecified	NO STIPEND
II	WCCTAC (West County Transportation Advisory Committee)	John Gioia	12/31/2020	NO STIPEND
II	WCCTAC, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	West Contra Costa Integrated Waste Management Authority	John Gioia	Unspecified	STIPEND of \$50 per meeting.
II	West Contra Costa Integrated Waste Management Authority, Alternate	Federal Glover	Unspecified	STIPEND of \$50 per meeting.

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
I	Airport Committee, Chair	Karen Mitchoff	12/31/2020	NO STIPEND
I	Airport Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
I	Family & Human Services Committee, Chair	John Gioia	12/31/2020	NO STIPEND
I	Family & Human Services Committee, Vice Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Finance Committee, Chair	John Gioia	12/31/2020	NO STIPEND
I	Finance Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND
I	Hiring Outreach & Oversight Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
I	Hiring Outreach & Oversight Committee, Vice-Chair	John Gioia	12/31/2020	NO STIPEND
I	Internal Operations Committee, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Internal Operations Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
I	Legislation Committee, Chair	Karen Mitchoff	12/31/2020	NO STIPEND
I	Legislation Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
I	Public Protection, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Public Protection, Vice Chair	Federal Glover	12/31/2020	NO STIPEND
I	Sustainability Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
I	Sustainability Committee, Vice Chair	John Gioia	12/31/2020	NO STIPEND
I	Transportation, Water & Infrastructure Committee, Chair	Candace Andersen	12/31/2020	NO STIPEND
I	Transportation, Water & Infrastructure Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND
II	Bay Area Counties Caucus	Karen Mitchoff	12/31/2020	NO STIPEND
II	Bay Area Counties Caucus, Alternate	Diane Burgis	12/31/2020	NO STIPEND
II	Bay Area Regional Interoperable Communications System (BayRICS) Authority	Mike Casten	12/31/2020	NO STIPEND
II	BayRICS Authority, Alternate	Elise Warren	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

Type*	Committee Name	Chair Recommendation	Term Expiration	Stipend Information
II	California Identification System Remote Access Network Board (Cal-ID RAN Board)	Diane Burgis	12/31/2020	NO STIPEND
II	Central Contra Costa Solid Waste Authority	Candace Andersen	Unspecified	STIPEND of \$50/meeting; max of 2 paid/month
II	Central Contra Costa Solid Waste Authority	Karen Mitchoff	Unspecified	STIPEND of \$50/meeting; max of 2 paid/month
II	Contra Costa Family Justice Alliance	Diane Burgis	12/31/2020	NO STIPEND
II	Contra Costa Health Plan Joint Conference Committee	Candace Andersen	12/31/2020	NO STIPEND
II	Contra Costa Health Plan Joint Conference Committee	Federal Glover	12/31/2020	NO STIPEND
II	Dougherty Valley Oversight Committee	Diane Burgis	12/31/2020	NO STIPEND
II	Dougherty Valley Oversight Committee	Candace Andersen	12/31/2020	NO STIPEND
II	East Bay Regional Communication System (EBRCS) Authority Governing Board	Candace Andersen	12/31/2020	NO STIPEND
II	East Bay Regional Communication System (EBRCS) Authority Governing Board, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	East Contra Costa County Habitat Conservancy, Governing Board	Diane Burgis	12/31/2020	NO STIPEND
II	East Contra Costa County Habitat Conservancy, Governing Board, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	East Contra Costa Regional Fee & Finance Authority	Diane Burgis	12/31/2020	NO STIPEND
II	East Contra Costa Regional Fee & Finance Authority, Alternate	Federal Glover	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	East County Water Management Association	Diane Burgis	12/31/2020	STIPEND of \$170/meeting; max 6 per month
II	East County Water Management Association, Alternate	Federal Glover	12/31/2020	STIPEND of \$170/meeting; max 6 per month
II	eBART (Bay Area Rapid Transit) Partnership Policy Advisory Committee	Federal Glover	12/31/2020	NO STIPEND
II	eBART (Bay Area Rapid Transit) Partnership Policy Advisory Committee	Diane Burgis	12/31/2020	NO STIPEND
II	First 5 Children and Families Commission Alternate Member	Candace Andersen	12/31/2020	NO STIPEND
II	First 5 Children and Families Commission Member	Diane Burgis	12/31/2020	NO STIPEND
II	Hazardous Waste Management Facility Allocation Committee	Candace Andersen	Unspecified	STIPEND of \$150 per meeting.
II	Hazardous Waste Management Facility Allocation Committee, Alternate	Karen Mitchoff	Unspecified	STIPEND of \$150 per meeting.
II	Kensington Solid Waste Committee Alternate	Kate Rauch	12/31/2020	NO STIPEND
II	Kensington Solid Waste Committee Member	John Gioia	12/31/2020	NO STIPEND
II	Medical Services Joint Conference Committee, Alternate	Candace Andersen	12/31/2020	NO STIPEND
II	Medical Services Joint Conference Committee, Chair	John Gioia	12/31/2020	NO STIPEND
II	Medical Services Joint Conference Committee, Vice Chair	Karen Mitchoff	12/31/2020	NO STIPEND
II	North Richmond Waste and Recovery Mitigation Fee Committee	John Gioia	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	North Richmond Waste and Recovery Mitigation Fee Committee, Alternate	Robert Rogers	12/31/2020	NO STIPEND
II	Open Space/Parks & East Bay Regional Parks District Liaison Committee, Chair	Federal Glover	12/31/2020	NO STIPEND
II	Open Space/Parks & East Bay Regional Parks District Liaison Committee, Vice Chair	Diane Burgis	12/31/2020	NO STIPEND
II	Pleasant Hill BART/Contra Costa Centre Joint Powers Authority Board of Trustees	Karen Mitchoff	Unspecified	NO STIPEND
II	Pleasant Hill BART/Contra Costa Centre Joint Powers Authority Board of Trustees	Candace Andersen	Unspecified	NO STIPEND
II	State Route 4 Bypass Authority	Diane Burgis	12/31/2020	NO STIPEND
II	State Route 4 Bypass Authority, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	SWAT (Southwest Area Transportation Committee)	Candace Andersen	12/31/2020	NO STIPEND
II	SWAT, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRAFFIX (Measure J Traffic Congestion Relief Agency)	Candace Andersen	12/31/2020	NO STIPEND
II	TRAFFIX (Measure J Traffic Congestion Relief Agency), Alternate	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRANSPAC (Central County Transportation Partnership and Cooperation)	Karen Mitchoff	12/31/2020	NO STIPEND
II	TRANSPAC, Alternate	Candace Andersen	12/31/2020	NO STIPEND
II	TRANSPLAN (East County Transportation Planning)	Diane Burgis	12/31/2020	NO STIPEND
II	TRANSPLAN, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	Tri-Valley Transportation Council	Candace Andersen	12/31/2020	NO STIPEND
II	Urban Counties of California	Federal D. Glover	12/31/2020	NO STIPEND
II	Urban Counties of California, Alternate	Karen Mitchoff	12/31/2020	NO STIPEND

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
II	WCCTAC (West County Transportation Advisory Committee)	John Gioia	12/31/2020	NO STIPEND
II	WCCTAC, Alternate	Federal Glover	12/31/2020	NO STIPEND
II	West Contra Costa Integrated Waste Management Authority	John Gioia	Unspecified	STIPEND of \$50 per meeting.
II	West Contra Costa Integrated Waste Management Authority, Alternate	Federal Glover	Unspecified	STIPEND of \$50 per meeting.
III	Bay Area Air Quality Management District Board of Directors	Karen Mitchoff	1/20/2024	Per diem of \$100/meeting + travel exp; max \$6,000
III	Bay Area Air Quality Management District Board of Directors	John Gioia	6/17/2021	Per diem of \$100/meeting + travel exp; max \$6,000
III	Central Contra Costa Transit Authority (CCCTA) Board of Directors	Candace Andersen	5/1/2021	STIPEND of \$100 per meeting; up to \$200 month
III	Central Contra Costa Transit Authority (CCCTA) Board of Directors, Alternate	Karen Mitchoff	5/1/2021	STIPEND of \$100 per meeting; up to \$200 month
III	Contra Costa Transportation Authority Board of Commissioners (Seat 1)	Federal D. Glover	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners (Seat 2)	Karen Mitchoff	1/31/2022	STIPEND of \$100 per meeting; up to \$400 month

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
III	Contra Costa Transportation Authority Board of Commissioners, Alternate (Seat 1)	Candace Andersen	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Alternate (Seat 2)	John Gioia	1/31/2022	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Second Alternate (Seat 1)	John Gioia	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Contra Costa Transportation Authority Board of Commissioners, Third Alternate (Seat 1)	Diane Burgis	1/31/2021	STIPEND of \$100 per meeting; up to \$400 month
III	Local Agency Formation Commission	Candace Andersen	5/2/2022	STIPEND of \$150 per meeting.
III	Local Agency Formation Commission	Federal D. Glover	5/2/2022	STIPEND of \$150 per meeting.
III	Local Agency Formation Commission, Alternate	Diane Burgis	5/6/2024	STIPEND of \$150 per meeting.
III	Marin Energy Authority (MCE) Board of Directors	John Gioia	12/31/2020	NO STIPEND
III	Marin Energy Authority (MCE) Board of Directors, Alternate	Federal Glover	12/31/2020	NO STIPEND
III	Metropolitan Transportation Commission	Federal Glover	2/1/2023	STIPEND of \$100/meeting; up to \$500/month per agency.
III	Tri Delta Transit Authority, Board of Directors (Seat 1)	Federal Glover	12/31/2020	STIPEND of \$100/month

*Note: Type I: Internal Standing Committees; Type II: Internal Appointments; Type III: Regional Appointments; Type IV: Special/Restricted Appointments; Type V: Ad Hoc Committees

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
III	Tri Delta Transit Authority, Board of Directors (Seat 2)	Diane Burgis	12/31/2021	STIPEND of \$100/month
III	WCC Healthcare District Finance Committee	Federal Glover	Unspecified	NO STIPEND
III	WCC Healthcare District Finance Committee	John Gioia	Unspecified	NO STIPEND
III	CCTA, Community Based Transportation Steering Committee	Federal Glover	Unspecified	NO STIPEND
IV	ABAG Executive Board (Seat 1)	Karen Mitchoff	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board (Seat 2)	Candace Andersen	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board, Alternate 1	John Gioia	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Executive Board, Alternate 2	Diane Burgis	6/30/2022	STIPEND of \$150 per meeting.
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee	Karen Mitchoff	12/31/2020	NO STIPEND
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee, First Alternate	Candace Andersen	12/31/2020	NO STIPEND
IV	ABAG Finance Authority for Nonprofit Corporations Board of Directors and its Executive Committee, Second Alternate	Russell Watts	12/31/2020	NO STIPEND
IV	ABAG General Assembly	Karen Mitchoff	12/31/2020	NO STIPEND
IV	ABAG General Assembly, Alternate	Diane Burgis	12/31/2020	NO STIPEND
IV	ABAG Regional Planning Committee	Karen Mitchoff	Unspecified	STIPEND of \$150 per meeting.

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
IV	Bay Conservation & Development Commission	John Gioia	Unspecified	STIPEND of \$100 per meeting; max of 4 meetings.
IV	Bay Conservation & Development Commission, Alternate	Federal Glover	Unspecified	STIPEND of \$100 per meeting; max of 4 meetings.
IV	CCCERA (Contra Costa County Employees Retirement Association) Board of Trustees	Candace Andersen	6/30/2023	STIPEND of \$100 per meeting.
IV	Contra Costa Countywide Redevelopment Successor Agency Oversight Board	Federal Glover	Unspecified	NO STIPEND
IV	Contra Costa Countywide Redevelopment Successor Agency Oversight Board	Karen Mitchoff	Unspecified	NO STIPEND
IV	CSAC (California State Association of Counties) Board of Directors	John Gioia	11/30/2020	NO STIPEND
IV	CSAC Board of Directors, Alternate	Karen Mitchoff	11/30/2020	NO STIPEND
IV	Delta Diablo Sanitation District Governing Board	Federal Glover	12/31/2020	STIPEND of \$170 per meeting; max of 6 meetings.
IV	Delta Diablo Sanitation District Governing Board, Alternate	Karen Mitchoff	12/31/2020	STIPEND of \$170 per meeting; max of 6 meetings.
IV	Delta Protection Commission	Karen Mitchoff	12/31/2020	NO STIPEND
IV	Delta Protection Commission, Alternate	Diane Burgis	12/31/2020	NO STIPEND
IV	Law Library Board of Trustees	Nolan Armstrong	12/31/2020	NO STIPEND
IV	Mental Health Commission	Diane Burgis	12/31/2020	NO STIPEND
IV	Mental Health Commission, Alternate	Candace Andersen	12/31/2020	NO STIPEND
IV	Sacramento-San Joaquin Delta Conservancy Board	Karen Mitchoff	Unspecified	NO STIPEND

*Note: Type I: Internal Standing Committees; Type II: Internal Appointments; Type III: Regional Appointments; Type IV: Special/Restricted Appointments; Type V: Ad Hoc Committees

ATTACHMENT I TO RESOLUTION NO. 2020/9
CONTRA COSTA COUNTY BOARD OF SUPERVISORS COMMITTEE ASSIGNMENTS
(Sorted by Committee Type)

<u>Type*</u>	<u>Committee Name</u>	<u>Chair Recommendation</u>	<u>Term Expiration</u>	<u>Stipend Information</u>
IV	Sacramento-San Joaquin Delta Conservancy Board, Alternate	Diane Burgis	Unspecified	NO STIPEND
V	Census 2020 , Vice Chair	Candace Andersen	12/31/2020	NO STIPEND
V	Census 2020, Chair	Diane Burgis	12/31/2020	NO STIPEND
V	Childhood Asthma Ad Hoc Committee, Chair	John Gioia	Unspecified	NO STIPEND
V	Childhood Asthma Ad Hoc Committee, Vice Chair	Federal Glover	Unspecified	NO STIPEND
V	Industrial Safety Ordinance/Community Warning System Ad Hoc Committee	John Gioia	Unspecified	NO STIPEND
V	Industrial Safety Ordinance/Community Warning System Ad Hoc Committee	Federal Glover	Unspecified	NO STIPEND
V	Northern Waterfront Economic Development Ad Hoc Committee	Federal Glover	Unspecified	NO STIPEND
V	Northern Waterfront Economic Development Ad Hoc Committee	Diane Burgis	Unspecified	NO STIPEND



Contra
Costa
County

To: West Contra Costa Healthcare District
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Amendment #23-646-2 with Eighty 20 Healthcare Consulting, LLC

RECOMMENDATION(S):

Acting as the Governing Board of the West Contra Costa Healthcare District:

1. APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract Amendment #23-646-2 with Eighty 20 Healthcare Consulting, LLC, a limited liability company, to amend Contract #23-646, as amended by Amendment Agreement #23-646-1, effective January 1, 2020 to increase the payment limit by \$332,000, from \$320,000 to a new payment limit of \$652,000, with no change in the term of January 1, 2019 through December 31, 2020, to provide additional consultation, technical support and planning services for the West Contra Costa Healthcare District (WCCHD) to County.

FISCAL IMPACT:

This Contract is funded 100% by the West Contra Costa Healthcare District. (No rate increase)

BACKGROUND:

On December 4, 2018, the Board of Supervisors approved Contract #23-646, as amended by Amendment Agreement #23-646-1, to provide consultation, technical support and planning services to the Chief Operating Officer with regard to the transition of the WCCHCD to Contra Costa County including but not

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patrick Godley,
925-957-5405

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

limited to financial planning and operational improvement for the period from January 1, 2019 through December 31, 2020.

Approval of Contract Amendment #23-646-2 will allow the Contractor to provide additional services through December 31, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, the Health Services Department will not be able to use Contractor's expertise in the transition of WCCHCD to Contra Costa County.



**Contra
Costa
County**

To: Contra Costa County Fire Protection District Board of Directors
From: Lewis T. Broschard III, Chief, Contra Costa Fire Protection District
Date: January 7, 2020

Subject: Service Agreement for Lucas Chest Compression Systems Maintenance Service Plan

RECOMMENDATION(S):

Acting as the Governing Board of the Contra Costa County Fire Protection District, APPROVE and AUTHORIZE the Fire Chief, or designee, to execute a Service Agreement with Stryker Corporation in an amount not to exceed \$84,000, for maintenance of thirty LUCAS Chest Compression Systems, for the period December 20, 2019 to December 19, 2023.

FISCAL IMPACT:

Funds are budgeted in the CCCFPD EMS Transport Fund (fund 204000).

BACKGROUND:

On December 10, 2019, the Contra Costa County Fire Protection District (District) Board of Directors approved the purchase order of thirty LUCAS Chest Compression Systems through American Medical Response (AMR), the District's ambulance services sub-contractor. Utilizing AMR's national purchasing agreement allowed for a significant cost savings. The purchase of the maintenance service will be directly through the manufacturer, Stryker, as it is not possible to purchase the service through AMR.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Terry Carey, Assistant Chief
925-941-3300

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

The service agreement obligates the District to hold Stryker harmless from and indemnify Stryker for any third party claims or losses or injuries or death arising from the District's actions in performing the service agreement.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: West Contra Costa Healthcare District re: Annual Audits and Foundation Dissolution

RECOMMENDATION(S):

Acting as the Governing Board of the West Contra Costa Healthcare District Board of Directors:

ACKNOWLEDGE the District Finance Committee met on December 9, 2019 and reviewed and approved the “January to June 2019” District audit report and reviewed and approved the “2018 and January to June 2019” Successor Retirement Plan audit report.

ACKNOWLEDGE the District Finance Committee reviewed the status of the Doctors Medical Center Foundation and approved dissolution.

APPROVE the District audit and Successor Retirement Plan audit as recommended by the District Finance Committee.

APPROVE the dissolution of the Doctors Medical Center Foundation and adopt the attached resolution as recommended by the District Finance Committee.

FISCAL IMPACT:

No impact related to the audits. Approximately \$77,000 will be transferred from the Foundation to the District for Community Benefit purposes.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patrick Godley,
925-957-5410

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

West Contra Costa Healthcare District Audit

- Effective January 1, 2019 the County Board of Supervisors because the Board of Directors of the West Contra Costa Healthcare District.
- On April 16, 2019 the WCCHD Board approved converting the accounting time period from a calendar year to a fiscal year basis.
- The WCCHD has two bonds outstanding that require an independent audit.
- JWT & Associates LLP performed an audit for calendar year 2018 which was previously approved by the Board.
- JWT & Associates LLP has completed an audit for the six-month time period January-June 2019, to align WCCHD with fiscal year reporting requirements.
- The six-month audit report had no adverse findings.

West Contra Costa Healthcare District Successor

- JWT & Associates, LLP performed an 18-month audit of the West Contra Costa Successor Retirement Plan.
- The Successor Plan is a defined benefit pension plan that was frozen January 1, 1994 and no new participants were eligible for the Successor Plan after that date.
- For this Successor Plan, jobs the participants held were a variety from housekeepers through management.
- After the Successor Plan was frozen, employees were offered other retirement options.
- Lincoln Financial manages the Successor Plan on behalf of the District (“Plan Sponsor”).
- The Successor Plan has assets of \$3 million as of 6/30/19.
- The funds are 100% invested in a money market account (Blackrock Institutional Fund) with no risk of loss. No change in investment strategy is anticipated for this coming year as funds are conservatively invested and to mitigate risk of loss.
- The funds earned 2.3% during the year ending 6/30/19 versus the expected 5.5% per last year’s actuarial evaluation. As a result, the discount rate was reduced to 4% in the current actuarial analysis. The discount rate will increase 0.5% annually until the Successor Plan is fully funded under current projections.
- \$1M was contributed to the Successor Plan in December 2018 by the District. The District will increase contributions to \$2M beginning this year 2019/2020.
- Under current projections, the Successor Plan will be totally funded in 2024.
- The Successor Plan made benefit payments of \$848k year ending 6/30/19.
- The Successor Plan has 208 members, down from 218 last year. Of these members 110 members (including 10 beneficiaries) are receiving benefits and 98 are entitled but are not yet receiving benefits.
- 20 participants gave DMC (2000 Vale Rd) as their contact information. Staff has located last available addresses on each and Lincoln is attempting contact. Amounts range from \$108.70 to \$5,629.56 each.
- Findley, as Third-Party Administrator, notifies all participants as they become eligible for pension benefits under the Successor Plan.

Doctors Medical Center Foundation

In the Fall of 2019, the District was contacted by the CPA for the DMC Foundation asking for assistance in transferring the Foundation’s remaining funds, approximately \$77,000, to the District for healthcare. This event was triggered by an IRS audit of the 2015 Foundation which resulted in the revocation of the Foundation’s tax-exempt status under Section 501(c)(3) of the Internal Revenue Code due to inactivity.

After researching the documents of the Foundation and interviewing the accountant and secretary of the

Foundation, the District proposes the following plan to contribute the money to the community benefits for West Contra Costa Healthcare District. Following are the steps recommended by Counsel to 1) dissolve the Foundation under law and; 2) distribute the Foundation's remaining assets to the District's community benefit account. The two representatives of the DMC Foundation who have been maintaining the Foundation records are eager to proceed with this plan.

Steps:

1. WCCHD, in its capacity as the sole member of the Foundation, approves the dissolution of the Foundation and the transfer of the Foundation's remaining assets to the District's community benefit account
2. WCCHD, in its capacity as the sole member of the Foundation, appoints two persons to serve as the sole members of the Foundation's board of directors for the purpose of taking whatever actions are required to effect the dissolution of the Foundation
3. The Foundation seeks the legally required approval of the California Attorney General to dissolve the Foundation and transfer its remaining assets to the District's community benefit account

Once Attorney General approval is received, the District is formally dissolved and its remaining assets transferred to the District's community benefit account

Attached is a Board resolution required to implement the dissolution.

CONSEQUENCE OF NEGATIVE ACTION:

The business functions of the District will be adversely impacted.

ATTACHMENTS

Resolution 2020/5

Pension Plan Audited Financial Statements

Audited Financial Statement

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/5

RESOLUTION APPROVING DISSOLUTION OF DMC FOUNDATION, THE DISTRIBUTION OF ITS REMAINING ASSETS AND RELATED MATTERS

WHEREAS, DMC Foundation (the “Foundation”) is a California nonprofit public benefit corporation that was formed for the purpose of supporting West Contra Costa Healthcare District (the “District”);

WHEREAS, the District is the sole member of the Foundation under California law, with the legal power and authority to appoint the members of its board of directors and to approve its dissolution;

WHEREAS, the Foundation has been inactive for a number of years, which inactivity triggered an audit by the Internal Revenue Service that resulted in the revocation of the Foundation’s tax exempt status under Section 501(c)(3) of the Internal Revenue Code;

WHEREAS, the Foundation’s assets currently consist of approximately \$77,000 in cash;

WHEREAS, it is proposed that the Foundation dissolve under California law and distribute its remaining assets to the District;

WHEREAS, due to the Foundation’s inactivity, the identity of the members of the Foundation’s board of directors has become unknown or uncertain;

WHEREAS, as a matter of California law and prior action taken, this Board of Supervisors now sits as the board of directors of the District and, in such capacity, now has the legal authority to: (i) appoint the members of the Foundation’s board of directors; (ii) approve the dissolution of the Foundation and the liquidating distribution of its remaining assets; and (iii) approve whatever other actions are necessary or appropriate in connection with the Foundation’s dissolution and liquidating distribution;

NOW, THEREFORE, BE IT RESOLVED by the board of directors of the West Contra Costa Healthcare District as follows:

1. The proposed dissolution of the Foundation under California law, and the distribution of its remaining assets in liquidation to the District for deposit into the District’s community benefit account, are hereby approved in all respects;
2. To clearly identify the members of the Foundation’s board of directors having authority to take whatever actions are necessary or appropriate in connection with the Foundation’s dissolution, all persons currently having any status as members of the Foundation’s board of directors are hereby removed, and Jim Beaver and Harry Bergland, CPA, are each hereby appointed to serve as the sole members of the Foundation’s board of directors;
3. The members of the Foundation’s board of directors are hereby authorized and directed to take all actions necessary or appropriate to provide for the dissolution of the Foundation under California law, including, without limitation: (i) the execution and delivery of a Nonprofit Certificate of Dissolution on behalf of the Foundation and the filing of the same in the office of the California Secretary of State; (ii) the application, on behalf of the Foundation, for a dissolution waiver from the California Attorney General; and (iii) the transfer of all remaining assets of the Foundation to the District for deposit into the District’s community benefit account; and
4. This Resolution shall take effect immediately upon its adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Patrick Godley, 925-957-5410

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

Audited Financial Statements
and Supplemental Information

West Contra Costa Healthcare District
Successor Retirement Plan

June 30, 2019 and 2018

DRAFT

JWT & Associates, LLP
Advisory Assurance Tax

West Contra Costa Healthcare District Successor Retirement Plan

Audited Financial Statements

June 30, 2019 and 2018

Report of Independent Auditors..... 1

Audited Financial Statements:

 Statements of Net Assets Available for Plan Benefits 3

 Statements of Changes in Net Assets Available for Plan Benefits 4

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DRAFT

JWT & Associates, LLP

Advisory Assurance Tax

1111 E. Herndon Avenue, Suite 211, Fresno, CA 93720

Voice: (559) 431-7708 Fax: (559) 431-7685

Report of Independent Auditors

Board of Directors of
West Contra Costa Healthcare District
San Pablo, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan), which comprise the net assets available for benefits as of June 30, 2019 and 2018, the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform audits of the Plan's internal controls over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of June 30, 2019 and 2018, and the changes in net assets available for plan benefits for the year then ended, in conformity with generally accepted accounting principles.

Other Matters

The accompanying financial statements have been prepared assuming the Plan will continue as a going concern. As discussed in Notes 1, 3 and 6 to the financial statements, the Plan's funded status has declined to 22.44% of the actuarial present value of future benefits at June 30, 2019. The Plan's sponsor, West Contra Costa Healthcare District (the District), ceased operations in April 2015 and filed for bankruptcy protection in October 2016. The District has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The District will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities. The District's plans regarding these matters are also described in Note 6.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The required supplemental information as of or for the years ended June 30, 2019 and 2018, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are not a required part of the basic financial statements. This required supplemental information has been subjected to the auditing procedures applied in our audit of the June 30, 2019 and 2018 financial statements and, in our opinion, is fairly stated in all material respects in relation to the June 30, 2019 and 2018 financial statements taken as a whole.

December XX, 2019

West Contra Costa Healthcare District Successor Retirement Plan

Statement of Net Assets Available for Plan Benefits

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 6,059	\$ 4,585
Investments, at fair value	3,072,631	2,879,711
Total assets	<u>3,078,690</u>	<u>2,884,296</u>
Liabilities		
Other liabilities	6,059	4,585
Total liabilities	<u>6,059</u>	<u>4,585</u>
Net assets available for plan benefits	<u>\$ 3,072,631</u>	<u>\$ 2,879,711</u>

See accompanying notes to the financial statements

West Contra Costa Healthcare District Successor Retirement Plan

Statement of Changes in Net Assets Available for Plan Benefits

Years Ended June 30, 2019 and 2018

	2019	2018
Additions		
Net realized gain on investments	\$ -	\$ 206,692
Interest and dividend income	69,265	18,971
Employer contributions	1,000,000	1,000,000
Total additions	1,069,265	1,225,663
Deductions		
Benefits distributed to participants	848,182	853,126
Administrative expenses	28,163	8,815
Total deductions	876,345	861,941
Net additions for the year	192,920	363,722
Net assets available for plan benefits at beginning of year	2,879,711	2,515,989
Net assets available for plan benefits at end of year	\$ 3,072,631	\$ 2,879,711

See accompanying notes to the financial statements

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan) is provided for general information only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a governmental plan as defined in section 414(d) of the Internal Revenue Code (IRC). The Plan was established on March 9, 2000 by the Plan Sponsor, West Contra Costa Healthcare District (the District), as a successor plan to the West Contra Costa Healthcare District Employees' Retirement Plan, which was terminated on that date. The Plan is intended to qualify as a defined benefit plan under section 401(a) of the IRC and is to be interpreted in a manner consistent with those requirements. The participants of the predecessor plan were given the option to receive immediate lump sum distributions of the present value of their benefits, to roll the benefits into an Individual Retirement Plan (IRA) or other plan, or to participate in a successor plan. During the year ended June 30, 2001, when the requested distributions were completed by the predecessor plan, the successor trust, which holds the assets of the successor plan, was funded. Periodic payments for that year were made by the predecessor plan. The amount of the funding was approximately 110% of the present value of the predecessor plan's liabilities. As of July 1, 2001, the successor plan assumed the predecessor plan's liabilities for the pension benefits of those participants who chose to take part in the successor plan and who made periodic payments.

Pension Benefits and Vesting

The Plan is to provide benefits on the same terms and in the same amounts as the predecessor plan.

The predecessor plan was frozen effective January 1, 1994. No participants accrued benefits on or after that date and each participant's benefit became fully vested and non-forfeitable on that date.

Employees with 5 or more years of service, or any employees of Brookside Hospital as of January 1, 1994, are entitled to annual pension benefits beginning at normal retirement, age 65, or as early as age 60, with full pension benefit. Plan members are entitled to a reduced benefit, if elected, at any time after age 50. Benefits are based on years of credited service and average earnings in the last three years of employment through the date that the predecessor plan was frozen and are offset by a portion of the vested employee's social security benefit.

Effective April 1, 1998, upon attaining his or her normal retirement date (age 65); whether or not he or she actually retires on that date, a participant shall be entitled to receive a monthly Single-Life Annuity.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN (continued)

Contributions

The predecessor plan was frozen effective January 1, 1994 and, therefore, there would be no future employer contributions to the Plan, unless required to fund benefits that have already been accrued. The amount of employer contributions would be determined based on actuarial valuations and recommendations as to the amounts required to fund benefits. During the years ended June 30, 2019 and 2018, the plan sponsor made no contributions to the plan.

In the actuarial report dated May 10, 2001, it was recommended by the actuarial consultants that if, as of any future valuation date, Plan assets drop below the then actuarial present value of future benefits, that such difference be funded, with assumed interest, in level additional contributions to the Plan by the District over a period not longer than five years, depending in part on the Plan's projected liquidity needs. It was also recommended that actuarial valuations be performed approximately every twelve months.

As of the valuation dates of June 30, 2019 and 2018, Plan assets are less than the actuarial present value of future benefits by the amount of \$10,621,721 and 9,326,986, respectively. This amount is amortized over five years using the 2019 assumptions. Based upon this method, the actuarial consultants recommend that a contribution of at least \$992,990 be made to the Plan for the 2020 plan year. The Plan's sponsor has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The Plan sponsor will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

The funded status of the plan declined during the plan year ended June 30, 2019, from 23.59% funded to 22.44% funded. The long-term stability of the plan remains in question without future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

Death Benefits

The Plan provides a death benefit to all participants. For participants who are fully vested and married at the time of death, their spouse will receive an annuity of 50% of the benefit the participant had accrued through the date of death, commencing when the participant would have reached age 50. If a participant is not married or does not have five years of vesting credit, the participant's named beneficiary shall receive a lump-sum death benefit of \$500 plus one month's salary for each year of service up to six months.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN (continued)

Description of Vesting

Effective January 1, 1994, the Plan was frozen, and forfeitures were applied to reduce employer contributions up to that date. Each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. All of the Portfolio Investments of the Collective Investment Trust are valued based on quoted market prices on the last business day of the Plan year. Net appreciation or depreciation in fair value of investments includes net unrealized and realized appreciation or depreciation for the year.

Security transactions are accounted for on the trade date, and the dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Costs used in determining gains (losses) on investment transactions are on the average cost basis.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' highest annual compensation during the employees last three years of credited service. Benefits payable under all circumstances are included, to the extent they are deemed attributable to employee service rendered, through the valuation date. The actuarial valuations are done using the beginning-of-the-year method. In the event of the termination of the Plan, the benefit obligation would be revalued as of the date of the termination and under different assumptions than those used to determine the actuarial present value of accumulated Plan benefits.

NOTE 3 – ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits is determined by the Plan's consulting actuary, Willis Towers Watson. This amount results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. For the periods ended June 30, 2019 and 2018, the actuarial methods and assumptions used were consistent with the prior year.

The more significant assumptions underlying the actuarial computations for the Plan year are as follows:

- Rate of investment return – 4.0%.
- Retirement Age - Normal retirement is age 65, full pension benefits are available at age 60, early retirement is available at reduced benefits (ages 50 to 59).
- Life expectancy of participants – Pub-2010 Public Retirement Mortality Tables (Healthy and Contingent Annuitant) projected with Scale MP-2018.

These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminates, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The assumptions used consider the effect of the Plan's frozen status (as discussed in Note 1).

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 3 – ACCUMULATED PLAN BENEFITS (continued)

The actuarial present value of accumulated plan benefits as of June 30, 2019 and 2018, is as follows:

	2019	2018
Vested benefits		
Participants currently receiving payments	\$ 4,519,136	\$ 4,028,210
Other participants	9,175,216	8,178,487
Total vested benefits	13,694,352	12,206,697
Non-vested benefits	-	-
Total actuarial present value of accumulated plan benefits	\$ 13,694,352	\$ 12,206,697

Changes in the actuarial present value of accumulated plan benefits for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Actuarial present value of accumulated plan benefits at beginning of plan year	\$ 12,206,697	\$ 14,936,968
Changes during the year attributable to:		
Decrease in discount period	265,816	456,567
Benefits paid	(848,182)	(853,126)
Change in assumptions	2,070,021	(2,333,712)
Net increase (decrease)	1,487,655	(2,730,271)
Actuarial present value of accumulated plan benefits at end of plan year	\$ 13,694,352	\$ 12,206,697

NOTE 4 - INVESTMENTS

Benefit Trust Company (Benefit), corporate trustee of the Plan, holds the Plan's assets and executes transactions therein. Security transactions are made by the investment manager based on parameters established by the Board of Directors of the District.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 4 – INVESTMENTS (continued)

The Plan assets are invested in products sold by Benefit. Net realized and unrealized gain on investment value for the years ended June 30, 2019 and 2018 was \$-0- and \$206,692, respectively. Investments at Benefit consist of the following at June 30, 2019 and 2018, stated at fair value:

	2018	2017
Mutual funds	\$ 3,072,631	\$ 2,879,711
	\$ 3,072,631	\$ 2,879,711

Individual investments that represent 5 percent or more of the Plan’s net assets at June 30, 2019 and 2018 are as follows:

Description	2018	2017
Blackrock Funds Money Market Portfolio	\$ 3,072,631	\$ 2,879,711

Due to the nature of the investment management services provided by Benefit, they qualify as a party-in-interest of the Plan. Fees paid by the Plan to Benefit for such services for the years ended June 30, 2019 and 2018 amounted to \$5,163 and \$8,815, respectively.

NOTE 5 – TAX STATUS

The predecessor plan obtained its latest determination letter on February 24, 2000, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Since the Successor Plan has replaced the predecessor plan, a new determination letter has not been obtained. However, since the plans are identical, the Plan sponsor’s board of directors understands that the Plan, as currently designed and operated, is in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan’s financial statements. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2016.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 6 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

In September 2019, an actuarial valuation was prepared for the purpose of determining contributions for the plan year beginning July 1, 2019. As of that date, plan assets are less than the actuarial present value of future benefits in the amount of \$10,621,721. In accordance with the Plan sponsor's policy the total unfunded liability would be amortized over the next five years. The actuarial recommendation was for the sponsor to contribute \$992,990 during the plan year ended June 30, 2020. The Plan's sponsor has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The Plan sponsor will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

The funded status of the plan decreased during the plan year ended June 30, 2019 from 23.59% funded to 22.44% funded. The long-term stability of the plan remains in question without the above-mentioned future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

The District, the Plan's sponsor, has liabilities that exceed assets by \$68,647,513 at June 30, 2019 (audited), reported a net loss of \$892,238 for the six-months ended June 30, 2019 (audited), but has cash reserves of \$9,581,888. Based on a financial analysis by the District's management, they anticipated significant difficulties in continuing to meet on-going financial obligations related to their hospital operations and in April 2015 closed the hospital and ceased its operations. The District also filed for bankruptcy in October 2016. The District has sold all assets, is settling liabilities and wrapping up all other administrative issues. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

Whether all participants receive their benefits will depend on the sufficiency, at the time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the California Public Employment Retirement System (PERS) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PERS guaranty, while other benefits may not be provided at all.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

NOTE 8 - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) provides a framework for measuring fair value under U.S. generally accepted accounting principles. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following provides a general description of the three levels of inputs that may be used to measure fair value under ASC 820:

Level 1 - Inputs to the valuation methodology are based on quoted prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value including assumptions regarding risk. Level 3 instruments include those that may be more structured or otherwise tailored to the Plan's needs.

As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds are valued at the market value of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method are appropriate and consistent with other market participants, the use of different methodologies for assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Assets measured at fair value as of June 30, 2019 and 2018 are as follows:

	2019			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Short-term, stable, money market	3,072,631	-	-	3,072,631
Total assets at fair value	\$ 3,072,631	\$ -	\$ -	\$ 3,072,631
	2018			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Short-term, stable, money market	2,879,711	-	-	2,879,711
Total assets at fair value	\$ 2,879,711	\$ -	\$ -	\$ 2,879,711

Required Supplemental Information

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West Contra Costa Healthcare District Successor Retirement Plan

Required Supplemental Information

Years Ended June 30, 2019 and 2018

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Underfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2019	\$ 3,072,631	\$ 13,694,352	\$ 10,621,721	22%	N/A	N/A
June 30, 2018	\$ 2,879,711	\$ 12,206,697	\$ 9,326,986	24%	N/A	N/A
June 30, 2017	\$ 2,515,989	\$ 14,936,968	\$ 12,420,979	17%	N/A	N/A
June 30, 2016	\$ 3,098,074	\$ 15,899,212	\$ 12,801,138	19%	N/A	N/A
June 30, 2015	\$ 4,174,333	\$ 14,649,496	\$ 10,475,163	28%	N/A	N/A

Schedule of Contributions to Plan

Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed
June 30, 2019	992,990	101%
June 30, 2018	813,720	123%
June 30, 2017	2,262,505	0%
June 30, 2016	2,016,149	0%
June 30, 2015	1,422,125	0%

Effective January 1, 1994, the Plan was frozen. Forfeitures were applied to reduce employer contributions up to January 1, 1994 when each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

West Contra Costa Healthcare District Successor Retirement Plan

Required Supplemental Information

June 30, 2019 and 2018

The information presented in the required supplemental schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2019	June 30, 2018
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Asset valuation method	Market value of assets	Market value of assets
Actuarial assumptions:		
Investment rate of return	4.00%	3.17%
Compensation increase rate	N/A	N/A
Inflation adjustment	2.00%	2.00%

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Audited Financial Statements
and Supplemental Information

West Contra Costa Healthcare District
Successor Retirement Plan

June 30, 2019 and 2018

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JWT & Associates, LLP
Advisory Assurance Tax

West Contra Costa Healthcare District Successor Retirement Plan

Audited Financial Statements

June 30, 2019 and 2018

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JWT & Associates, LLP

Advisory Assurance Tax

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Report of Independent Auditors

Board of Directors of
West Contra Costa Healthcare District
San Pablo, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan), which comprise the net assets available for benefits as of June 30, 2019 and 2018, the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform audits of the Plan's internal controls over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of June 30, 2019 and 2018, and the changes in net assets available for plan benefits for the year then ended, in conformity with generally accepted accounting principles.

Other Matters

The accompanying financial statements have been prepared assuming the Plan will continue as a going concern. As discussed in Notes 1, 3 and 6 to the financial statements, the Plan's funded status has declined to 22.44% of the actuarial present value of future benefits at June 30, 2019. The Plan's sponsor, West Contra Costa Healthcare District (the District), ceased operations in April 2015 and filed for bankruptcy protection in October 2016. The District has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The District will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities. The District's plans regarding these matters are also described in Note 6.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The required supplemental information as of or for the years ended June 30, 2019 and 2018, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are not a required part of the basic financial statements. This required supplemental information has been subjected to the auditing procedures applied in our audit of the June 30, 2019 and 2018 financial statements and, in our opinion, is fairly stated in all material respects in relation to the June 30, 2019 and 2018 financial statements taken as a whole.

December XX, 2019

West Contra Costa Healthcare District Successor Retirement Plan

Statement of Net Assets Available for Plan Benefits

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 6,059	\$ 4,585
Investments, at fair value	3,072,631	2,879,711
Total assets	<u>3,078,690</u>	<u>2,884,296</u>
Liabilities		
Other liabilities	6,059	4,585
Total liabilities	<u>6,059</u>	<u>4,585</u>
Net assets available for plan benefits	<u>\$ 3,072,631</u>	<u>\$ 2,879,711</u>

See accompanying notes to the financial statements

West Contra Costa Healthcare District Successor Retirement Plan

Statement of Changes in Net Assets Available for Plan Benefits

Years Ended June 30, 2019 and 2018

	2019	2018
Additions		
Net realized gain on investments	\$ -	\$ 206,692
Interest and dividend income	69,265	18,971
Employer contributions	1,000,000	1,000,000
Total additions	1,069,265	1,225,663
Deductions		
Benefits distributed to participants	848,182	853,126
Administrative expenses	28,163	8,815
Total deductions	876,345	861,941
Net additions for the year	192,920	363,722
Net assets available for plan benefits at beginning of year	2,879,711	2,515,989
Net assets available for plan benefits at end of year	\$ 3,072,631	\$ 2,879,711

See accompanying notes to the financial statements

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan) is provided for general information only. Participants should refer to the Plan agreement for more complete information.

General

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Pension Benefits and Vesting

The Plan is to provide benefits on the same terms and in the same amounts as the predecessor plan.

The predecessor plan was frozen effective January 1, 1994. No participants accrued benefits on or after that date and each participant's benefit became fully vested and non-forfeitable on that date.

Employees with 5 or more years of service, or any employees of Brookside Hospital as of January 1, 1994, are entitled to annual pension benefits beginning at normal retirement, age 65, or as early as age 60, with full pension benefit. Plan members are entitled to a reduced benefit, if elected, at any time after age 50. Benefits are based on years of credited service and average earnings in the last three years of employment through the date that the predecessor plan was frozen and are offset by a portion of the vested employee's social security benefit.

Effective April 1, 1998, upon attaining his or her normal retirement date (age 65); whether or not he or she actually retires on that date, a participant shall be entitled to receive a monthly Single-Life Annuity.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN (continued)

Contributions

The predecessor plan was frozen effective January 1, 1994 and, therefore, there would be no future employer contributions to the Plan, unless required to fund benefits that have already been accrued. The amount of employer contributions would be determined based on actuarial valuations and recommendations as to the amounts required to fund benefits. During the years ended June 30, 2019 and 2018, the plan sponsor made no contributions to the plan.

In the actuarial report dated May 10, 2001, it was recommended by the actuarial consultants that if, as of any future valuation date, Plan assets drop below the then actuarial present value of future benefits, that such difference be funded, with assumed interest, in level additional contributions to the Plan by the District over a period not longer than five years, depending in part on the Plan's projected liquidity needs. It was also recommended that actuarial valuations be performed approximately every twelve months.

As of the valuation dates of June 30, 2019 and 2018, Plan assets are less than the actuarial present value of future benefits by the amount of \$10,621,721 and 9,326,986, respectively. This amount is amortized over five years using the 2019 assumptions. Based upon this method, the actuarial consultants recommend that a contribution of at least \$992,990 be made to the Plan for the 2020 plan year. The Plan's sponsor has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The Plan sponsor will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

The funded status of the plan declined during the plan year ended June 30, 2019, from 23.59% funded to 22.44% funded. The long-term stability of the plan remains in question without future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

Death Benefits

The Plan provides a death benefit to all participants. For participants who are fully vested and married at the time of death, their spouse will receive an annuity of 50% of the benefit the participant had accrued through the date of death, commencing when the participant would have reached age 50. If a participant is not married or does not have five years of vesting credit, the participant's named beneficiary shall receive a lump-sum death benefit of \$500 plus one month's salary for each year of service up to six months.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 1 - DESCRIPTION OF THE PLAN (continued)

Description of Vesting

Effective January 1, 1994, the Plan was frozen, and forfeitures were applied to reduce employer contributions up to that date. Each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. All of the Portfolio Investments of the Collective Investment Trust are valued based on quoted market prices on the last business day of the Plan year. Net appreciation or depreciation in fair value of investments includes net unrealized and realized appreciation or depreciation for the year.

Security transactions are accounted for on the trade date, and the dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Costs used in determining gains (losses) on investment transactions are on the average cost basis.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' highest annual compensation during the employees last three years of credited service. Benefits payable under all circumstances are included, to the extent they are deemed attributable to employee service rendered, through the valuation date. The actuarial valuations are done using the beginning-of-the-year method. In the event of the termination of the Plan, the benefit obligation would be revalued as of the date of the termination and under different assumptions than those used to determine the actuarial present value of accumulated Plan benefits.

NOTE 3 – ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits is determined by the Plan's consulting actuary, Willis Towers Watson. This amount results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. For the periods ended June 30, 2019 and 2018, the actuarial methods and assumptions used were consistent with the prior year.

The more significant assumptions underlying the actuarial computations for the Plan year are as follows:

- Rate of investment return – 4.0%.
- Retirement Age - Normal retirement is age 65, full pension benefits are available at age 60, early retirement is available at reduced benefits (ages 50 to 59).
- Life expectancy of participants – Pub-2010 Public Retirement Mortality Tables (Healthy and Contingent Annuitant) projected with Scale MP-2018.

These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminates, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The assumptions used consider the effect of the Plan's frozen status (as discussed in Note 1).

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 3 – ACCUMULATED PLAN BENEFITS (continued)

The actuarial present value of accumulated plan benefits as of June 30, 2019 and 2018, is as follows:

	2019	2018
Vested benefits		
Participants currently receiving payments	\$ 4,519,136	\$ 4,028,210
Other participants	9,175,216	8,178,487
Total vested benefits	13,694,352	12,206,697
Non-vested benefits	-	-
Total actuarial present value of accumulated plan benefits	\$ 13,694,352	\$ 12,206,697

Changes in the actuarial present value of accumulated plan benefits for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Actuarial present value of accumulated plan benefits at beginning of plan year	\$ 12,206,697	\$ 14,936,968
Changes during the year attributable to:		
Decrease in discount period	265,816	456,567
Benefits paid	(848,182)	(853,126)
Change in assumptions	2,070,021	(2,333,712)
Net increase (decrease)	1,487,655	(2,730,271)
Actuarial present value of accumulated plan benefits at end of plan year	\$ 13,694,352	\$ 12,206,697

NOTE 4 - INVESTMENTS

Benefit Trust Company (Benefit), corporate trustee of the Plan, holds the Plan's assets and executes transactions therein. Security transactions are made by the investment manager based on parameters established by the Board of Directors of the District.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 4 – INVESTMENTS (continued)

The Plan assets are invested in products sold by Benefit. Net realized and unrealized gain on investment value for the years ended June 30, 2019 and 2018 was \$-0- and \$206,692, respectively. Investments at Benefit consist of the following at June 30, 2019 and 2018, stated at fair value:

	<u>2018</u>	<u>2017</u>
Mutual funds	\$ 3,072,631	\$ 2,879,711
	<u>\$ 3,072,631</u>	<u>\$ 2,879,711</u>

Individual investments that represent 5 percent or more of the Plan's net assets at June 30, 2019 and 2018 are as follows:

<u>Description</u>	<u>2018</u>	<u>2017</u>
Blackrock Funds Money Market Portfolio	\$ 3,072,631	\$ 2,879,711

Due to the nature of the investment management services provided by Benefit, they qualify as a party-in-interest of the Plan. Fees paid by the Plan to Benefit for such services for the years ended June 30, 2019 and 2018 amounted to \$5,163 and \$8,815, respectively.

NOTE 5 – TAX STATUS

The predecessor plan obtained its latest determination letter on February 24, 2000, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Since the Successor Plan has replaced the predecessor plan, a new determination letter has not been obtained. However, since the plans are identical, the Plan sponsor's board of directors understands that the Plan, as currently designed and operated, is in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2016.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 6 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

In September 2019, an actuarial valuation was prepared for the purpose of determining contributions for the plan year beginning July 1, 2019. As of that date, plan assets are less than the actuarial present value of future benefits in the amount of \$10,621,721. In accordance with the Plan sponsor's policy the total unfunded liability would be amortized over the next five years. The actuarial recommendation was for the sponsor to contribute \$992,990 during the plan year ended June 30, 2020. The Plan's sponsor has reached an agreement with the bankruptcy court whereby they will make twelve annual contributions of \$1,000,000 to the Plan starting in fiscal year ending June 30, 2018 and ending in fiscal year ending June 30, 2029. The Plan sponsor will then make a final payment of \$647,000 during fiscal year ending June 30, 2030. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

The funded status of the plan decreased during the plan year ended June 30, 2019 from 23.59% funded to 22.44% funded. The long-term stability of the plan remains in question without the above-mentioned future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

The District, the Plan's sponsor, has liabilities that exceed assets by \$68,647,513 at June 30, 2019 (audited), reported a net loss of \$892,238 for the six-months ended June 30, 2019 (audited), but has cash reserves of \$9,581,888. Based on a financial analysis by the District's management, they anticipated significant difficulties in continuing to meet on-going financial obligations related to their hospital operations and in April 2015 closed the hospital and ceased its operations. The District also filed for bankruptcy in October 2016. The District has sold all assets, is settling liabilities and wrapping up all other administrative issues. Based on current actuarially determined Plan liabilities and anticipated estimated earnings, distributions and expenses, the Plan is expected to be able to fund all participant liabilities.

Whether all participants receive their benefits will depend on the sufficiency, at the time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the California Public Employment Retirement System (PERS) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PERS guaranty, while other benefits may not be provided at all.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

NOTE 8 - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) provides a framework for measuring fair value under U.S. generally accepted accounting principles. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following provides a general description of the three levels of inputs that may be used to measure fair value under ASC 820:

Level 1 - Inputs to the valuation methodology are based on quoted prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value including assumptions regarding risk. Level 3 instruments include those that may be more structured or otherwise tailored to the Plan's needs.

As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

West Contra Costa Healthcare District Successor Retirement Plan

Notes to Financial Statements

June 30, 2019 and 2018

NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds are valued at the market value of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method are appropriate and consistent with other market participants, the use of different methodologies for assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Assets measured at fair value as of June 30, 2019 and 2018 are as follows:

	2019			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Short-term, stable, money market	3,072,631	-	-	3,072,631
Total assets at fair value	\$ 3,072,631	\$ -	\$ -	\$ 3,072,631
	2018			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Short-term, stable, money market	2,879,711	-	-	2,879,711
Total assets at fair value	\$ 2,879,711	\$ -	\$ -	\$ 2,879,711

Required Supplemental Information

DRAFT

West Contra Costa Healthcare District Successor Retirement Plan

Required Supplemental Information

Years Ended June 30, 2019 and 2018

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Underfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2019	\$ 3,072,631	\$ 13,694,352	\$ 10,621,721	22%	N/A	N/A
June 30, 2018	\$ 2,879,711	\$ 12,206,697	\$ 9,326,986	24%	N/A	N/A
June 30, 2017	\$ 2,515,989	\$ 14,936,968	\$ 12,420,979	17%	N/A	N/A
June 30, 2016	\$ 3,098,074	\$ 15,899,212	\$ 12,801,138	19%	N/A	N/A
June 30, 2015	\$ 4,174,333	\$ 14,649,496	\$ 10,475,163	28%	N/A	N/A

Schedule of Contributions to Plan

Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed
June 30, 2019	992,990	101%
June 30, 2018	813,720	123%
June 30, 2017	2,262,505	0%
June 30, 2016	2,016,149	0%
June 30, 2015	1,422,125	0%

Effective January 1, 1994, the Plan was frozen. Forfeitures were applied to reduce employer contributions up to January 1, 1994 when each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

West Contra Costa Healthcare District Successor Retirement Plan

Required Supplemental Information

June 30, 2019 and 2018

The information presented in the required supplemental schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2019	June 30, 2018
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Asset valuation method	Market value of assets	Market value of assets
Actuarial assumptions:		
Investment rate of return	4.00%	3.17%
Compensation increase rate	N/A	N/A
Inflation adjustment	2.00%	2.00%

DRAFT



Contra
Costa
County

To: West Contra Costa Healthcare District
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Amendment #23-648-2 with Vickie Lee Scharr

RECOMMENDATION(S):

Acting as the Governing Board of the West Contra Costa Healthcare District:

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Contract Amendment #23-648-2 with Vickie Lee Scharr, an individual, effective January 1, 2020, to amend Contract #23-648, as amended by Amendment Agreement #23-648-1, to increase the payment limit by \$90,000, from \$300,000 to a new payment limit of \$390,000, with no change in the term of January 1, 2019 through December 31, 2020, to provide additional consultation, technical support and planning services with regard the West Contra Costa Healthcare District (WCCHD).

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I.

BACKGROUND:

On December 4, 2018, the Board of Supervisors approved Contract #23-648, as amended by Amendment Agreement #23-648-1, with Vickie Lee Scharr for the provision consultation, technical support and planning services to the Chief Operating Officer with regard to the transition of the WCCHCD to Contra

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patrick Godley,
925-957-5405

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, Marcy Wilhelm

BACKGROUND: (CONT'D)

Costa County including but not limited to financial planning and operational improvement, for the period from January 1, 2019 through December 31, 2020.

Approval of Contract Amendment #23-648-2 will allow the Contractor to provide additional services through December 31, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, the Health Services Department will not be able to use Contractor's expertise in the transition of WCCHCD to Contra Costa County.



**Contra
Costa
County**

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: January 7, 2020

Subject: APPROVE and AUTHORIZE the Director of Airports, or designee, to host a County sponsored event at the Buchanan Field Airport.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Director of Airports, or designee, to host the 12th Annual Tenant Appreciation Barbeque (tentatively scheduled for Thursday, May 7, 2020), in an amount of approximately \$18,600 and held at the Buchanan Field Airport to thank customers for choosing Contra Costa County Airports - Buchanan Field and Byron Airports to store their aircraft and/or operate businesses, Pacheco (District IV) and Byron area (District III).

Pursuant to Administrative Bulletin No. 114 (County and Non-County Sponsored Events and Activities):

- a. APPROVE the Public Works - Airport Division to host the 12th Annual Tenant Appreciation Barbeque, which will require Airport Division staff time and County resources in an amount exceeding \$2,500; and,
- b. APPROVE and AUTHORIZE the expenditure of Airport Enterprise Funds, in an estimated amount of approximately \$18,600, including but not limited to costs for food, staff time, County equipment, rental equipment (tables, chairs, etc.), supplies (utensils, cups, napkins, storage containers, etc.), and other reasonable expenses related to hosting the 2020 – 12th Annual Tenant Appreciation Barbeque (including but not limited to providing Byron Airport coverage and replacement of barbeques, smokers, fans, tents, etc.)

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Beth Lee, (925)
681-4200

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

FISCAL IMPACT:

There is no impact on the County General Fund. The total cost of approximately \$18,600 will be fully funded by the Airport Enterprise Fund. This estimated cost includes staff time (\$9,600), food/drink (\$4,200), and equipment/supplies/Byron coverage (\$4,800).

BACKGROUND:

The 12th Annual Tenant Appreciation BBQ is tentatively scheduled for Thursday, May 7, 2020 and will be held at the Buchanan Field Airport. The average annual attendance is typically five hundred (500) tenants and the approximate annual dollar amount expended on this event is \$18,600.

This event was developed to recognize the airport tenants/stakeholders “our customers” and would include providing food and beverages. The goal of this event is intended to assist in marketing both the Buchanan Field and Byron Airports by highlighting the services we provide to both current and potential customers, which are the livelihood of the Airport Enterprise Fund. This is part of a marketing program to attract and retain tenants that benefit both the Airport systems (operating as a business) and the County (FY 2015-16, the Buchanan Field and Byron Airports generated \$2.77 million in possessory interest tax to go back to the County General Fund).

Pursuant to Administrative Bulletin 114 the County Administrator's Office has reviewed and approved the Airport’s request to host the 12th Annual Tenant Appreciation Barbeque and recommends approval of this action by the Board of Supervisors.

CONSEQUENCE OF NEGATIVE ACTION:

A negative action will cause a loss of marketing and promotion opportunity for the Airport and may impact funding.

ATTACHMENTS

Sponsored Event Form

County and Non-County Sponsored Events Participation

County Sponsored Event Non-County Sponsored Event

Department: Public Works - Airports Division

EVENT/ACTIVITY: Airports' Tenant Appreciation BBQ

Sponsor/Organizer: Airports Division

Description: Annual BBQ event to show our customers how much they are appreciated (12th Annua

Purpose and Benefit to County: To thank our paying tenants/customers for choosing the Contra Costa County Airpor
to store their aircraft and/or operate their business.

Date(s): Thursday, May 7, 2020

Duration: Event is from 11:30am-2pm, but staff must acquire all items & set up in advance plus clean up after even

Location: Generally held in hangar behind our office at 550 Sally Ride Drive (our Tenant's hangar

County Resources Requested:

of Employees 16 Estimated Cost: \$ 9,600

County/Rental Equipment Used County van (\$15), tables & chairs (\$1,485)
(Including vehicles) Estimated Cost: \$ 1,500

Additional Expenditures: Estimated Cost: \$ 7,500
(Attach itemized list)

Total Estimated Cost: \$ 18,600

Food: \$4,200
Supplies: \$2,200
Byron coverage \$1,100

Funding Source(s)/Reasons: Airport Enterprise Fund

I certify this to be an event/activity that benefits the County and all estimated costs to be paid by County funds, regardless of funding source, are within my departments budget.

[Signature]
(Department Head or Designee)

9/30/2019
(Date)

APPROVAL FOR NON-COUNTY EVENTS

LESS THAN \$2,500

County Administrator

- Approved
- Not Approved

County Administrator Date

ABOVE \$2,500

Board of Supervisors

- Approved
- Not Approved

Authorized Signature Date



Contra
Costa
County

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: January 7, 2020

Subject: 2019 Report from Aviation Advisory Body

RECOMMENDATION(S):

RECEIVE and ACCEPT the 2019 Annual Report submitted by the Aviation Advisory Committee

FISCAL IMPACT:

Not applicable

BACKGROUND:

On June 18,2002, the Board of Supervisors (Board) adopted Resolution No. 2002/377. which requires that each regular and ongoing board, commission, or committee shall annually report to the board on its activities, accomplishments, membership attendance, required training/certification (if any), and proposed work plan or objectives for the following year, on the second Tuesday in December. The attached report fulfills this requirement for the Aviation Advisory Committee.

CONSEQUENCE OF NEGATIVE ACTION:

Not applicable

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Beth Lee, (925)
681-4200

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

ATTACHMENTS

2019 AAC Annual Report

CONTRA COSTA COUNTY Aviation Advisory Committee

2019 Annual Report

Advisory Board Meeting Time/Location: 10:00am on the 2nd Thursday of every one (1) month at either Buchanan Field or Byron Airport.

Advisory Body Chair: Maurice Gunderson

Airport Staff: Keith Freitas/Beth Lee/Russell Milburn

Activities

- Monthly review of noise statistics, operations report, airport development projects, airfield updates
- Discussions of airport projects and programs to disseminate information and solicit input from members and public
- Discussions of issues facing the airports and airport community
- Input to the Airports Director, Airport Committee, and Board of Supervisors on issues affecting the Contra Costa County Airports and surrounding communities
- Participation in community outreach efforts
- Quarterly review of the Airports' year to date and end of year forecast financial reports
- Annual review of input on the Part 150 Noise Mitigation recommendations

Accomplishments

Discussed and advised on the following:

- Airport administration activities to enhance airport economic development including:
 - Progress on updating the Byron General Plan Amendment to bring conformity between the adopted Airport Master Plan and County General Plan relative to allowable uses at both Airports
 - Expansion of Skyview Aviation at Byron Airport. Skyview has operated an FBO and flight school at Tracy Airport for many years and has recently leased a hangar at Byron to establish an aircraft repair and service operation. If business continues, Skyview plans to expand the Byron operation to become a full-service FBO. A full-service FBO will be a considerable enhancement to the services offered at Byron.
 - Creation of the Bay Area Aviation Technology Test Site (BAATTS) initiative. This initiative was started by airport management to attract new aviation technology

startups to both airports. The proximity of these airports to Silicon Valley and San Francisco has created a significant opportunity to serve as preferred engineering, development, and test sites, with the ultimate goal of growing to production and operation bases, with corresponding potential for new jobs on both the Buchanan and Byron communities. Several potential new BAATTS tenants are now in discussion. Preliminary plans are being made to develop additional facilities at Byron. The AAC strongly and enthusiastically supports the BAATTS initiative.

- Commercial Development of Non-Aviation Sites at Buchanan Field. Increasing development is an important continuing item that is significant to the Airport Enterprise Fund. Several undeveloped parcels, which are designated for non-aviation use, are part of the Buchanan Field and Byron Airport properties. These include sites at the corners of Marsh Drive and Solano Way, and Marsh Drive and Sally Ride Drive, as well as other sites not needed for aviation use. Airport staff has requested releases from the FAA to allow for non-aviation development of these sites and has also solicited proposals for commercial or light industrial development of these sites. The several developers gave presentations at the April AAC meeting, and the AAC expressed strong support for the projects. Each of these projects will contribute to the Enterprise Fund and will provide jobs and other economic benefits to the area surrounding Buchanan Field and Byron Airport.
- Byron Airport Public Viewing Plaza - A potential site was tentatively identified, adjacent to the Byron operations office. The AAC requested that some basic information be gathered before a recommendation would be made. This would include determining interest from local schools and other youth groups, evaluation of the potential site, development of a preliminary design sufficient for estimating costs, and scoping of cash and in-kind donations that might be available. AAC Member Ron Reagan has been spearheading this effort and expects to report at an AAC meeting in the near future.
- Airport noise impact on communities including:
 - Addressing various Buchanan Field & Byron noise complaints through phone and in-person meetings between residents and airport staff and/or AAC members.
 - Reminding pilots training after appropriate hours of the airports' noise stipulations, even if those pilots are coming from other airports.
- Resolution (No. 2018/524) – Establishing new rates and charges for Buchanan Field and Byron Airports effective January 1, 2019 reduced some of the hanger/tie-down fees to increase the attraction of Contra Costa County's airports for pilot use and compete with other surrounding airports that have lower fees.
- Buchanan Field and Byron Airport projects including:
 - Security enhancements to both Airports which include:
New signage and speaking engagements on gate etiquette to prevent piggy-backing of cars into restricted airport areas without proper authorization.

- Encouraged AAC members and Board of Supervisors, as well as the general public to be more involved with Contra Costa County Airports and aviation communities.
- Updated the Contra Costa County Airports website and launched a Facebook page to help increase connection between the community and both airports events, operations, and information.

Attendance/Representation

- AAC is composed of members representing each of the supervisorial districts, the cities of Concord and Pleasant Hill, the Airport Business Association, community of Pacheco, surrounding communities of Byron Airport (Brentwood, Byron, Knightsen, Discovery Bay), and three at large positions for a total of 13 members
- Quorums have been achieved with good participation from members for 2019
- The AAC is a diverse group of aviation professionals, retired executives, members of the public, consultants, and educators. There is a balanced mix of pilots and non-pilots.
- Several committee members are also involved in other county and city advisory bodies, committees, and commissions

Current AAC member roster is as follows:

<u>AAC Members</u>	<u>Representing</u>	<u>2019 Appointment Status</u>	<u>Term Expiration Date</u>
Dale Roberts	District I	Recruiting	2/29/2020
Cody Moore	Airport Business Association		2/28/2022
Eric Meinbress	Member at large	Recruiting	2/29/2020
Ronald Reagan	District III	Reappointed	2/28/2021
Derek Mims	City of Pleasant Hill	Reappointed	2/28/2021
Russell Roe	District V	Recruiting	2/29/2020
Keith McMahon	City of Concord		2/28/2022
Roger Bass	District II	Reappointed	2/28/2021
Maurice Gunderson	Member at large	Reappointed	2/28/2021
Tom Weber	District IV	Recruiting	2/29/2020
Emily Barnett	Member at large	Reappointed	2/28/2022
Donna Dietrich	Pacheco Neighbor		2/28/2021
Steven Starratt	Byron Neighbor		2/28/2021

Current AAC Officers:

<u>AAC Member</u>	<u>Position</u>	<u>Election Status</u>
Maurice Gunderson	Chair	Elected
Tom Weber	Vice-Chair	Elected
Emily Barnett	Secretary	Elected

Training/Certification

- It is mandatory for all Committee members to complete County training regarding the Ralph M. Brown Act and the County’s Better Government Ordinance, and complete the County’s Ethics Orientation within 90 days of the appointment. All members have completed training.

Proposed Objectives for 2020

- Continue to work with the County in working with the contractor assigned to the Byron Airport General Plan Amendment to adhere to project milestones with deadlines to enforce expedited completion of the commissioned study and other efforts to improve growth, infrastructure and road access at Byron Airport
- Continue to advise and review the EDIP program including promoting progress on EDIP and strategic priority projects
- Continue to advise, monitor, and review the Buchanan Field and Byron Airports’ construction and maintenance projects
- Continue to advise, monitor, and review activities and incidents impacting airport security
- Continue to grow and develop community and tenant outreach efforts for both airports
- Continue to advise, monitor, and review the Airports’ budget, noise statistics, and overall operations
- Continue to work with the surrounding communities regarding noise concerns and other aviation-related issues
- Continue regular discussions with Airport Staff on various airport developments (current and future), projects and issues, as well as disseminate information and offer recommendations
- Continue to advise Airport Staff on the design of the new Buchanan Airport Terminal
- Continue to provide the general public an open forum for discussions on aviation-related matters

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c: Keith Freitas, Director of Airports
Beth Lee, Assistant Director of Airports-Administration
Russell Milburn, Assistant Director of Airports-Operations
Maurice Gunderson, AAC Chair
Tom Weber, AAC Vice-Chair
Emily Barnett, AAC Secretary



**Contra
Costa
County**

To: Board of Supervisors
From: Keith Freitas, Airports Director
Date: January 7, 2020

Subject: APPROVAL of Consent to Assignment of Lease & Third Amendment to Lease between Lithina Real Estate, Inc and Future Automotive Concord, Inc.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Director of Airports, or his designee, to execute on behalf of the County, a consent to assignment of lease between the County and the current tenant, Lithina Real Estate, Inc., and the new tenant, Future Automotive Concord, INC, to assign his lease of County-owned property located at 4901 Marsh Drive, Concord to Future Automotive Concord, Inc.

APPROVE and AUTHORIZE the Director of Airports, or his designee, to execute on behalf of the County a third amendment to the Lease that modifies the term and rent provisions of the 1985 lease.

FISCAL IMPACT:

There is no negative impact on the General Fund. The Airport Enterprise Fund will continue to receive lease and other revenues provided for in the Lease. The County General Fund will continue to receive property, sales and possessory interest tax revenues from the Lease.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Beth Lee, (925)
681-4200

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

Under a ground lease dated October 20, 1985, the County leased the subject property for the purpose of automotive sales and servicing at Buchanan Field Airport. The lease was assigned to Lithia Real Estate, Inc. on October 6, 2015. Lithia Real Estate now desires to assign all of his interest in the lease to Future Automotive Concord, Inc. An assignment of the lease requires the prior written consent of the County. Staff recommends (1) consent to assignment, and (2) execution of an amendment to the lease to modify the term and rent provisions to make them consistent with financing standards.

CONSEQUENCE OF NEGATIVE ACTION:

Lithia Real Estate, Inc. will not be able to assign its interest in the lease.

ATTACHMENTS

Consent to Assignment

Amendment to Lease

CONSENT TO ASSIGNMENT OF LEASE

This consent to assignment of lease ("Consent") is dated January 7, 2020, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("Lessor") on the one hand, and LITHIA REAL ESTATE, INC., an Oregon corporation ("Assignor"), and FUTURE AUTOMOTIVE CONCORD, INC, a California corporation ("Assignee") on the other.

Recitals

- A. Lessor owns real property located in the County of Contra Costa that consists of approximately 6.1 acres commonly known as 4901 Marsh Drive, Concord, California (the "Premises").
- B. The Premises are subject to a lease between Lessor and the Solano Way Partnership dated August 20, 1985, as subsequently amended (the "Lease"). Pursuant to an assignment agreement dated September 15, 1999, the Solano Way Partnership assigned its interest in the Lease to Lithia Real Estate, Inc.
- C. Pursuant to an assignment and assumption of lease agreement dated June 8, 2011, Lithia Real Estate, Inc. assigned its interest in the Lease to Crown Automotive, Inc.
- D. Pursuant to an assignment agreement dated October 6, 2015, Crown Automotive, Inc. assigned its interest in the Lease to Assignor.
- E. Assignor desires to sell and assign to Assignee all of Assignor's right, title and interest in the Lease (the "Assignment"), and Assignee desires to acquire and accept the Assignment under the terms and conditions described in that certain Asset Purchase Agreement dated October 28, 2019, between Assignor and Assignee (the "Assignment Agreement").
- F. The Lease requires that Assignor and Assignee receive Lessor's written consent to the Assignment. To effectuate the Assignment, the Lease will need to be amended to identify the Assignee as the new lessee and tenant under the Lease, among other changes. In consideration of all of the terms and conditions contained herein, Lessor agrees to consent to the Assignment.

Lessor, Assignor, and Assignee therefore agree as follows:

Agreement

1. Definitions

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Lease.

2. Security Deposit

The Lessor will continue to hold the security deposit previously paid to the Lessor under the Lease in accordance with the terms of the Lease.

3. Representations and Warranties of Assignor and Assignee

Assignor and Assignee each represent and warrant to Lessor that:

- A. Following the Assignment, the use of the Premises will be unchanged and will not be inconsistent with the use permitted under the Lease. The Assignment does not require alteration of the Premises.
- B. Assignee's intended use of the Premises will not increase the hazardous substance liability to the Premises and will not otherwise adversely affect the Lessor's interest in the Premises.
- C. Assignee has a good reputation in the business community in which it conducts its businesses and its business reputation and business credit history is consistent with other business conducted on the Premises.
- D. Assignee is capable of operating an automobile dealership as contemplated by the terms of the Lease and has business experience and management ability that is equal to or greater than that of Assignor.
- E. Assignee's financial condition is sufficient to support the obligations of Lessee under the Lease and any encumbrances secured by the Lease. Assignee is capable of performing all obligations of Lessee under the Lease.
- F. The Assignment will not result in a reduction in the rent, or any other amounts, due under the Lease.
- G. Assignor and Assignee have the legal right and authority to enter into this Consent and each has received all necessary approvals to do so. Assignee has the legal right and authority to enter into the Third Amendment to Lease, and Assignor has executed and delivered to Lessor the Third Amendment to Lease.

4. Consent of Lessor.

- a. Lessor is entering into this Consent and is consenting to the Assignment in reliance on the representations and warranties of Assignor and Assignee in Section 3.
- b. Lessor hereby consents to the Assignment, and consents to the conveyance of Assignor's interest in, to and under the Lease and the Premises to Assignee.

5. Lease Unchanged. This Consent does not amend the Lease. The Third Amendment to Lease will amend the Lease following its execution and approval by the Board of Supervisors. If there is any confusion or contradiction between any term of the Lease, as amended, and this Consent, the terms of the Lease, as amended, will prevail.

6. Governing Law. The laws of the State of California govern all matters arising out of this Consent, with venue in the Superior Court of the County of Contra Costa, California.
7. Notices. From and after the effective date of the Assignment, all notices given to Lessee under the Lease will be sent to the following address:

Future Automotive Concord, Inc.
 2285 Diamond Blvd.
 Concord, CA 94520
 Attn: Rick Boyd (925) 686-5000

The parties are signing this Consent as of the date set forth in the introductory paragraph.

LESSOR

CONTRA COSTA COUNTY, a political
 Subdivision of the State of California

By _____
 Keith Freitas
 Director of Airports

ASSIGNOR

Lithia Real Estate, Inc.
 an Oregon corporation

By _____
 Name
 Title

By _____
 Name
 Title

RECOMMENDED FOR APPROVAL:

By _____
 Beth Lee
 Assistant Director of Airports

ASSIGNEE

Future Automotive Concord, Inc.,
 a California corporation

By _____
 Name
 Title

APPROVED AS TO FORM:

Sharon L. Anderson, County Counsel

By _____
 Stephen M. Siptroth,
 Deputy County Counsel

By _____
 Name
 Title

**THIRD AMENDMENT TO LEASE
BETWEEN CONTRA COSTA COUNTY AND LITHIA REAL ESTATE, INC.**

This Third Amendment to Lease (“**Amendment**”) is dated _____, 2020 (the “**Effective Date**”), and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (“**Lessor**” or “**County**”), and FUTURE AUTOMOTIVE CONCORD, INC, a California corporation (“**Lessee**” or “**Tenant**”). Lessor and Lessee are sometimes collectively referred to as the “**parties**,” and each a “**party**.”

Recitals

- A. County owns fee title to the approximately 6.1-acre parcel of real property better known as 4901 Marsh Drive (the “**Premises**”), in the City of Concord, California, near the Buchanan Field Airport (“**Airport**”).
- B. Lessor entered into a lease (“**Lease**”) dated August 20, 1985, with the Solano Way Partnership, a California General Partnership, for use as an automotive dealership as more specifically described in the Lease. The Lease was amended on May 21, 1996, and on August 17, 1999.
- C. Solano Way Partnership assigned its leasehold interest to Comerica Bank Detroit, a Michigan banking corporation, (“**Comerica**”) as security for a loan pursuant to an Assignment dated January 23, 1990.
- D. Solano Way Partnership further assigned its leasehold interest for the purpose of securing a loan with Chrysler Credit Corporation (“**Chrysler**”) pursuant to an Assignment dated May 1, 1991.
- E. Solano Way Partnership subleased the Premises, with County’s consent, to Lithia Real Estate, Inc., on March 21, 1997.
- F. Solano Way Partnership assigned its leasehold interest to Lithia Real Estate, Inc., an Oregon Corporation, pursuant to an Assignment dated September 21, 1999.
- G. Lithia Real Estate, Inc. assigned its leasehold interest to Crown Automotive, Inc., a California corporation, pursuant to an Assignment dated June 8, 2011.
- H. Crown Automotive, Inc. assigned its leasehold interest to Lithia Real Estate, Inc. pursuant to an Assignment dated October 6, 2015.
- I. Lithia Real Estate, Inc. assigned all of its right, title and interests in the Lease to Tenant pursuant to an Assignment dated January 7, 2020.
- J. Lessor and Tenant desire to amend the Lease in order to modify the term and rent provisions therein. Tenant has agreed to pay the County \$15,000 as consideration for the Lease modifications.

The parties therefore agree to amend the Lease as of the Effective Date, as follows:

Agreement

1. Parties. Each reference to “Lessee” or “Tenant” under the Lease, as amended, shall mean “FUTURE AUTOMOTIVE CONCORD, INC, a California corporation.”

2. Section 4. Term, in the Lease, as amended, is deleted in its entirety and replaced with new Section 4. Term, to read as follows:

4. Term.

A. Initial Term. The initial Lease term (“**Term**”) begins on the Effective Date, and it expires on August 20, 2032.

B. Extensions. Tenant may extend the Term of the Lease up to three times, one extension at a time, each for an additional period of five (5) years (each an “**Extension Period**”), upon all terms, covenants, and conditions set forth herein, and provided both (i) that Tenant is not in default beyond any applicable cure period as of the commencement of the Extension Period, and (ii) that Tenant is not in default on the day an Extension Notice (defined below) is given. Not less than six (6) months prior to the end of the Term, Tenant may request that the Lease be extended by an Extension Period by giving to the Director of Airports written notice (the “**Extension Notice**”) of Tenant’s intention to exercise the option to extend the Term for an Extension Period. Tenant’s failure to timely deliver an Extension Notice shall constitute a waiver of Tenant’s option to extend the Term.

Lease extension period one would commence on August 21, 2032, and end on August 20, 2037. Lease extension period two would commence on August 21, 2037, and end on August 20, 2042. Lease extension period three would commence on August 21, 2042, and end on August 20, 2047.

Upon commencement of an Extension Period, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.

3. Section 5. Rent in the Lease, as previously amended, is hereby deleted in its entirety and replaced with new Section 5. Rent, to read:

5. Rent: Tenant shall make the following payments to Lessor:

A. Upfront Payment. In recognition of this lease effectively extending the 1985 Lease, Tenant shall pay \$15,000 as a non-refundable upfront payment to Lessor on or before January 15, 2020.

B. Initial Rent: Beginning on the Effective Date, Tenant shall pay rent in the amount of Twenty-Five Thousand Four Hundred Thirty-Two and 42/Dollars (\$25,432.42) per month (“**Rent**”).

C. CPI Increases: On January 1, 2021, and on each January 1 thereafter throughout the Term, the Rent will be increased (or remain unchanged, but not decreased) and rounded to the nearest dollar,

according to the change in the Consumer Price Index (“CPI”) for the most recent period ending October 31, based on the CPI Factor (defined below). Any adjustment to Rent based on the CPI Factor may not be by more than ten percent (10%) per annum or 25% over any five (5) year period of Rent then in effect.

- D. No Decrease in Base Rent: In no event will the Rent for any year be less than the Rent in effect during the immediately preceding year. In the event there is a decrease in the CPI, Rent for the years in question will be the same as the rent for the preceding year.
- E. Consumer Price Index Rent Adjustment: The “CPI Factor” means the percentage by which the “Index,” as defined below, for the most recent one-year period ending October 31 has increased over the Index in effect for the immediately preceding one-year period, calculated to the nearest one-tenth of one percent. The term “Index” means the Consumer Price Index, all Urban Consumers, All Items, for the San Francisco-Oakland-San Jose Metropolitan Area (1982–84 = 100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or its successor or a substitute index published as a replacement for that index by said Department or by any other United States governmental agency.

Lessor will notify Tenant of any increase in Rent when Lessor completes the calculation of increased Rent. If such notice is given after the effective date of the increase, Tenant shall pay any increased Rent retroactively to the effective date of the increase.

- F. Late Rental Payments: In the event Tenant fails to pay Lessor any amount due under this Lease within five (5) days after such amount is due, Tenant shall pay to Lessor a late charge of One Hundred and No/100 Dollars (\$100) per occurrence, plus interest on said unpaid balance at a rate of one and one-half percent (1-1/2%) per month, from the date said payment was due and payable until paid in full. Tenant shall pay said late charge on or before the next installment of rent is due. Lessor and Tenant hereby agree that it is and will be impracticable and extremely difficult to ascertain and fix Lessor’s actual damage from any late payments and, thus, that Tenant shall pay as liquidated damages to Lessor the late charge specified in this Section, which is the result of the parties’ reasonable endeavor to estimate fair average compensation for the late payment (other than attorneys’ fees and costs). Lessor’s acceptance of the Late Charge as liquidated damages does not constitute a waiver of Tenant’s default with respect to the overdue amount or prevent Lessor from exercising any of the rights and remedies available to Lessor under this lease.
- G. Form and Place of Payment: All Rent and fees shall be paid in cash or by personal check, certified check, or money order, payable to the County of Contra Costa, and must be received on or before the due date at the Director of Airports Office, 550 Sally Ride Drive, Concord,

California 94520, or at such other place as Lessor may designate from time to time.

H. Returned Checks: If a check written by Tenant is returned for insufficient funds, Lessor may impose a reasonable service charge in addition to any charges imposed by the bank. Lessor may require Tenant to pay Rent by certified check or money order if Tenant's bank or banks have returned one or more personal checks in any twelve (12) month period.

I. Lessor Processing and Transaction Fees: In the event that Tenant requires or requests Lessor's review, investigation, processing, recordation, or any other action in connection with any Tenant document, proposal, or other matter (such as review of a proposed assignment, or other transfer, or estoppel certificate or financing of Leasehold Estate), Tenant shall pay all such costs and expenses incurred by Lessor within thirty (30) days after demand therefor by Lessor.

Tenant shall pay to Lessor a transaction fee ("**Transaction Fee**") of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00), plus all Lessor's costs, including, but not limited to, staff time at rates determined by the County Auditor, for Lessor's time spent in connection with Lessor's reviewing a transaction until said transaction is completed. The Transaction Fee shall be increased by \$500.00 every five years after the Effective Date of this Third Amendment to Lease.

4. Section 18.A. Notice is deleted in its entirety and replaced with new Section 18.A. Notice, to read:

A. Notice. Any and all notices given under this Lease, or otherwise, must be delivered in a sealed envelope addressed to the party intended to receive the same, at its designated address, and either (a) deposited with the United States Post Office as certified mail with postage prepaid, or (b) delivered in person at the receiving party's designated address. Notice is considered effective either (a) 48 hours after the date of the mailing, or (b) when delivered in person at the party's designated address. All notices must be addressed as follows:

Notice to COUNTY: Director of Airports
550 Sally Ride Drive
Concord, California 94520

Notice to LESSEE: Future Automotive Concord, Inc.
2285 Diamond Blvd.
Concord, CA 94520
Attn: Rick Boyd

A party may change its address for notices by providing the other Party written notice in the manner required herein at least 10 business days before the change of address is effective. A party may provide a courtesy

copy of any notice to the other party by email, but a courtesy copy by email does not substitute for providing notice in the manner required under this section.

5. Except as modified herein, each of the terms and conditions of the Lease remain unmodified and continue in full force and effect. In the event of any conflict between the terms and conditions of the Lease and this third amendment, the terms and conditions of this Amendment will prevail.
6. Subject to the assignment and subletting provisions of the Lease, this Amendment binds and inures to the benefit of the parties hereto, their respective heirs, legal representatives, successors, and assigns. Each party hereto, and the persons signing below, warrant that the person signing below on such party's behalf is authorized to do so and to bind such party to the terms of this third amendment.

[The remainder of this page intentionally left blank.]

7. The remaining terms and provisions of the Lease are hereby incorporated in this Amendment as though fully set forth herein.

The parties are signing this Amendment as of the Effective Date first above written.

LESSOR:

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

By: _____
Name: Keith Freitas
Title: Director of Airports

TENANT:

FUTURE AUTOMOTIVE CONCORD, INC.,
a California corporation

By: _____
Name: _____
Title: _____

RECOMMENDED FOR APPROVAL:

By: _____
Name: Beth Lee
Title: Assistant Director of Airports

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Sharon L. Anderson,
County Counsel

By: _____
Name: Stephen M. Siptroth
Title: Deputy County Counsel



Contra
Costa
County

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: January 7, 2020

Subject: Partial settlement of State of California ex rel. OnTheGo Wireless, LLC v. Cellco Partnership d/b/a Verizon Wireless, et al. (Sac. Superior Court)

RECOMMENDATION(S):

APPROVE and AUTHORIZE settlement with Nextel of California, Inc. (dba Sprint Nextel and Nextel Communications) and Sprint Solutions, Inc., (collectively, "Sprint") in the False Claims Act lawsuit *State of California ex rel. OnTheGo Wireless, LLC v. Cellco Partnership d/b/a Verizon Wireless, et al.* (Sacramento Superior Court Case No. 34-2012-00127517), requiring Sprint to pay the County \$61,342.08, as recommended by the Purchasing Agent.

APPROVE and AUTHORIZE the Purchasing Agent to complete and return, on behalf of the County, a consent and release for non-intervenors, to agree to the terms of settlement and to release Sprint from claims that were raised or that could have been raised in the lawsuit.

FISCAL IMPACT:

The County will receive \$61,342.08 in settlement funds from T-Mobile. Funds will be deposited in the General Fund, General Purpose Revenue.

-
- APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Carrie Ricci
925-313-2235

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

This board order authorizes the County to participate in a settlement with Nextel of California, Inc. (dba Sprint Nextel and Nextel Communications) and Sprint Solutions, Inc., (collectively, "Sprint") in a False Claims Act lawsuit filed on behalf of the State of California and several public agencies against several wireless carriers. The lawsuit, *State of California ex rel. OnTheGo Wireless, LLC v. Cellco Partnership d/b/a Verizon Wireless, et al. (Sacramento Superior Court Case No. 34-2012-00127517)*, alleges that several wireless carriers, including Sprint, billed public agencies more than they agreed to bill under multi-agency contracts for wireless services. The County participated in those contracts and paid Sprint approximately \$1,759,835 for wireless services under the contract during the period covered by the lawsuit (2006-2012). The relator OnTheGo Wireless, LLC, ("Relator") litigated this lawsuit on behalf of the State of California, Contra Costa County, and several other cities, counties, and public agencies.

The County received a notice that the Relator has agreed to a settlement with Sprint. This settlement will require Sprint to pay a total of \$9,220,391, plus attorney's fees, for its alleged unlawful conduct. The Court will consider giving final approval of the settlement with Sprint on March 17, 2020. If the Court approves the settlement, and if the County signs and returns a release form by February 18, 2020, the County will receive \$61,342.08 from the Sprint settlement funds. The release form will release Sprint from all claims related to its alleged unlawful billing practices that were raised or could have been raised in this litigation. If the County does not sign and return a release form and the court approves the settlement, the County's settlement amount would be reduced by 10 percent.

The Purchasing Agent recommends approving the partial settlement with Sprint and authorizing the execution and return of a release form, to ensure that the County receives the full amount of its allocation of settlement funds.

CONSEQUENCE OF NEGATIVE ACTION:

If the County takes no action and the court approves the settlement, the County would only receive approximately \$55,200 in settlement funds.



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Claims

RECOMMENDATION(S):

DENY claims filed by Donald Cramer, Ou Feng, Anne Hancock, Stacey Huddleston, Deborah McFadden, Kevin Patterson, Aaron Patrick Pearce, and George West.

FISCAL IMPACT:

No fiscal impact.

BACKGROUND:

Donald Cramer: Personal injury claim for damages arising out of fall in an amount to exceed \$25,000.

Ou Feng: Property claim for damage to fence in the amount of \$531.08

Anne Hancock: Property claim for damages arising out of tax collection in an amount to be determined.

Stacey Huddleston: Property claim for damage to vehicle due to roadway in the amount of \$1,476.60.

Deborah McFadden: Personal injury claim for damages arising out of fall in the amount of \$96,592.

Kevin Patterson: Property claim for damage to vehicle in the amount of \$1,276.53

Aaron Patrick Pearce: Personal injury claim for injuries sustained in motor vehicle accident in the amount of \$20,161,700.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jami Napier,
925-335-1908

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

George West: Property claim for lost personal property in the amount of \$700.

CONSEQUENCE OF NEGATIVE ACTION:

The limitations period in Government Code section 945.6, subsection (a)(1) would not apply to these claimants.



Contra
Costa
County

To: Board of Supervisors
From: Candace Andersen, District II Supervisor
Date: January 7, 2020

Subject: Resolution recognizing January 2020 as Positive Parenting Awareness Month

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: lauri
957-8860

By: , Deputy

cc:

ATTACHMENTS

Resolution 2020/3

*The Board of Supervisors of
Contra Costa County, California*

**In the matter of:
recognizing January 2020 as Positive Parenting Awareness Month.**

Resolution No. 2020/3

raising children and youth to become healthy, confident, capable individuals is the most important job parents and caregivers have; and

WHEREAS, positive parenting strengthens family relationships, increases parents' confidence and promotes children's healthy development; and

WHEREAS, the quality of parenting or caregiving – starting in the prenatal period is one of the most powerful predictors of children's future social, emotional, and physical health; and

WHEREAS, positive parenting can prevent or mitigate the effects of Adverse Childhood Experiences (ACES) such as child abuse, neglect or other traumatic events that can create dangerous levels of stress and impair lifelong health and well-being; and

WHEREAS, many parents and caregivers begin the lifetime job of raising children feeling unprepared, and the social stigma of seeking help prevents many from getting parenting support; and

WHEREAS, in Contra Costa County, families caring for children, including parents, grandparents, foster parents, family members, and other caregivers, receive support from evidence-based positive parenting programs that can equip them with the knowledge and competencies necessary as socio-emotional buffers to mitigate the effects of toxic stress and ACEs; and

WHEREAS, Triple P - Positive Parenting Program, an evidence-based positive parenting program provided by C.O.P.E. Family Support Center, designed to reduce problem behavior in children and teens and improve parents' well-being and parenting skills. Triple P is a research-based, trauma informed parenting program that provides the flexibility to tailor the program to the needs of families and to a variety of service settings, taking into consideration each family's unique issue, strengths and challenges; and

WHEREAS, C.O.P.E. Family Support Center provides evidence-based Supporting Father Involvement (SFI) a program which recognizes the importance of the father's role in their child's life. The goal of the SFI Program is to support and encourage fathers' active involvement in their children's lives by targeting important risk and protective factors; and

WHEREAS, First 5 Contra Costa utilizes Positive Parenting Program (Triple P), Habits of a 24/7 Dad, and Creative Curriculum to encourage age-appropriate, positive and nurturing interactions between caregiver and child; parents and caregivers of children under five years, are more likely to connect with parenting supports when a range of options are provided that target their specific needs; and

WHEREAS, Child Abuse Prevention Council provides free, locally available, parent education to at-risk underserved families. The Nurturing Parenting Program (NPP) a researched-based, 20-week program that offers a non-judgmental, family-strengthening approach to parenting education. This family-centered, trauma-informed curriculum is designed to prevent Adverse Childhood Experiences (ACES) and build nurturing parenting skills as an alternative to abusive and neglectful parenting and childrearing practices; and

WHEREAS, Evidence-based *Make Parenting a Pleasure*, a research-based parenting curriculum, provided by Community Services Bureau Head Start provides trained parent educators to promote child and family well-being at the Head Start Preschools by focusing on parents and their strengths. The key curriculum topics focus on self-care, stress, anger management, gaining an understanding of child development, communication skills and positive discipline; and

WHEREAS, during the month of January, C.O.P.E. Family Support Center, First 5 Centers, Child Abuse Prevention Center, Unified School Districts, Head Start Preschool Centers, Office of Education Court Schools, Contra Costa Behavioral Health Services - MHSA, join in offering evidence-based parenting programs, to increase awareness of the importance of positive parenting and the availability of resources such as Triple P and other evidence-based programs.

the Contra Costa County Board of Supervisors hereby proclaim January 2020 to be the first of many future Annual Positive Parenting Awareness Month celebrations in Contra Costa County, California, and commend this observance to the people of this county.

JOHN GIOIA
Chair, District I Supervisor

CANDACE ANDERSEN
District II Supervisor

DIANE BURGIS
District III Supervisor

KAREN MITCHOFF
District IV Supervisor

FEDERAL D. GLOVER
District V Supervisor

I hereby certify that this is a true and correct copy of an
action taken
and entered on the minutes of the Board of Supervisors on
the date
shown.

ATTESTED: January 7, 2020

David J. Twa,

By: _____, Deputy



**Contra
Costa
County**

To: Board of Supervisors

From:

Date: January 7, 2020

Subject: Recognizing Jo-Anne Linares on her 30 years of service to Contra Costa County

RECOMMENDATION(S):

ADOPT Resolution No. 2020/11 to recognize Jo-Anne Y. Linares, Departmental Personnel Officer, on the occasion of her 30 years of service to Contra Costa County.

FISCAL IMPACT:

There is no fiscal impact for this action.

BACKGROUND:

During her 30 years of dedicated service, Jo-Anne Linares has worn many and varied Personnel hats. Starting her career in the County Human Resources Department as a beginning level clerk and now in Contra Costa Health Services Personnel as a Departmental Personnel Officer. Her work ethic has remained consistent throughout her career. Throughout abundant and lean times, her dedication to public service has never wavered.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Dorette McCollum,
925-957-5240

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

ATTACHMENTS

Resolution
2020/11

*The Board of Supervisors of
Contra Costa County, California*

In the matter of:

Resolution No. 2020/11

Honoring Jo-Anne Y. Linares Upon the Occasion of 30 Years of Service to Contra Costa County

WHEREAS, Ms. Linares began her career in Contra Costa County on January 8, 1990 as a Clerk Beginning Level in the County Human Resources Department.

WHEREAS, Ms. Linares competently performed her assigned duties as the COPERS (County Personnel and Applicant Tracking System) system coordinator and was instrumental in the technical batch processing of personnel transactions and applications. She advanced through the clerical series and on October 1, 1991 she was promoted to Clerk Specialist Level.

WHEREAS, Ms. Linares was promoted on April 1, 2000 to Human Resources Technician then on May 1, 2001, she was promoted to Human Resources Analyst responsible for recruitment and classification areas in support of several County departments as the Fire District, Library, Clerk-Recorder's Office, Employment and Human Services, Retirement Office, Department of Information Technology and Superior Court.

WHEREAS, Ms. Linares was promoted on July 25, 2005 to Management Analyst III in the Human Resources Department then reassigned on May 19, 2006 as a Management Analyst III to the County's Labor Relations Unit to provide employee relations guidance to several county departments with contract interpretation, and facilitate meet and confers, grievances, and labor negotiations between Contra Costa County and various labor unions.

WHEREAS, Ms. Linares transferred to the Contra Costa Health Services Department on December 4, 2006 as a Personnel Services Assistant III and was responsible for providing analytical support and guidance to several divisions including CCRMC and Ambulatory Care, Public Health, Environmental Health, CCHP, and Behavioral Health.

WHEREAS, Ms. Linares was promoted on September 1, 2015 to Health Services Administrator Level C responsible for administrative management and direct supervision of professional and technical staff.

WHEREAS, Ms. Linares' direction and decisions are always consistent with Health Services Department's goals and objectives; she was promoted on December 1, 2018, to Departmental Personnel Officer in the Health Services Department and is designated as the Deputy Director of Health Services Personnel and Payroll. Mrs. Linares is responsible for providing leadership, planning, training, and direct supervision to staff in Health Services Personnel.

WHEREAS, Ms. Linares, during her 30 years of dedicated service, has worn many and varied Human Resources/Personnel hats. She is always resolute to find solutions and always performs her work at the highest standards without deviation. Throughout abundant and lean times, her dedication to service excellence has never wavered.

NOW, THEREFORE, IT IS BY THE BOARD RESOLVED that Jo-Anne Y. Linares, be recognized and thanked for her loyalty, commitment and contributions to Contra Costa County.

JOHN GIOIA

Chair, District I Supervisor

CANDACE ANDERSEN

District II Supervisor

DIANE BURGIS

District III Supervisor

KAREN MITCHOFF

District IV Supervisor

FEDERAL D. GLOVER

District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa,

By: _____, Deputy



Contra
Costa
County

To: Board of Supervisors
From: Candace Andersen, District II Supervisor
Date: January 7, 2020

Subject: APPOINTMENT TO THE FAMILY AND CHILDREN'S TRUST COMMITTEE

RECOMMENDATION(S):

APPOINT the following individual to the District II Seat on the Family and Children's Trust Committee for a term with an expiration date of September 30, 2021, as recommended by Supervisor Candace Andersen:

Mariana Valdez
Walnut Creek, CA 94595

FISCAL IMPACT:

NONE

BACKGROUND:

In 1982 the Board of Supervisors established the Family and Children's Trust (FACT) Committee to make recommendations regarding the allocation of funds for the prevention and intervention services to reduce child abuse and neglect, provide support services for families with children, and promote a more coordinated seamless system of services. In addressing the needs of the community focusing on prevention and intervention services to reduce child abuse and neglect, FACT maintains a committee comprised of individuals with diverse knowledge, backgrounds, and community perspectives regarding community needs to serve families with children.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jill Ray,
925-957-8860

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: District 2 Supervisor, Maddy Book, FACT, Appointee

CONSEQUENCE OF NEGATIVE ACTION:

The seat will be vacant.

CHILDREN'S IMPACT STATEMENT:

NONE



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Medical Staff Appointments and Reappointments – December, 2019

RECOMMENDATION(S):

APPROVE the appointments and re-appointments, privileges, advancements, and voluntary resignations as recommended by the Medical Staff Executive Committee, at their December 16, 2019 meeting, and by the Health Services Director.

FISCAL IMPACT:

This is a non-financial agreement.

BACKGROUND:

The Joint Commission has requested that evidence of Board of Supervisors approval for each Medical Staff member will be placed in his or her Credentials File. The above recommendations for appointment/re-appointment were reviewed by the Credentials Committee and approved by the Medical Executive Committee.

CONSEQUENCE OF NEGATIVE ACTION:

If this action is not approved, the Contra Costa Regional Medical and Contra Costa Health Centers' medical staff would not be appropriately credentialed and not be in compliance with the Joint Commission.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jaspreet Benepal,
925-370-5501

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: James Ham, Marcy Wilhelm

ATTACHMENTS

Appointments, Re-appointments December
2019

A. New Medical Staff Members

Bui, Lamson, Psy.D	Psychiatry/Psychology
Cole, Katherine, DO	Psychiatry/Psychology
Falkenstein, Iryna, MD	Surgery-Ophthalmology
Wadhwa, Gurinder, MD	DFAM

B. Request for Additional Privileges

	<u>Department</u>	<u>Requesting</u>
Mega, Joseph, MD	Emergency Medicine	Emergency Medicine- ANE 3A & ANE 3B
Shah, Naman, MD	OB/GYN	Emergency Medicine- ANE 3
Wright, Courtney, MD	OB/GYN	Emergency Medicine-

ANE 3

C. Advance to Non-Provisional

Barnes, Shawn, MD	Psychiatry/Psychology
Martinez, Yahaira, DDS	Dental
Miles, Jennifer, MD	Psychiatry/Psychology
Wang, Dora-Linda, MD	Psychiatry/Psychology

D. Biennial Reappointments

Changaris, Michael, Psy.D	Psychiatry/Psychology	A
Elangovan, Initha, MD	Internal Medicine	A
Firestein, Talia, MD	DFAM	A
Gent, Lauren, Psy.D	Psychiatry/Psychology	A
He, Chenyin, MD	Internal Medicine	C
Hoffman, Joan, MD	DFAM	C
Johnson, Brian, MD	Hospital Medicine	A
Laimayum, Monica, MD	DFAM	A
Lee, Luke, MD	Psychiatry/Psychology	C
Matthews, Zakee, MD	Psychiatry/Psychology	C
Niameh, Francisca, Psy.D	Psychiatry/Psychology	A
Nanda, Simret, MD	Psychiatry/Psychology	A
Nachtwey, Frederick, MD	Internal Medicine	A
Paige, Thomas, MD	Internal Medicine	A
Pratap, Arati, MD	Internal Medicine	A
Psoinos, Daniel, DO	Psychiatry/Psychology	A
Richey-Lucero, Sara, MD	DFAM	A
Streett, Robert, MD	Psychiatry/Psychology	A
Talwar, Indu, MD	Psychiatry/Psychology	A
Tannenbaum, Jaime, MD	Pediatrics	C
Whalen, Jon, MD	Psychiatry/Psychology	A

E. Voluntary Resignations

Chandler, Alex, MD	Psychiatry/Psychology
Chard, Paul, MD	Internal Medicine
Greenberg, Gary, MD	Anesthesia
Jackson, Neil, MD	OB/GYN
Javid, Rihan, DO	Psychiatry/Psychology
Thomas, Christie, MD	DFAM
Ureste, Peter, MD	Psychiatry/Psychology
Wu, Danny, MD	Internal Medicine



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Appropriation Adjustments for Health Services Department

RECOMMENDATION(S):

APPROVE the proposed Appropriation Adjustments AP005033 for the Health Services Department to properly align revenues and expenditures within the Contra Costa Health Plan (CCHP), Conservatorship, and Health, Housing and Homeless budget units based on actual experience compared to the FY 2019/20 Adopted Budget.

FISCAL IMPACT:

This action increases FY 2019/20 appropriations and revenues by \$207,659,901 to align budgeted numbers with actual experience. No impact to net county cost.

BACKGROUND:

The main budgetary change is related to CCHP. The Department of Health Care Services (DHCS) updated its Medi-Cal capitation rates to include rate increments for its directed payment programs and the Managed Care Organization tax. The rate increments for the directed payment programs are reimbursed by CCHP to designated public hospitals, private hospitals and physicians/providers of eligible services. CCHP functions as a pass through agent for these transactions.

Minor technical adjustments are being made to the Conservatorship and Health, Housing and Homeless programs.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patrick Godley,
925-957-5410

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Bud Decesare, Marcy Wilhelm

ATTACHMENTS

Appropriations and Revenue Adjustment No.
5033

CONTRA COSTA COUNTY
ESTIMATED REVENUE ADJUSTMENT/
ALLOCATION ADJUSTMENT

T/C-24

AUDITOR CONTROLLER USE ONLY


Final Approval Needed By:

BOARD OF SUPERVISORS

COUNTY ADMINISTRATOR

AUDITOR-CONTROLLER

ACCOUNT CODING		DEPARTMENT: 0860: ENTERPRISE FUND 146000 (HMO ENTERPRISE)		
ORG'N.	REVENUE SUB-ACCT.	REVENUE ACCOUNT DESCRIPTION	INCREASE	<DECREASE>
6100	8312	PHP/Medi-Cal Premiums	207,059,901 00	00
			\$ 207,059,901 00	\$ - 00

Approved
AUDITOR - CONTROLLER
By:  Date: 12/23/19

COUNTY ADMINISTRATOR
By: _____ Date: _____

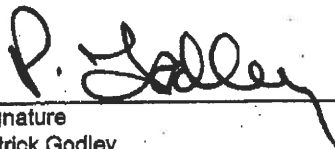
BOARD OF SUPERVISORS
YES:
NO:

By: _____ Date: _____

EXPLANATION OF REQUEST

To adjust FY 2019/20 EF-II appropriations to current estimates.

Increase(Decrease) in Revenues	\$207,059,901
Increase(Decrease) in Expenditures	\$207,059,901
Increase(Decrease) in Co. Subsidy	\$0


Signature: Patrick Godley
Title: HSD CFO/COO
Date: _____
Revnue Adj. Journal No. RA00 5033

CONTRA COSTA COUNTY
 APPROPRIATION ADJUSTMENT/
 ALLOCATION ADJUSTMENT

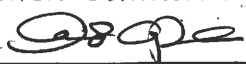
T/C-27

AUDITOR CONTROLLER USE ONLY

Final Approval Needed By:

- BOARD OF SUPERVISORS
 COUNTY ADMINISTRATOR
 AUDITOR-CONTROLLER

ACCOUNT CODING		DEPARTMENT: 0860:ENTERPRISE FUND 146000 (HMO ENTERPRISE)		
ORG'N.	EXPENSE SUB-ACCT.	EXPENDITURE ACCOUNT DESCRIPTION	< DECREASE >	INCREASE
6100	1011	PERMANENT SALARIES	\$522,650	00
6100	2861	MEDICAL-PURCHASED SERVICES		\$94,329,407 00
6100	3580	CONTRIB TO OTHER AGENCIES		\$113,253,144 00
			\$522,650 00	\$207,582,551 00

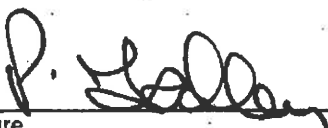
Approved
 AUDITOR - CONTROLLER
 By:  Date: 12/23/19

COUNTY ADMINISTRATOR
 By: _____ Date: _____

BOARD OF SUPERVISORS
 YES:
 NO:
 By: _____ Date: _____

EXPLANATION OF REQUEST
 To adjust FY 2019/20 EF-II appropriations to current estimates.

Increase(Decrease) in Revenues	\$207,059,901
Increase(Decrease) in Expenditures	\$207,059,901
Increase(Decrease) in Co. Subsidy	\$0

Signature:  Title: HSD CFO/COO Date: _____
 Patrick Godley


Appropriation Journal No. AP00 5033

CONTRA COSTA COUNTY
ESTIMATED REVENUE ADJUSTMENT
T/C 24

ACCOUNT CODING		BUDGET UNIT: Conservatorship 0451		page 1 of 1	
ORG'N.	REVENUE SUB-ACCT.	REVENUE ACCOUNT DESCRIPTION	INCREASE	<DECREASE>	
0451	9281	Admin-State Health Misc	100,000	00	
			100,000	00	00

Approved

AUDITOR - CONTROLLER

By:  Date: 12/13/19

COUNTY ADMINISTRATOR

By: _____ Date: _____

BOARD OF SUPERVISORS

YES:

NO:

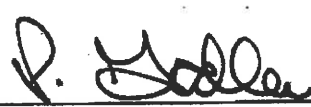
By: _____ Date: _____

EXPLANATION OF REQUEST

To realign budget with projected revenues

Summary:

Expenditure Increase(Decrease)	\$ 100,000
Revenue Increase(Decrease)	100,000
No change in Co. Contrib.	<u>\$ -</u>

 COO/CFO

Signature Title

PATRICK GODLEY

12/17/19 Date

Revenue Adj. Journal NO. RA00 5033

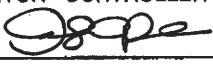
CONTRA COSTA COUNTY
 APPROPRIATION ADJUSTMENT
 T/C 27

AUDITOR CONTROLLER USE ONLY

Final Approval Needed By:

- Board Of Supervisors
 County Administrator

ACCOUNT CODING		BUDGET UNIT: Conservatorship 0451	Page 1 of 1	
ORG'N.	EXPENSE SUB-ACCT.	EXPENDITURE ACCOUNT DESCRIPTION	< DECREASE >	< INCREASE >
0451	1011	Permanent Salaries		100,000 00
			- 00	100,000 00

Approved
 AUDITOR - CONTROLLER
 By:  Date: 12/23/19

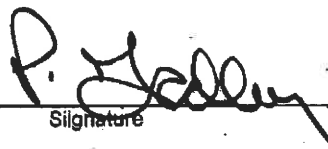
COUNTY ADMINISTRATOR
 By: _____ Date: _____

BOARD OF SUPERVISORS
 YES:
 NO:
 By: _____ Date: _____

EXPLANATION OF REQUEST
 To realign budget with projected expenditures

Summary:


Expenditure Increase(Decrease)	\$	100,000
Revenue Increase(Decrease)		100,000
No change in Co. Contrib.	\$	-

Signature:  Title: _____ Date: 12/17/19

Appropriation Adj. Journal NO. AP00 5033

CONTRA COSTA COUNTY
ESTIMATED REVENUE ADJUSTMENT
TIC 24

ACCOUNT CODING		BUDGET UNIT: Homeless 0463	page 1 of 1	
ORG'N.	REVENUE SUB-ACCT.	REVENUE ACCOUNT DECSRIPTION	INCREASE	<DECREASE>
5731	9281	Admin-State Health Misc	500,000 .00	
			500,000 .00	- .00

Approved
AUDITOR - CONTROLLER
By:  Date: 12/23/19

COUNTY ADMINISTRATOR
By: _____ Date: _____

BOARD OF SUPERVISORS
YES: _____

NO: _____

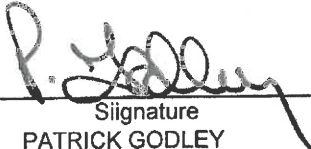
By: _____ Date: _____

EXPLANATION OF REQUEST

To realign budget with projected revenues

Summary:

Expenditure Increase(Decrease)	\$ 500,000
Revenue Increase(Decrease)	500,000
No change in Co. Contrib.	<u>\$ -</u>


Signature
PATRICK GODLEY

COO/CFO
Title
12/17/19
Date

Revenue Adj. Journal NO. RA00 5033

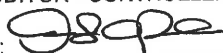
CONTRA COSTA COUNTY
 APPROPRIATION ADJUSTMENT
 T/C 27

AUDITOR CONTROLLER USE ONLY

Final Approval Needed By:

- Board Of Supervisors
 County Administrator

ACCOUNT CODING		BUDGET UNIT: Homeless 0463	Page 1 of 1	
ORG'N.	EXPENSE SUB-ACCT.	EXPENDITURE ACCOUNT DESCRIPTION	< DECREASE >	< INCREASE >
5731	2262	Occ. Cost-Own Bldg.		500,000 .00
			- .00	500,000 .00

Approved
 AUDITOR - CONTROLLER
 By:  Date: 12/23/19

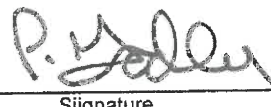
COUNTY ADMINISTRATOR
 By: _____ Date: _____

BOARD OF SUPERVISORS
 YES:
 NO:
 By: _____ Date: _____

EXPLANATION OF REQUEST
 To realign budget with projected expenditures

Summary:

Expenditure Increase(Decrease)	\$ 500,000
Revenue Increase(Decrease)	500,000
No change in Co. Contrib.	<u>\$ -</u>

 12/17/19
 Signature Title Date

Appropriation Adj. Journal NO. AP00 5033



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 7, 2020

Subject: North Richmond Waste and Recovery Mitigation Fee Expenditure Plans - Amended 2018-2019 and Amended 2019-2020

RECOMMENDATION(S):

APPROVE the Amended 2018/2019 North Richmond Waste and Recovery Mitigation Fee Expenditure Plan (Exhibit A), identifying the activities authorized to be funded with Mitigation Fee revenue and corresponding funding allocations for the period of July 1, 2018 through June 30, 2019, as recommended by the North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee.

APPROVE the Amended 2019/2020 North Richmond Waste and Recovery Mitigation Fee Expenditure Plan (Exhibit B), identifying the activities authorized to be funded with Mitigation Fee revenue and corresponding funding allocations for the period of July 1, 2019 through June 30, 2020, as recommended by the North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee.

FISCAL IMPACT:

The proposed action will not have an impact on the County's General Fund. This Mitigation Fee revenue is intended to be used to fund costs incurred by the County and City to implement and oversee the activities (Strategies) authorized to be funded under the approved North Richmond Waste and Recovery Mitigation Fee (NRMF) Expenditure Plans. Each annual Expenditure Plan includes a Contingency line item in the budget to serve as a cushion for potential revenue shortfalls, and staff anticipates that there will be sufficient funding in the Contingency line item of the 2019/2020 budget for this purpose.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Justin Sullivan, (925)
674-7812

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

New Expenditure Plans and/or modifications to existing Expenditure Plans (Amended Expenditure Plans) must be approved by both the County Board of Supervisors and Richmond City Council to officially authorize use of NRMF funding. The NRMF was established for the purpose of mitigating designated impacts resulting from the County and City approved land use permits for the expanded Bulk Material Processing Center located in North Richmond.

Summary of Changes to the 2018/2019 NRMF Expenditure Plan

The North Richmond Waste and Recovery Mitigation Fee Joint Expenditure Planning Committee (NRMFC) recommended 2018/2019 NRMF Expenditure Plan was approved by the County Board of Supervisors in June 2018 and Richmond City Council in July 2018. After the approval of the 2018/2019 Expenditure Plan, County and City staff identified costs incurred in fiscal year 2018/2019 in excess of the amount anticipated for Strategies 2, 4, 9, and Committee Administration/Staffing. On October 30, 2019, the NRMFC voted to recommend that the County Board of Supervisors and Richmond City Council approve an Amended 2018/2019 NRMF Expenditure Plan to move \$67,891.36 from the Contingency line item to increase the funding for Strategies 2, 4, 9, and Committee Administration/Staffing. The revised funding allocations being recommended are shown in the Amended Expenditure Plan Budget Table (page 3 of Exhibit A) .

Summary of Changes to the 2019/2020 NRMF Expenditure Plan

The NRMFC recommended 2019/2020 NRMF Expenditure Plan was approved by the County Board of Supervisors in June 2019 and Richmond City Council in July 2019. On October 30, 2019, the NRMFC voted to recommend that the County Board of Supervisors and Richmond City Council approve an Amended 2019/2020 NRMF Expenditure Plan (Exhibit B) that incorporates the following changes:

- increased funding to strategy 9 to address rounding error,
- wording added to the descriptions for Strategies 4, 5, & 6 regarding assisting with Strategy 9 site identification,
- modified description of Strategy 10 to remove the Adult Softball program and expand the Eco-Workshops to serve all ages, and
- modified wording in Attachment 1 to clarify how advance payments shall be used for projects that do not include supplies/materials.

CONSEQUENCE OF NEGATIVE ACTION:

If the Amended 2018/2019 Expenditure Plan is not approved by the County Board of Supervisors and the Richmond City Council, the County and City would not be eligible to receive reimbursement for the excess costs incurred for the annual period that ended on June 30, 2019. Furthermore, if the Amended 2019/2020 Expenditure Plan is not approved by the Board, activities provided for by the modified Strategy descriptions would not be eligible for reimbursement.

ATTACHMENTS

Exhibit A (2018-2019 EP)

Exhibit B (2019-2020 EP)

North Richmond Waste & Recovery Mitigation Fee Amended 2018/19 Expenditure Plan

The Waste & Recovery Mitigation Fee was established as a result of the Draft Environmental Impact Report (EIR) dated November 2003 for the WCCSL Bulk Materials Processing Center (BMPC) and Related Actions (Project). The Project involved new and expanded processing and resource recovery operations on both the incorporated and unincorporated area of the Project site, which the EIR concluded would impact the host community. To mitigate this impact Mitigation Measure 4-5 called for a Mitigation Fee to benefit the host community, described as follows:

“Mitigation Fee. The facility operator shall pay a Mitigation Fee of an amount to be determined by the applicable permitting authority(ies) **to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond and adjacent areas.** The mitigation fee should be subject to the joint-control of the City and County and should be collected on all solid waste and processible materials received at the facility consistent with the existing mitigation fee collected at the Central IRRF.”

In July 2004, the City of Richmond and Contra Costa County entered into a Memorandum of Understanding (MOU) agreeing to jointly administer Mitigation Fee monies collected from the BMPC for the benefit of the incorporated and unincorporated North Richmond area. This North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee (Committee) was formed pursuant to the terms of the MOU for the specific purpose of preparing a recommended Expenditure Plan. This Expenditure Plan provides a means to jointly administer the Mitigation Fee funding for the benefit of the host community, as described in the EIR. The Expenditure Plan is subject to final approval of the Richmond City Council and the Contra Costa County Board of Supervisors.

By approving this Expenditure Plan, the City Council and Board of Supervisors authorize the use of Mitigation Fee funding for only the purposes and in the amounts specified herein. The City and County have each designated their respective staff persons responsible for administering the development and implementation of the approved Expenditure Plan, which includes responsibility for drafting and interpreting Expenditure Plan language. However, the City and County have not delegated to the Committee or to staff the authority to expend funding for purposes not clearly identified in the Expenditure Plan document officially approved by their respective decision-making bodies.

Activities which can be funded in this Expenditure Plan period with the Mitigation Fee amounts specified within this Expenditure Plan are described herein as “Strategies” or “Staff Costs”. Strategies are categorized as either “Core Services” or “Supplemental Enhancements”. Core Services includes the higher funding priority strategies that most directly address the intended purpose of this City/County approved Mitigation Fee, *“to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond”*.

All references to the “Mitigation Fee Primary Funding Area” or “Mitigation Fee Funding Area” pertain to the geographic area shown in the attached map (Attachment 4).

Expenditure Plan Period:	July 1, 2018 - June 30, 2019 <i>(unless otherwise specified herein)</i>
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BUDGET

The funding allocation amounts included in this document apply to the Expenditure Plan Period specified on the first page unless otherwise specified herein. The total amount of funding allocated in the Expenditure Plan Budget is based on revenue projections provided by the BMPC operator, Republic Service, which are dependent upon multiple variables (e.g. number of tons of recovered materials vs. solid waste, per ton gate rate charged and amount of CPI-adjusted per ton Mitigation Fee). Actual Mitigation Fee revenue may deviate from revenue projections provided by Republic and used to prepare this Budget. A “Contingency” line item is included in the Budget to help accommodate variations between projected and actual revenue. Excess funding allocated to strategies and not expended by the end of each Expenditure Plan period is treated as “roll-over” funding for reallocation in a subsequent Expenditure Plan period.

The Budget includes some line items that are based on fixed costs, however there are other line items which are scalable and/or dependent on utilization thereby providing flexibility to reallocate amounts if and when a significant need is identified. Allocated funding may remain unspent due to under-utilization of a particular program. If the amount allocated to a particular line item is determined to exceed needs based upon usage, the remaining funding can only be reallocated by officially amending the Expenditure Plan. This Expenditure Plan may only be adjusted upon official action taken by both the City and County. Although there has been some interest in allowing flexibility for staff to adjust funding allocations under specific circumstances, the authority to approve or modify the Expenditure Plan rests solely with the City Council and Board of Supervisors.

Annual fiscal year Expenditure Plan cycle is expected to reduce margin of error of Mitigation Fee revenue projects, streamline financial reconciliation/budgeting process and minimize need to amend Expenditure Plans mid-cycle. Amending Expenditure Plans involve administrative burden and costs due to the joint approval needed from both the Richmond City Council and County Board of Supervisors. In order to minimize the amount of funding needed to cover staff costs incurred to amend the Expenditure Plan, staff will only recommend changes to the Expenditure Plan when necessary to address a significant and time-sensitive need.

NORTH RICHMOND MITIGATION FEE EXPENDITURE PLAN BUDGET

		Amended Budget Allocations*	
#	Expenditure Plan (EP) Strategy <i>(EP Cycle: July 1, 2018 thru June 30, 2019)</i>		
Core Services	1	Bulky Item Pick-ups & Disposal Vouchers	\$ 2,000.00
	2	Neighborhood Clean-ups	\$ 36,128.10
	3	Prevention Services Coordinator	\$ 50,726.75
	4	City/County Right-of-Way Pick-up & Tagging Abatement	\$ 33,055.88
	5	Code Enforcement - County	\$ 102,056.22
	6	Illegal Dumping Law Enforcement	\$ 195,349.22
	7	Surveillance Cameras	\$ 2,000.00
Supplemental Enhancements	8	Community Services Coordinator	\$ 90,909.09
	9	Community-Based Projects (See Attachment 2)	\$ 172,180.90
	10	North Richmond Green Community Service Programs	\$ 20,042.00
	11	North Richmond Green Campaign	\$ 10,500.00
	12	Neighborhood Community Garden Projects (See Attachment 3)	\$ 46,733.25
		Contingency (<i>approximately 2.3% of Projected Revenue</i>)	\$ 17,473.93
Subtotal (without Committee Staffing)		\$ 779,155.34	
x	Committee Administration/Staffing	\$ 139,847.55	
Total Projected Revenue in 2018/19 (July 1, 2018 thru June 30, 2019)		\$ 749,247.60	
Unexpended 2016/17 Revenue		\$ 169,755.29	
Total 2018/19 Expenditure Plan Budget		\$ 919,002.89	

* Recommended changes reflected in this Amended 2018/19 EP Budget: Reduce contingency line item by \$67,891.36 to cover the increased allocations recommended for Strategy 2 (\$6,128.10), Strategy 4 (\$3,055.88), Strategy 9 (\$0.05) and Committee Administration/Staffing (\$58,707.33).

DESCRIPTION OF STRATEGIES RECOMMENDED FOR FUNDING

Funding allocation amounts for each strategy are specified in the Budget table on page 3. The following Strategies describe the activities allowed to be funded with the amounts allocated to each in the Budget (associated allowable agency staff costs are described in the Staff Costs section). Strategies are grouped based on relative funding priority levels and the “Core Services” category contains higher priority Strategies than the “Supplemental Enhancements” category. Higher funding priority Strategies are those which best address the Fee’s intended purpose, **“to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond”**) and “Supplemental Enhancements”.

Level 1 Priority - PRIMARY CORE SERVICES STRATEGIES

- 1 - Bulky Item Pick-ups & Disposal Vouchers
- 2 - Neighborhood Clean-up Events
- 4 - City/County Right-of-Way Trash & Tagging Removal
- 5 - Code Enforcement - County
- 6 - Illegal Dumping Law Enforcement

Level 2 Priority - SECONDARY CORE SERVICES STRATEGIES

- 3 - Prevention Services Coordinator
- 7 - Surveillance Cameras

Level 3 Priority - PRIMARY SUPPLEMENTAL ENHANCEMENTS STRATEGIES

- 8 - Community Services Coordinator
- 9 - Community Based Projects (SOME)
- 11 - North Richmond Green Campaign
- 12 – Neighborhood Community Garden Projects

Level 4 Priority - SECONDARY SUPPLEMENTAL ENHANCEMENTS STRATEGIES

- 9 - Community Based Projects (SOME)
- 10 - North Richmond Green Community Service Programs

CORE SERVICES

1. Bulky Item Pick-ups & Disposal Vouchers

Provide residents in the Mitigation Fee Primary Funding Area, who prove eligibility consistent with City/County procedures, with the option of choosing to:

- Request up to one on-call pick-up service per household per calendar year for bulky items that are not accepted in the current on-call clean-ups through Richmond Sanitary Service (RSS), only available to those with an active account with RSS; or
- Request up to twelve \$5 vouchers per household for disposal at Republic’s transfer station on Parr Blvd. per calendar year (vouchers expire after six months, Mitigation Fees only pay for vouchers that are actually redeemed).

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond

Implementing Entity(ies):

Community Housing Development Corporation (*processes requests and issues Disposal Vouchers/arranges Bulky Item Pick-ups*)

Republic Services - Golden Bear Transfer Station & Richmond Sanitary Service (*reimbursed for Disposal Vouchers redeemed and Bulky Item Pick-ups provided*)

Reporting/Payment Requirements: Effective July 1, 2012, CHDC and Republic Services shall provide required data pertinent to Strategy 1 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

2. **Neighborhood Clean-ups**

Provide at least one neighborhood and/or creek clean-up event in the Mitigation Fee Funding Area; additional clean-up event may be scheduled as funding allows. [See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond

Implementing Entity(ies):

City Manager's Office (*coordinates scheduling of clean-up dates and associated arrangements in conjunction with partner entities*)

Republic Services - Richmond Sanitary Service (*reimbursed for providing/servicing clean-up boxes and disposing of debris placed in clean-up boxes*)

Reporting/Payment Requirements: Effective July 1, 2012, the City Manager's Office and Republic Services shall provide required data pertinent to Strategy 2 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

3. **Prevention Services Coordinator**

Fund at least a portion of a Prevention Services Coordinator (PSC) position (including salary/benefits/overhead and administering agency contracting charge¹) on a contract basis to assist the City and County in implementing Strategy 1 as the point of contact for community members interested in claiming Disposal Vouchers or Bulky-Item Pick ups. Assist community members interested in reporting illegal dumping and seeking referral/resources. Track and report data related to illegally dumped waste collected by Republic Services Hot Spot Crew and handle associated referrals to applicable public agencies, including right-of-way referrals

¹ Administering agency contracting charge applies (\$3,000 per contract)

for Strategy 4. The PSC may also assist City and County with administering funding allocated to selected non-profit organizations under Strategies 9 and 12. *[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]*

Administering Agency: City of Richmond & Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC)
*(reimbursed actual cost for part-time position and issues
Disposal Vouchers/arranges Bulky Item Pick-ups)*

Reporting/Payment Requirements: Effective July 1, 2012, CHDC shall provide required data pertinent to Strategy 1 and Strategy 3 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

4. City/County Right-of-Way Pick-up & Tagging Abatement

Fund consolidated pick-up program (including personnel, mileage, equipment rental and administrative costs) for removal of illegal dumping and tagging abatement in the public right-of-way located within the unincorporated & incorporated Mitigation Fee Primary Funding Area. Identify potential sites for Strategy 9 clean-up projects. Funding is intended to pay for removal of illegal dumping that occurs as a result of referrals from the Prevention Services Coordinator for items/debris not collected by the designated Republic Services Hot Spot Route crew.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond

Implementing Entity: Richmond Police Department's Code Enforcement Division

Reporting/Payment Requirements: Effective July 1, 2012, the Richmond Police Department's Code Enforcement Division shall provide required data pertinent to Strategy 4 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

5. Code Enforcement Staff - County

Fund at least a portion of County code enforcement position (including salary/benefits and related vehicle and equipment costs), to assist with vacant/abandoned lot abatements and fencing as well as other health/building/zoning violations related to illegal dumping and blight throughout the unincorporated Mitigation Funding Area. Identify potential sites for Strategy 9 clean-up projects. *[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]*

Administering Agency: Contra Costa County

Implementing Entity: County Department of Conservation & Development's Building Inspection Division

Reporting/Payment Requirements: Effective July 1, 2012, the County Department of Conservation & Development's Building Inspection Division shall provide required data pertinent to Strategy 5 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

6. Illegal Dumping Law Enforcement

Fund majority of a full-time Sheriff Deputy (between approximately 90-100% of salary/benefits, overtime, uniform and related cell phone, equipment, and vehicle costs) to assist with law enforcement investigations and patrols to combat illegal dumping within the Mitigation Fee Primary Funding Area.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: County Sheriff's Office

Reporting/Payment Requirements: Effective July 1, 2012, the County Sheriff's Office shall provide required data pertinent to this Strategy based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

7. Surveillance Cameras

Fund the purchase of cameras, camera infrastructure, camera signage and costs related to maintenance, warranty, repair & relocation of surveillance camera system equipment within the Mitigation Fee Primary Funding Area to assist the dedicated Illegal Dumping Law Enforcement officer in targeting specific locations where illegal dumping occurs most regularly.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity(ies):

Richmond Police Department *(operate, move and maintain eight Pan-Tilt-Zoom wireless video surveillance cameras and associated camera system infrastructure throughout NR -AND- install/clean/move FlashCam cameras located within the incorporated NR area if funding is available)*

County Sheriff's Department *(coordinate monitoring of FlashCams located throughout NR and identify/request relocation of surveillance cameras throughout NR as needed)*

County Public Works Department *(install/clean/move FlashCam cameras located within the unincorporated NR area upon request if funding is available)*

Reporting/Payment Requirements: Effective July 1, 2012, each Implementing Entity shall provide required data pertinent to each entity's applicable Strategy 8 responsibilities based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers) now or in the future.

SUPPLEMENTAL ENHANCEMENTS

8. Community Services Coordinator

Fund at least a portion of a Community Services Coordinator (CSC) position to be staffed on a contract basis (including salary/benefits/overhead and administering agency contracting charge²). The CSC shall:

- serve as a link between the community of North Richmond, the City of Richmond, and Contra Costa County for issues related to beautification, illegal dumping, and blight using referral process identified by the City and County;
- coordinate outreach activities related to illegal dumping and beautification within the Primary Funding area, as specified by the City/County, including North Richmond Green community service programs and outreach activities described under Strategies 10 & 11; and
- be bilingual in order to assist with Spanish translation as needed.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond & Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

9. Community Based Projects

Fund the development, implementation and oversight of a variety of community-based projects with specific focuses on anti-littering, environmental stewardship, blight reduction and/or beautification (including personnel/labor, administrative oversight, materials, equipment and related maintenance costs plus administering agency contracting charges³). Up to 15% of the Non-Profit Implementer Award Amount in Attachment 2 may be used for a fiscal sponsor or administrative oversight. Rather than funding stipend programs separately (including stipends, administrative oversight and related materials/equipment), new community-based projects/programs should include component for stipends, where appropriate, to

²Administering agency contracting charge is \$3,000 per contract.

³Administering agency contracting charge is \$3,000 per contract if directly contracting with City or County (in addition to the 20% allocation described in Administering Agencies section below).

pay local youth and/or other community members for assisting with illegal dumping prevention/abatement or beautification activities within the Mitigation Fee Primary Funding Area. Community Based Projects to be funded were solicited through an open Funding Request Proposal & Application process. Examples of potential project types that may be funded include but are not limited to:

- a. Neighborhood Landscaping Improvements
- b. Community Art Projects (e.g. Tile Art, Murals or Safe Routes/Popsicle Project)
- c. Stipend Beautification Programs

Details, including recommended allocation amounts, for each of the selected Community Based Projects to be funded under this Expenditure Plan are contained in the Community Based Projects Tables included as Attachment 2. *[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]*

Administering Agencies: Contra Costa County and City of Richmond and/or Community Housing Development Corporation (CHDC) on behalf of the City or County. CHDC may, under contract with either the City or County as an Administering Agency, administer Community Based Project contracts funded under this Strategy for some or all of the new Community Based Projects selected for funding in this Expenditure Plan. CHDC shall use no more than twenty (20) percent (%) of the total amount awarded to each Community-Based Project (after subtracting City/County contracting cost) listed in Attachment 2 to oversee project implementation, including facilitating review/assessment of reports' and deliverables. Payments to Implementing Entities for Community-Based Projects shall not be issued by CHDC without the written approval of City and County Committee Staff.

Implementing Entity: Various Non-Profit Organizations (see Community Based Projects Tables in Attachment 2)

Reporting/Payment Requirements: Any Community Based Project contracts issued or amended by the City/County shall incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Community-Based Project contracts being administered by CHDC on behalf of either the City or County shall also incorporate Reporting and Invoicing Requirements equivalent with those shown in Attachment 1. Attachment 1 only applies to Community-Based Project contracts with the Implementing Entities. The City and/or County will issue advance payments to CHDC, as needed, to ensure there is adequate funding available to payments requested by Implementing Entities if and when authorized by City and County Staff. Additionally, CHDC would be subject to contractual payment and reporting provisions that differ from those in Attachment 1 due to the nature of the services to be provided.

10. North Richmond Green Community Services Programs

Fund the following North Richmond Green programs on a contract basis⁴ to the extent the specific details submitted are determined to align with the purpose of the Mitigation Fee and Expenditure Plan:

- *NR Little League Baseball Program* - Includes cost of registration and uniforms with customized North Richmond Green patches for up to 5-6 teams, season kick-off event/parade, equipment, stipends for game monitoring and oversight, food and transportation.
- *NR Youth Twilight Basketball Program* - Includes cost of registration and uniforms with North Richmond Green patches for up to 5-6 teams, equipment, stipends for game monitoring and oversight, food and transportation.
- *NR Eco Workshops* - Projects to include school gardens, recycling efforts, habitat restoration, creek/bay/ocean water quality monitoring, beach/creek/neighborhood clean-ups and ecological field trips. May fund the cost of materials, transportation and fees associated with pre-approved community beautification projects such as landscaping and murals.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond & Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

11. North Richmond Green Campaign

Fund the design, printing and/or distribution of education and outreach materials on a contract basis⁴ which must align with the purpose of the Mitigation Fee and Expenditure Plan and be pre-approved by Committee Staff. Outreach materials must include "Jointly funded by City of Richmond & Contra Costa County" unless otherwise specified herein. Outreach materials may be any of the types specified below, however must clearly intend to directly:

- Inform the community about Mitigation Fee funded programs/efforts,
- Increase participation in Mitigation funded programs/efforts,
- Reduce illegal dumping and blight in the Mitigation Fee Funding Area, and/or
- Promote beautification in the Mitigation Fee Funding Area.

The following type of outreach material expenditures may be funded if reviewed and pre-approved by Committee Staff:

⁴ Administering agency contracting charge applies (\$3,000 per contract)

- STIPENDS – Pay local community members (youth and adults) to distribute printed outreach materials door-to-door to promote mitigation-funded strategies (*Jointly Funded text not applicable to stipend expenses, only materials*)
- HANDOUTS/MAILERS – Newsletters, flyers, brochures or other documents intended to be handed out or mailed to local residents/organizations.
- T-SHIRTS - Shirts shall include the NRGreen.org website to encourage people to learn more about Mitigation funded programs/efforts (*local phone number should also be included when possible, however inclusion of Jointly Funded text may not be required*)
- NR GREEN FESTIVAL – Event held once per year and generally include information booths to raise awareness about mitigation-funded efforts and other local beautification efforts as well as fun activities for kids and food. Materials promoting the event shall include the NRGreen.org website as well as a local phone number.
- SIGNAGE – Printed or manufactured signage, which includes promotional banners for local events/parades, which should include the NRGreen.org website for Community members to learn more about Mitigation funded programs/efforts. Repair, replacement and removal of NRMF-funded Light Pole Banners.

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond & Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

12. Neighborhood Community Garden Projects

Fund on-going maintenance and up-keep of existing community gardens within the Primary Funding Area, which may include a component for stipends, where appropriate, to pay local youth and/or other community members for assisting with Community Garden upkeep and maintenance. Up to 15% of the Non-Profit Implementer Award Amount specified in Attachment 3 may be used for a fiscal sponsor or administrative oversight.

Neighborhood Community Garden Projects to be funded were solicited through an open Funding Request Proposal & Application process. Projects selected under this Strategy could be funded on an on-going basis if separately awarded funding in multiple Expenditure Plan cycles.

Details, including recommended allocation amounts, for each of the selected Neighborhood Community Garden Projects are included in Attachment 3.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agencies: Contra Costa County, City of Richmond and/or Community Housing Development Corporation (CHDC)⁵ on behalf of the City or County. CHDC may, under contract with either the City or County as the Administering Agency, administer Neighborhood Community Garden Project contracts being funded under this Strategy for some or all of the Neighborhood Community Garden Project non-profit organizations selected for funding in this Expenditure Plan. CHDC shall use no more than twenty (20) percent (%) of the total amount awarded to each Project to oversee project implementation, including facilitating review/assessment of reports and deliverables. Payments to Implementing Entities for Neighborhood Community Garden Projects shall not be issued by CHDC without the written approval of both City and County Committee Staff.

Implementing Entity: Various Non-Profit Organizations (see Neighborhood Community Garden Projects Table in Attachment 3)

Reporting/Payment Requirements: Any Neighborhood Community Garden Project contracts issued or amended by the City/County shall incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Neighborhood Community Garden Project contracts being administered by CHDC on behalf of either the City or County shall also incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Attachment 1 only applies to the Neighborhood Community Garden Project contracts with the Implementing Entities. CHDC would be subject to contractual payment and reporting provisions that differ from those in Attachment 1 due to the nature of the services to be provided. The City and/or County will issue advance payments to CHDC, as needed, to ensure there is adequate funding available to payments requested by Implementing Entities if and when authorized by City and County Staff.

STAFF COSTS

Committee Administration/Staffing Funding: The funding allocated for Committee Administration/Staffing may not be adequate to cover the full cost of staff time necessary for jointly staffing the North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee as well as developing, administering and overseeing this Expenditure Plan for the specified period. Supplemental funding allocation may be necessary upon determining actual costs exceed the amount budgeted to cover the intended City/County costs for joint staffing.

Strategy-Specific Funding: The cost of City/County staff time spent providing direct implementation assistance and/or coordination for specific Strategies may be covered with a portion of the NRMF funding budgeted for each applicable Strategy. Additionally, a portion of the NRMF funding budgeted for Strategies will be used to pay fixed

⁵ Administering agency contracting charge applies (\$3,000 per contract)

administering agency contracting charge for each applicable contract (Currently \$3,000 per contract. An additional \$3,000 may be added to a contract amendment to add additional funding or nonprofits to a contract during an existing contract cycle) unless otherwise specified herein.

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Community-Based Project & Neighborhood Community Garden Project Reporting and Invoicing Requirements***Substantially equivalent language to be included in all NRMF-funded Community Project Agreements/Amendments***

Agreements providing for payments using funding allocated for Community Projects must include provisions that address the requirements contained herein. Contractor shall submit Progress Reports covering each invoice period, using a City/County provided template similar to the attached, in conjunction with each monthly invoice in order to be eligible for payment. Contractor shall monitor, document, and report all Project activities associated with the tasks and deliverables described in the agreement and any eligible Project costs for which reimbursement will be requested. Upon completion of work or the end of the contract's term, Contractor shall submit a Final Report, using a City/County provided template similar to the attached, in conjunction with the final invoice.

Task Deliverables

The agreement shall assign a dollar amount for each deliverable within each task. Contractor shall only be paid for completed deliverables submitted with all associated supporting documentation. The agreement may include assignment of one dollar amount to multiple deliverables for a specific task when appropriate to substantiate completion of the required task. The Contracting entity (City of County) may authorize partial payment to Contractor for submittal of incomplete deliverables if solely incomplete due to unusual and unforeseen circumstances beyond the control of the Contractor. Contractor must submit written request asking to receive payment for incomplete deliverable containing an explanation as to what factors beyond the Contractor's control specifically precluded the Contractor from submitting the completed deliverable and why such could not have been foreseen or avoided by Contractor.

Timely Submittal of Invoices

A separate Reporting & Invoicing budget line item shall be included in the agreement to facilitate timely submittal of invoices, progress reports and other deliverables. Submittal of monthly invoices shall be included as a deliverable and the exact amount that is payable upon timely submittal of each invoice complete with all required supporting documentation shall be specified. The agreement shall provide that no portion of the Reporting & Invoicing budget line item be paid to Contractor for invoices submitted beyond 30 days of any monthly invoice period, or without the required documentation including completed Progress Reports.

Pre-approval Required for Supplies and Materials

Unless the exact supplies and materials are specified as preauthorized in the Agreement, Contractor shall obtain pre-approval from the Contracting entity (City or County) prior to incurring supplies and materials expenses for which reimbursement will be requested. To request pre-approval, contractor shall provide written request identifying all proposed supplies and materials as well as an explanation demonstrating its reasonable cost and how said items will aid in the completion of each applicable required task.

Attendance of Community Meetings and Events

Contractor shall attend one North Richmond Green meeting per quarter during the contract period. Documentation substantiating attendance of required meetings shall be included as a deliverable for this task and be included with all applicable monthly invoice(s). Contractor shall

attend first Mitigation Committee meeting following the end of the Expenditure cycle in which their project was funded to present their project outcomes.

Acknowledgment Required on Outreach & Promotional Materials

Any printed outreach materials or promotional items must include “Jointly funded by City of Richmond & Contra Costa County”, with the exception of T-Shirts, which Contractor may request Contracting entity pre-approve to include only the NRGreen.org website address.

Authorized Advance Payments

In order to receive any potential payment in advance, such must be authorized for the specified Project in Attachment 2 or Attachment 3 of the Expenditure Plan approved by both the County Board of Supervisors and Richmond City Council. No Contractor authorized for advance payment may receive more than ten (10) percent (%) of the approved Implementing Entity Award for this Project. In order to receive any advance payment(s) provided for in the City and County approved Expenditure Plan, the Contractor shall submit a written request to both the City and County Committee Staff detailing the reason(s) advance payment is necessary and itemizing each specific cost that the requested advance payment amount (not to exceed 10% of total award) would pay for and how such costs will aid in the completion of each applicable required task.

Conflict of Interest Provisions

Contractor shall not employ, subcontract with, or make payment to any person, for the purpose of implementing a specified Project in Attachment 2 or Attachment 3 of the Expenditure Plan that is at the same time employed by Contra Costa County, City of Richmond or any entity that receives Expenditure Plan funding from the County or the City of Richmond, except upon written approval by the Contracting entity (either City or County).

Payment Provisions

Contractor shall submit invoices and required deliverables on a monthly basis consistent with the amounts and frequency contained in the “Eligible Costs” Section, which together may not total more than \$ (enter applicable contract amount). Contractor will only receive payment for eligible costs if such amounts are included on invoices adequately substantiated with required supporting documentation that are all submitted to the Contracting entity on or before July 30th. Invoices or portions thereof for which required supporting documentation has not been submitted by July 30th (or 30 days after any contract end date prior to June 30th) shall not be eligible for payment.

1. **Invoices:** Invoices shall be submitted monthly and contain the following information in sufficient detail and be submitted in a form, which adequately demonstrates consistency with the “Service Plan” specified in the contract. Invoices shall be accompanied by the applicable deliverables.
 - a. Itemization of any tasks partially or fully completed during the applicable calendar month for which completed deliverables are submitted and associated deliverable payment amount is being requested.
 - b. Itemization of any supplies & materials expenses incurred for which reimbursement is being requested within that invoice period.
2. **Supporting Documentation:** The following required supporting documentation must be submitted with invoices when applicable as described below.

- a. Every invoice must be accompanied by a Progress Report, with the exception of the final invoice, which must be accompanied by a Final Report. Both types of Reports must contain all of the information specified in the City/County provided Report templates, as well as any applicable details specified in the Service Plan as a Contractor's Obligation.
- b. All applicable required deliverables associated with the requested payment amounts itemized on each monthly invoice.
- c. If an invoice is requesting reimbursement of any supplies or materials not pre-authorized in the budget contained in the agreement, such invoice must be accompanied by copies of pre-approval from the Contracting entity, as well as actual itemized invoices or receipts for all applicable supplies and materials. If an invoice is requesting reimbursement for copying or printing, at least one copy of the printed item should accompany the invoice.

City/County shall review submitted invoices and supporting documentation within a reasonable period of time and remit payment to Contractor promptly upon determining the purpose and amount of payment requested are authorized under the Agreement.

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North Richmond Waste & Recovery Mitigation Fee Community-Based Project Progress Report

Organization: _____

Contact Person: _____

Progress Report Period: _____ - _____

Project Expenses to Date: *Attach completed Progress Report to each Invoice being submitted for any reimbursable costs incurred during this Progress Report Period.*

Brief Description of the Project:

Provide a brief description of the project activities/services your Organization is providing with this North Richmond Mitigation Fee (NRMF) funding. Funded activities must be consistent with the signed Agreement.

Tasks Accomplished to Date:

Describe the various tasks that your Organization has completed in whole or in part during the Progress Report Period (can be bullet points). [Save for use/reference when preparing Final Progress Report.]

Materials Produced to Date:

Provide a listing of any materials/documents produced during this Progress Report period as a part of this project (e.g. pictures, surveys, handouts, work products, etc.) and attach copies of each.

Number of Persons Served to Date:

Provide total number served from the NRMF Funding Area during this Progress Report period.

Provide total number served from outside the NR Funding Area during this period.

Provide total number of residents paid with NRMF funding during this period.

North Richmond Green Meeting Attendance to Date:

Specify which monthly North Richmond Green meetings (list meeting dates) your Community Based Project representative(s) attended during this Progress Report period. [Must attend at least once per quarter]

MEETING DATE(s): _____

ATTENDEE NAME(s): _____

Successes to Date:

Identify whether and how your project is addressing the intended problems associated with illegal dumping (be specific). Describe any other beneficial outcomes/success stories resulting from your project activities to date.

Challenges to Date:

List any and all issues/problems (e.g. change in personnel, inadequate public awareness, applicability of regulatory restrictions/requirements, etc.) identified during this period which may impact the project's ability to achieve the intended outcome(s) identified by your Organization. Include all challenges/obstacles/barriers that may inhibit or compromise your ability to address the intended illegal dumping problem(s).

Lessons Learned to Date & Feedback from Participants/Community:

Share any lessons learned from participants, staff and/or the community during this Progress Report period.

Provide any feedback about the NRMF-funded project/program received from participants and/or community members (such as copies of quotes, emails/letters and completed surveys/evaluations).

Other Project Information:

Provide any additional information about your organization's work that did not fit in any of the other sections, including description(s) of any additional services or enhanced activities provided beyond those specified.

North Richmond Waste & Recovery Mitigation Fee Community-Based Project Final Progress Report

Organization: _____

Contact Person: _____

Contract Period: _____ - _____

Final Project Expenses: Attach completed Final Progress Report to the Final Invoice being submitted for any reimbursable costs not included on invoice(s) submitted with prior Progress Report(s).

Brief Description of the Project:

Provide a brief description of the project activities/services your Organization provided with this North Richmond Mitigation Fee (NRMF) funding. Funded activities must be consistent with the terms of your signed Agreement.

Tasks Accomplished:

Describe all project tasks/activities that your Organization completed during the entire contract period. Summarize any work completed not previously reported and consolidate with updated information from prior Progress Reports.

Materials Produced:

Provide a listing of any materials/documents produced as a part of the program (e.g. pictures, surveys, handouts, work products, etc.). Attach copies of anything not included with prior Progress Reports submitted.

Number of Persons Served:

Provide total number served from the NRMF Funding Area during the entire contract period. _____

Provide total number served from outside the NR Funding Area during the entire contract period. _____

Provide total number of residents paid with NRMF funding during the entire contract period. _____

North Richmond Green Meeting Attendance:

Specify which monthly North Richmond Green meetings (list all meeting dates) your Community Based Project representative(s) attended during the contract period. [Must attend at least once per quarter]

MEETING DATE(s): _____ ATTENDEE NAME(s): _____

Successes:

Identify extent to which your project addressed the intended problems associated with illegal dumping and how (be specific). Describe any other beneficial outcomes/success stories resulting from your project activities.

Challenges:

Explain why your Organization was not able to achieve the intended project outcomes and/or address the illegal dumping problems previously identified, if applicable. Include any challenges/obstacles/barriers (e.g. personnel changes, lack of public awareness, previously unknown regulatory restrictions/requirements, etc.) that compromised or inhibited your project's success in addressing problems associated with illegal dumping.

Lessons Learned & Feedback from Participants/Community:

Share any lessons learned from participants, staff and/or the community during the contract period.

Summarize all participant and/or community feedback received about this NRMF-funded project/program (attach any findings/summary of final project evaluation and copies of related documents not previously submitted).

Other Project Information:

Provide any additional information about your organization's work that did not fit in any of the other sections, including description(s) of any additional services or enhanced activities provided beyond those specified.

Attachment 2 - Community Based Projects Table (Strategy 9)

2018/2019 Expenditure Plan Funding Allocations for Projects

The NRMF Committee recommended a total of **\$172,180.85** be allocated in the 2018/2019 Fiscal Year for Community Based Projects (Strategy 9). Total dollar amount was off by \$0.05 when adding up the individual amounts awarded for implementation and contracting, therefore the total should have been **\$172,180.90**. The Committee recommended allocation of this funding based on a Funding Request Proposal released on February 9, 2018 by Committee Staff and Proposals submitted by eligible non-profit organizations on March 6, 2018.¹ The project selections, funding recommendations and number of non-profits selected by the Committee are shown below for the 2018/2019 Expenditure Plan.

Community Based Projects to be funded in 2018/2019								
Implementing Entity Organization / Fiscal Sponsor (if applicable)	Project Title	Advance Payment Allowed (Up to 10% of Implementer Award Amount) Yes/No	Requested Amount	Total Award Amount	County Contracting Cost to Contract with CHDC ²	CHDC Contracting Cost (20%) to Manage Non-Profits	Non-Profit Implementer Award Amount for Project ¹	Notes
City of Richmond	Richmond Tool Lending Library	No	\$ 18,050.00	\$ 22,962.59	\$ 400.09	\$ 4,512.50	\$ 18,050.00	
City of Richmond	Love Your Block	No	\$ 17,490.00	\$ 22,250.16	\$ 387.66	\$ 4,372.50	\$ 17,490.00	
Urban Tilth	Water is Life	No	\$ 29,290.80	\$ 26,781.42	\$ 466.63	\$ 5,262.96	\$ 21,051.83	<i>Total dollar amounts were off due to rounding errors</i>
Social Progress Inc. / Fiscal Sponsor: Greater Richmond Inter-Faith Program	Brighter Beginnings in North Richmond	Yes	\$ 29,999.76	\$ 26,781.42	\$ 466.63	\$ 5,262.96	\$ 21,051.83	
Watershed Project	Curb Appeal	No	\$ 29,986.25	\$ 26,781.42	\$ 466.63	\$ 5,262.96	\$ 21,051.83	
Safe Return / Fiscal Sponsor: Social Good Fund	Home Again Project	Yes	\$ 30,000.00	\$ 26,781.42	\$ 466.63	\$ 5,262.96	\$ 21,051.83	
Men & Women of Valor	Community Working Together	Yes	\$ 20,000.00	\$ 19,842.47	\$ 345.73	\$ 3,899.35	\$ 15,597.39	
Total Funding Requested/Allocated			\$ 174,816.81	\$ 172,180.90	\$ 3,000.00	\$ 33,836.19	\$ 135,344.71	

¹ Funding Proposal Application received by Men & Women of Valor was the wrong application. At their meeting on March 23, 2018, the NRMF Committee gave Men & Women of Valor 30 days to re-submit their application to the NRMF Committee using the correct application and submittal requirements. On April 22, 2018, Committee staff received the correct Funding Proposal application. The Men & Women of Valor Proposal application was considered at the NRMF Committee Meeting on June 8th and allocated funding as shown in this Attachment.

² Costs to have 3rd party organization (CHDC) manage and oversee contracts with Organizations selected for funding is up to twenty (20) percent (%) of award amount after first taking out City/County Contracting cost for \$3,000 for City/County to contract directly with CHDC to have CHDC administer non-profit contracts. Amounts not needed for contracting costs may be made available to pay implementing entities for additional CBP costs.

Attachment 3 - Neighborhood Community Garden Projects (Strategy 12)

2018/2019 Expenditure Plan Funding Allocations for Projects

The NRMF Committee recommended an allocation of **\$46,733.25 for Neighborhood Community Garden Projects**. The Committee recommended allocation of this funding based on a Funding Request Proposal released on February 9, 2018 by Committee Staff and Proposals submitted by eligible non-profit organizations on March 6, 2018. The project selections, funding recommendations and number of non-profits selected by the Committee are shown below for the 2018/2019 Expenditure Plan.

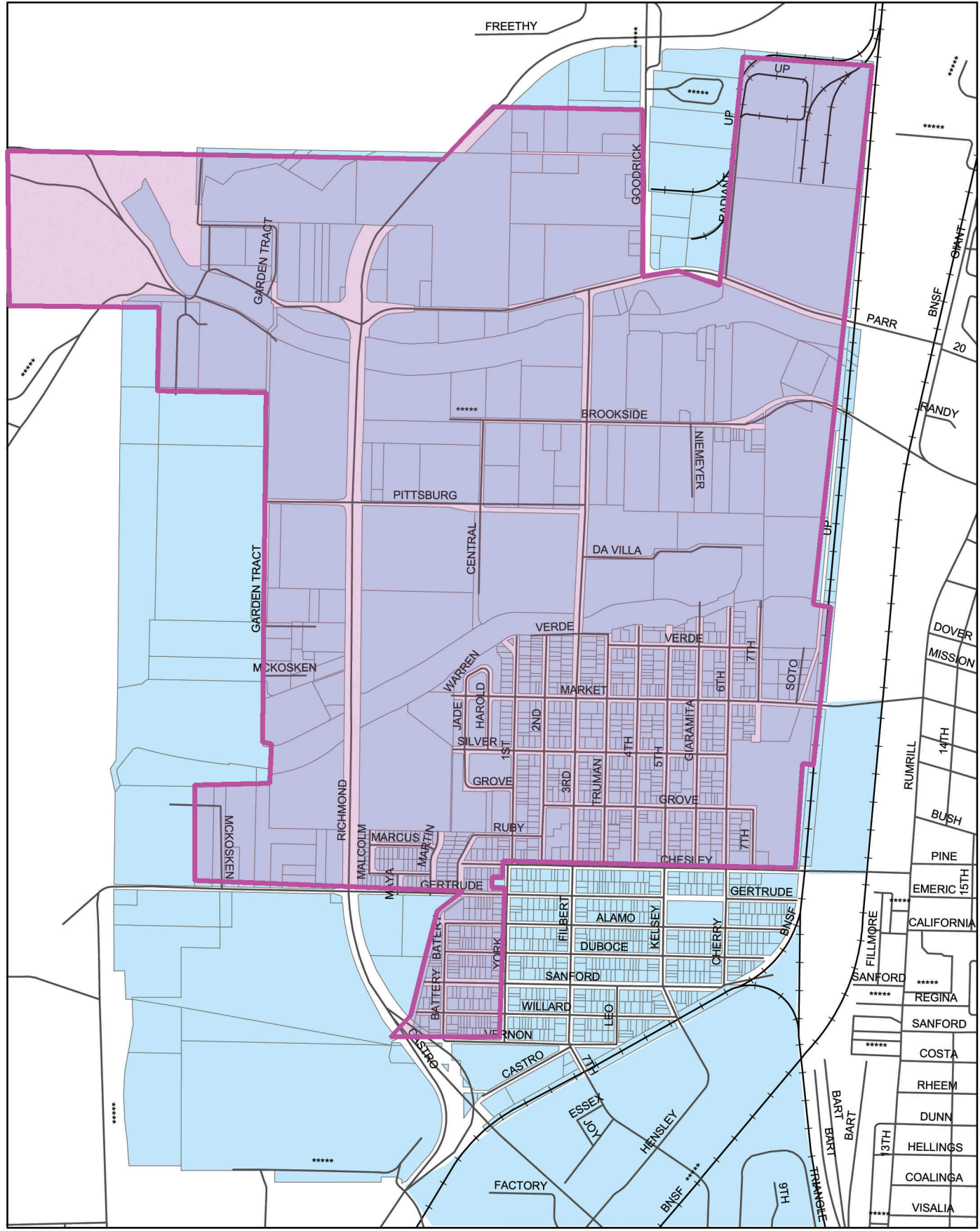
Community Garden Projects to be funded in 2018/2019								
Implementing Entity / Fiscal Sponsor (if applicable)	Project Title	Advance Payment Allowed (Up to 10% of Implementer Award Amount)	Requested Amount	Total Award Amount (Project + Contracting)	County Contracting Cost with CHDC¹	CHDC Contracting Cost (20%) to Manage Non-Profits	Non-Profit Implementer Award Amount for Project	Notes
Urban Tilth	Cultivating Hope: Maintaining North Richmond Gardens	No	\$ 19,894.60	\$ 26,574.15	\$ 1,705.90	\$ 4,973.65	\$ 19,894.60	
Communities United Restoring Mother Earth (CURME) / Greater Richmond Interfaith Program	Lots of Crops	No	\$ 15,092.00	\$ 20,159.10	\$ 1,294.10	\$ 3,773.00	\$ 15,092.00	
Total Funding Allocations			\$ 34,986.60	\$ 46,733.25	3,000.00	8,746.65	\$ 34,986.60	

¹ Costs to have 3rd party organization (CHDC) manage and oversee contracts with Organizations selected for funding is up to twenty (20) percent (%) of award amount after first taking out City/County Contracting cost of \$3,000 for City/County to contract directly with CHDC to have CHDC administer non-profit contracts.


North Richmond Waste & Recovery Mitigation Fee Funding Area

 Incorporated (City)

 Unincorporated (County)

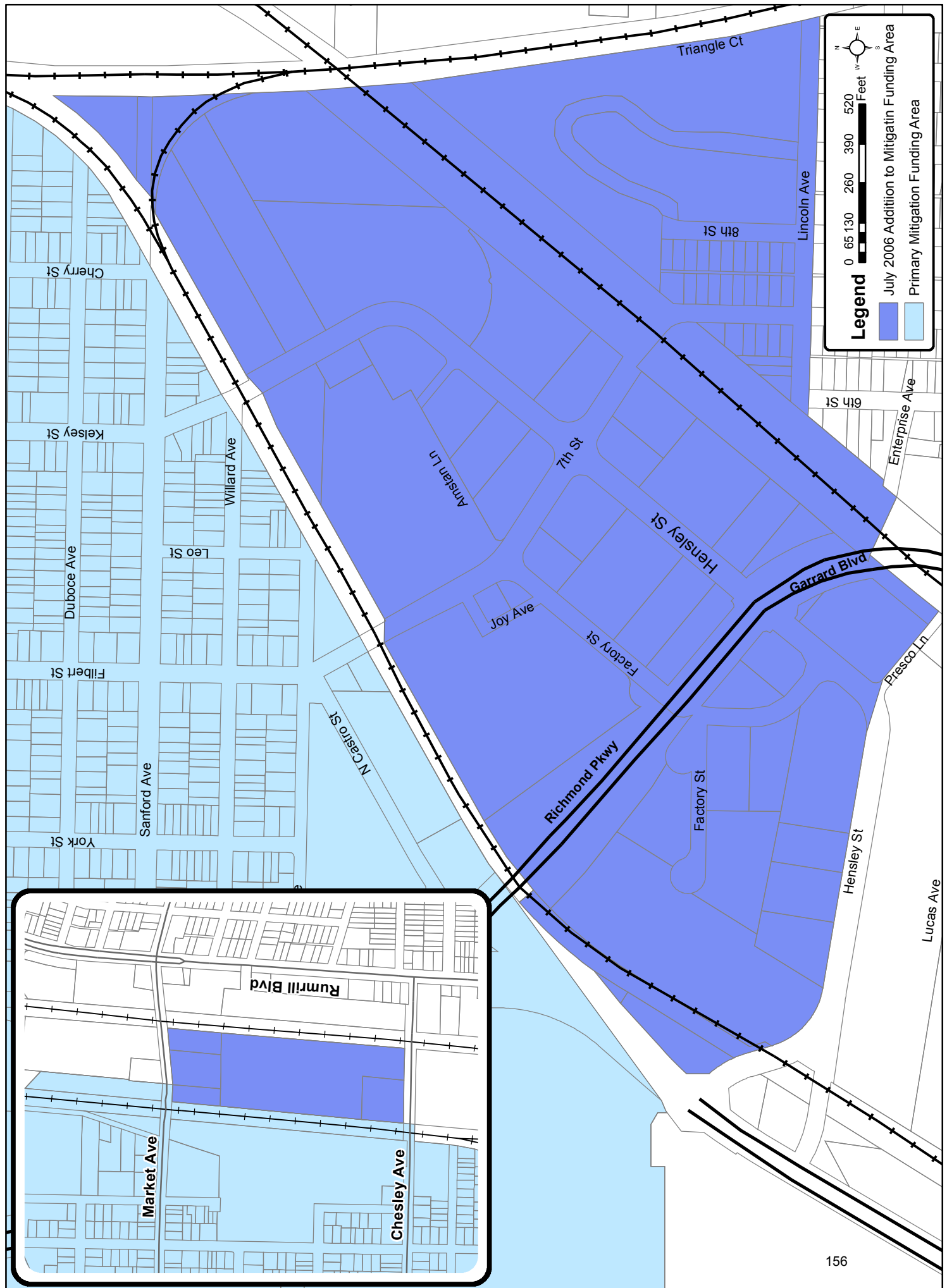


Contra Costa County
Community Development Department

Southern boundary 
shown on back side

Map contains copyrighted information
Revised on 7/28/2006

Committee Approved Additions to Primary Mitigation Funding Area



North Richmond Waste & Recovery Mitigation Fee Amended 2019/20 Expenditure Plan

The Waste & Recovery Mitigation Fee was established as a result of the Draft Environmental Impact Report (EIR) dated November 2003 for the WCCSL Bulk Materials Processing Center (BMPC) and Related Actions (Project). The Project involved new and expanded processing and resource recovery operations on both the incorporated and unincorporated area of the Project site, which the EIR concluded would impact the host community. To mitigate this impact Mitigation Measure 4-5 called for a Mitigation Fee to benefit the host community, described as follows:

“Mitigation Fee. The facility operator shall pay a Mitigation Fee of an amount to be determined by the applicable permitting authority(ies) **to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond and adjacent areas.** The mitigation fee should be subject to the joint-control of the City and County and should be collected on all solid waste and processible materials received at the facility consistent with the existing mitigation fee collected at the Central IRRF.”

In July 2004, the City of Richmond and Contra Costa County entered into a Memorandum of Understanding (MOU) agreeing to jointly administer Mitigation Fee monies collected from the BMPC for the benefit of the incorporated and unincorporated North Richmond area. This North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee (Committee) was formed pursuant to the terms of the MOU for the specific purpose of preparing a recommended Expenditure Plan. This Expenditure Plan provides a means to jointly administer the Mitigation Fee funding for the benefit of the host community, as described in the EIR. The Expenditure Plan is subject to final approval of the Richmond City Council and the Contra Costa County Board of Supervisors.

By approving this Expenditure Plan, the City Council and Board of Supervisors authorize the use of Mitigation Fee funding for only the purposes and in the amounts specified herein. The City and County have each designated their respective staff persons responsible for administering the development and implementation of the approved Expenditure Plan, which includes responsibility for drafting and interpreting Expenditure Plan language. However, the City and County have not delegated to the Committee or to staff the authority to expend funding for purposes not clearly identified in the Expenditure Plan document officially approved by their respective decision-making bodies.

Activities which can be funded in this Expenditure Plan period with the Mitigation Fee amounts specified within this Expenditure Plan are described herein as “Strategies” or “Staff Costs”. Strategies are categorized as either “Core Services” or “Supplemental Enhancements”. Core Services includes the higher funding priority strategies that most directly address the intended purpose of this City/County approved Mitigation Fee, *“to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond”*.

All references to the “Mitigation Fee Primary Funding Area” or “Mitigation Fee Funding Area” pertain to the geographic area shown in the attached map (Attachment 4).

Expenditure Plan Period:	July 1, 2019 - June 30, 2020 <i>(unless otherwise specified herein)</i>
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BUDGET

The funding allocation amounts included in this document apply to the Expenditure Plan Period specified on the first page unless otherwise specified herein. The total amount of funding allocated in the Expenditure Plan Budget is based on revenue projections provided by the BMPC operator, Republic Service, which are dependent upon multiple variables (e.g. number of tons of recovered materials vs. solid waste, per ton gate rate charged and amount of CPI-adjusted per ton Mitigation Fee). Actual Mitigation Fee revenue may deviate from revenue projections provided by Republic and used to prepare this Budget. A “Contingency” line item is included in the Budget to help accommodate variations between projected and actual revenue. Excess funding allocated to strategies and not expended by the end of each Expenditure Plan period is treated as “roll-over” funding for reallocation in a subsequent Expenditure Plan period.

The Budget includes some line items that are based on fixed costs, however there are other line items which are scalable and/or dependent on utilization thereby providing flexibility to reallocate amounts if and when a significant need is identified. Allocated funding may remain unspent due to under-utilization of a particular program. If the amount allocated to a particular line item is determined to exceed needs based upon usage, the remaining funding can only be reallocated by officially amending the Expenditure Plan. This Expenditure Plan may only be adjusted upon official action taken by both the City and County. Although there has been some interest in allowing flexibility for staff to adjust funding allocations under specific circumstances, the authority to approve or modify the Expenditure Plan rests solely with the City Council and Board of Supervisors.

Annual fiscal year Expenditure Plan cycle is expected to reduce margin of error of Mitigation Fee revenue projects, streamline financial reconciliation/budgeting process and minimize need to amend Expenditure Plans mid-cycle. Amending Expenditure Plans involve administrative burden and costs due to the joint approval needed from both the Richmond City Council and County Board of Supervisors. In order to minimize the amount of funding needed to cover staff costs incurred to amend the Expenditure Plan, staff will only recommend changes to the Expenditure Plan when necessary to address a significant and time-sensitive need.

NORTH RICHMOND MITIGATION FEE EXPENDITURE PLAN BUDGET

		Expenditure Plan (EP) Strategy <i>(EP Cycle: July 1, 2019 thru June 30, 2020)</i>	Amended Budget Allocations
		#	
Core Services	1	Bulky Item Pick-ups & Disposal Vouchers	\$ 2,000.00
	2	Neighborhood Clean-ups	\$ 30,000.00
	3	Prevention Services Coordinator	\$ 50,726.75
	4	City/County Right-of-Way Pick-ups	\$ 30,000.00
	5	Code Enforcement - County	\$ 102,056.22
	6	Illegal Dumping Law Enforcement	\$ 195,349.22
	7	Surveillance Cameras	\$ 12,000.00
Supplemental Enhancements	8	Community Services Coordinator	\$ 90,909.09
	9	Community-Based Projects (See Attachment 2)	\$ 142,981.12
	10	North Richmond Green Community Service Programs	\$ 20,042.00
	11	North Richmond Green Campaign	\$ 10,500.00
	12	Neighborhood Community Garden Projects (See Attachment 3)	\$ 46,733.25
		Contingency <i>(10% of Projected Revenue)</i>	\$ 76,459.07
Subtotal (without Committee Staffing)			\$ 809,756.72
x	Committee Administration/Staffing	\$ 109,246.17	
Total Projected Revenue in 2019/20 (July 1, 2019 thru June 30, 2020)			\$ 764,591.00
Roll-over Funding from Prior EP Cycle(s)			\$ 154,411.89
Total 2019/20 Expenditure Plan Budget			\$ 919,002.89

* Modification included in the recommended Amended 2019-20 EP Budget: Shift \$0.03 from Contingency to Strategy 9 - Community Based Projects to correct rounding error.

DESCRIPTION OF STRATEGIES RECOMMENDED FOR FUNDING

Funding allocation amounts for each strategy are specified in the Budget table on page 3. The following Strategies describe the activities allowed to be funded with the amounts allocated to each in the Budget (associated allowable agency staff costs are described in the Staff Costs section). Strategies are grouped based on relative funding priority levels and the “Core Services” category contains higher priority Strategies than the “Supplemental Enhancements” category. Higher funding priority Strategies are those which best address the Fee’s intended purpose, **“to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond”**) and “Supplemental Enhancements”.

Level 1 Priority - PRIMARY CORE SERVICES STRATEGIES

- 1 - Bulky Item Pick-ups & Disposal Vouchers
- 2 - Neighborhood Clean-up Events
- 4 - City/County Right-of-Way Trash & Tagging Removal
- 5 - Code Enforcement - County
- 6 - Illegal Dumping Law Enforcement

Level 2 Priority - SECONDARY CORE SERVICES STRATEGIES

- 3 - Prevention Services Coordinator
- 7 - Surveillance Cameras

Level 3 Priority - PRIMARY SUPPLEMENTAL ENHANCEMENTS STRATEGIES

- 8 - Community Services Coordinator
- 9 - Community Based Projects (SOME)
- 11 - North Richmond Green Campaign
- 12 – Neighborhood Community Garden Projects

Level 4 Priority - SECONDARY SUPPLEMENTAL ENHANCEMENTS STRATEGIES

- 9 - Community Based Projects (SOME)
- 10 - North Richmond Green Community Service Programs

CORE SERVICES

1. Bulky Item Pick-ups & Disposal Vouchers

Provide residents in the Mitigation Fee Primary Funding Area, who prove eligibility consistent with City/County procedures, with the option of choosing to:

- Request up to one on-call pick-up service per household per calendar year for bulky items that are not accepted in the current on-call clean-ups through Richmond Sanitary Service (RSS), only available to those with an active account with RSS; or
- Request up to twelve \$5 vouchers per household for disposal at Republic’s transfer station on Parr Blvd. per calendar year (vouchers expire after six months, Mitigation Fees only pay for vouchers that are actually redeemed).

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond

Implementing Entity(ies):

Community Housing Development Corporation (*processes requests and issues Disposal Vouchers/arranges Bulky Item Pick-ups*)

Republic Services - Golden Bear Transfer Station & Richmond Sanitary Service (*reimbursed for Disposal Vouchers redeemed and Bulky Item Pick-ups provided*)

Reporting/Payment Requirements: Effective July 1, 2012, CHDC and Republic Services shall provide required data pertinent to Strategy 1 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

2. **Neighborhood Clean-ups**

Provide at least one neighborhood and/or creek clean-up event in the Mitigation Fee Funding Area; additional clean-up event may be scheduled as funding allows. [*See "Staff Costs" section for agency activities that may also be funded under this Strategy.*]

Administering Agency: City of Richmond

Implementing Entity(ies):

City Manager's Office (*coordinates scheduling of clean-up dates and associated arrangements in conjunction with partner entities*)

Republic Services - Richmond Sanitary Service (*reimbursed for providing/servicing clean-up boxes and disposing of debris placed in clean-up boxes*)

Reporting/Payment Requirements: Effective July 1, 2012, the City Manager's Office and Republic Services shall provide required data pertinent to Strategy 2 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

3. **Prevention Services Coordinator**

Fund at least a portion of a Prevention Services Coordinator (PSC) position (including salary/benefits/overhead and administering agency contracting charge¹) on a contract basis to assist the City and County in implementing Strategy 1 as the point of contact for community members interested in claiming Disposal Vouchers or Bulky-Item Pick ups. Assist community members interested in reporting illegal dumping and seeking referral/resources. Track and report data related to illegally dumped waste collected by Republic Services Hot Spot Crew and handle associated referrals to applicable public agencies, including right-of-way referrals

¹ Administering agency contracting charge applies (\$3,000 per contract)

for Strategy 4. The PSC may also assist City and County with administering funding allocated to selected non-profit organizations under Strategies 9 and 12.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC)
*(reimbursed actual cost for part-time position and issues
Disposal Vouchers/arranges Bulky Item Pick-ups)*

Reporting/Payment Requirements: Effective July 1, 2012, CHDC shall provide required data pertinent to Strategy 1 and Strategy 3 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

4. City/County Right-of-Way Pick-up & Tagging Abatement

Fund consolidated pick-up program (including personnel, mileage, equipment rental and administrative costs) for removal of illegal dumping and tagging abatement* in the public right-of-way located within the unincorporated & incorporated Mitigation Fee Primary Funding Area. Additional tasks would include identifying potential sites for Strategy 9 clean-up projects. Funding is intended to pay for removal of illegal dumping that occurs as a result of referrals from the Prevention Services Coordinator for items/debris not collected by the designated Republic Services Hot Spot Route crew.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: City of Richmond

Implementing Entity: Richmond Police Department's Code Enforcement Division

Reporting/Payment Requirements: Effective July 1, 2012, the Richmond Police Department's Code Enforcement Division shall provide required data pertinent to Strategy 4 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

5. Code Enforcement Staff - County

Fund at least a portion of County code enforcement position (including salary/benefits and related vehicle and equipment costs), to assist with vacant/abandoned lot abatements and fencing as well as other health/building/zoning violations related to illegal dumping and blight throughout the unincorporated Mitigation Funding Area. Additional tasks would include identifying potential sites for Strategy 9 clean-up projects.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: County Department of Conservation & Development's Building Inspection Division

Reporting/Payment Requirements: Effective July 1, 2012, the County Department of Conservation & Development's Building Inspection Division shall provide required data pertinent to Strategy 5 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

6. Illegal Dumping Law Enforcement

Fund majority of a full-time Sheriff Deputy (between approximately 90-100% of salary/benefits, overtime, uniform and related cell phone, equipment, and vehicle costs) to assist with law enforcement investigations and patrols to combat illegal dumping within the Mitigation Fee Primary Funding Area. Additional tasks would include identifying potential sites for Strategy 9 clean-up projects.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: County Sheriff's Office

Reporting/Payment Requirements: Effective July 1, 2012, the County Sheriff's Office shall provide required data pertinent to this Strategy based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers).

7. Surveillance Cameras

Fund the purchase of cameras, camera infrastructure, camera signage and costs related to maintenance, warranty, repair & relocation of surveillance camera system equipment within the Mitigation Fee Primary Funding Area to assist the dedicated Illegal Dumping Law Enforcement officer in targeting specific locations where illegal dumping occurs most regularly.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity(ies):

Richmond Police Department *(operate, move and maintain eight Pan-Tilt-Zoom wireless video surveillance cameras and associated camera system infrastructure throughout NR -AND- install/clean/move FlashCam cameras located within the incorporated NR area if funding is available)*

County Sheriff's Department *(coordinate monitoring of FlashCams located throughout NR and identify/request relocation of surveillance cameras throughout NR as needed)*

County Public Works Department (*install/clean/move FlashCam cameras located within the unincorporated NR area upon request if funding is available*)

Reporting/Payment Requirements: Effective July 1, 2012, each Implementing Entity shall provide required data pertinent to each entity's applicable Strategy 8 responsibilities based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments (funding transfers) now or in the future.

SUPPLEMENTAL ENHANCEMENTS

8. Community Services Coordinator

Fund at least a portion of a Community Services Coordinator (CSC) position to be staffed on a contract basis (including salary/benefits/overhead and administering agency contracting charge²). The CSC shall:

- serve as a link between the community of North Richmond, the City of Richmond, and Contra Costa County for issues related to beautification, illegal dumping, and blight using referral process identified by the City and County;
- coordinate outreach activities related to illegal dumping and beautification within the Primary Funding area, as specified by the City/County, including North Richmond Green community service programs and outreach activities described under Strategies 10 & 11; and
- be bilingual in order to assist with Spanish translation as needed.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

9. Community Based Projects

Fund the development, implementation and oversight of a variety of community-based projects with specific focuses on anti-littering, environmental stewardship, blight reduction and/or beautification (including personnel/labor, administrative oversight, materials, equipment and related maintenance costs plus administering agency contracting charges³). Up to 15% of the Non-Profit Implementer Award Amount in Attachment 2 may be used for a fiscal sponsor or administrative oversight. Community Based Projects to be funded were solicited through an open Funding Request Proposal & Application process. Examples of potential project types that may be funded include but are not limited to:

²Administering agency contracting charge is \$3,000 per contract.

³Administering agency contracting charge is \$3,000 per contract entered into by the County and up to 20% of the per project funding allocation as described in Administering Agencies section below).

- a. Neighborhood Landscaping Improvements
- b. Community Art Projects (e.g. Tile Art, Murals or Safe Routes/Popsicle Project)
- c. Stipend Beautification Programs

Details, including recommended allocation amounts, for each of the selected Community Based Projects to be funded under this Expenditure Plan are contained in the Community Based Projects Table included as Attachment 2.

[See "Staff Costs" section for agency activities that may also be funded under this Strategy.]

Administering Agencies: Contra Costa County and Community Housing Development Corporation (CHDC) on behalf of the City or County. CHDC may, under contract with the County as a Administering Agency, administer Community Based Project contracts funded under this Strategy for some or all of the new Community Based Projects selected for funding in this Expenditure Plan. CHDC shall use no more than twenty (20) percent (%) of the total amount awarded to each Community-Based Project (after subtracting City/County contracting cost) listed in Attachment 2 to oversee project implementation, including facilitating review/assessment of reports' and deliverables. Payments to Implementing Entities for Community-Based Projects shall not be issued by CHDC without the written approval of City and County Committee Staff.

Implementing Entity: Various Non-Profit Organizations (see Community Based Projects Tables in Attachment 2)

Reporting/Payment Requirements: Any Community Based Project contracts issued or amended by the City/County shall incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Community-Based Project contracts being administered by CHDC on behalf of either the City or County shall also incorporate Reporting and Invoicing Requirements equivalent with those shown in Attachment 1. Attachment 1 only applies to Community-Based Project contracts with the Implementing Entities. The City and/or County will issue advance payments to CHDC, as needed, to ensure there is adequate funding available to payments requested by Implementing Entities if and when authorized by City and County Staff. Additionally, CHDC would be subject to contractual payment and reporting provisions that differ from those in Attachment 1 due to the nature of the services to be provided.

10. North Richmond Green Community Services Programs

Fund the following North Richmond Green programs on a contract basis⁴ to the extent the specific details submitted are determined to align with the purpose of the Mitigation Fee and Expenditure Plan:

- *NR Little League Baseball Program* - Includes cost of registration and uniforms with customized North Richmond Green patches for up to 5-6

teams, season kick-off event/parade, equipment, stipends for game monitoring and oversight, food and transportation.

- *NR Youth Twilight Basketball Program* - Includes cost of registration and uniforms with North Richmond Green patches for up to 5-6 teams, equipment, stipends for game monitoring and oversight, food and transportation.
- *NR Eco Workshops & Beautification Projects* – Eco Workshops and Beautification Projects include school gardens, recycling efforts, beach/creek/neighborhood clean-ups and ecological field trips. May fund the cost of materials, transportation and fees associated with pre-approved community beautification projects such as landscaping and murals.

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

11. North Richmond Green Campaign

Fund the design, printing and/or distribution of education and outreach materials on a contract basis⁴ which must align with the purpose of the Mitigation Fee and Expenditure Plan and be pre-approved by Committee Staff. Outreach materials must include “Jointly funded by City of Richmond & Contra Costa County” unless otherwise specified herein. Outreach materials may be any of the types specified below, however must clearly intend to directly:

- Inform the community about Mitigation Fee funded programs/efforts,
- Increase participation in Mitigation funded programs/efforts,
- Reduce illegal dumping and blight in the Mitigation Fee Funding Area, and/or
- Promote beautification in the Mitigation Fee Funding Area.

The following type of outreach material expenditures may be funded if reviewed and pre-approved by Committee Staff:

- **STIPENDS** – Pay local community members (youth and adults) to distribute printed outreach materials door-to-door to promote mitigation-funded strategies (*Jointly Funded text not applicable to stipend expenses, only materials*)
- **HANDOUTS/MAILERS** – Newsletters, flyers, brochures or other documents intended to be handed out or mailed to local residents/organizations.
- **T-SHIRTS** - Shirts shall include the NRGreen.org website to encourage people to learn more about Mitigation funded programs/efforts (*local phone number should also be included when possible, however inclusion of Jointly Funded text may not be required*)
- **NR GREEN FESTIVAL** – Event held once per year and generally include information booths to raise awareness about mitigation-funded efforts and

⁴ Administering agency contracting charge applies (\$3,000 per contract)

other local beautification efforts as well as fun activities for kids and food. Materials promoting the event shall include the NRGreen.org website as well as a local phone number.

- **SIGNAGE** – Printed or manufactured signage, which includes promotional banners for local events/parades, which should include the NRGreen.org website for Community members to learn more about Mitigation funded programs/efforts. Repair, replacement and removal of NRMF-funded Light Pole Banners.

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agency: Contra Costa County

Implementing Entity: Community Housing Development Corporation (CHDC).

Reporting/Payment Requirements: CHDC shall provide required data pertinent to Strategies 8, 10 & 11 based upon the strategy-specific invoicing/reporting requirements and schedule developed/maintained by Committee Staff in order to receive NRMF-funded payments.

12. Neighborhood Community Garden Projects

Fund on-going maintenance and up-keep of existing community gardens within the Primary Funding Area, which may include a component for stipends, where appropriate, to pay local youth and/or other community members for assisting with Community Garden upkeep and maintenance. Details, including recommended allocation amounts, for each of the selected Neighborhood Community Garden Projects are included in Attachment 3. Up to 15% of the Non-Profit Implementer Award Amount specified in Attachment 3 may be used for a fiscal sponsor or administrative oversight.

Neighborhood Community Garden Projects to be funded were solicited through an open Funding Request Proposal & Application process. Projects selected under this Strategy could be funded on an on-going basis if separately awarded funding in multiple Expenditure Plan cycles.

[See “Staff Costs” section for agency activities that may also be funded under this Strategy.]

Administering Agencies: Contra Costa County⁵ and the Community Housing Development Corporation (CHDC) on behalf of the City or County. CHDC may, under contract with either the City or County as the Administering Agency, administer Neighborhood Community Garden Project contracts being funded under this Strategy for some or all of the Neighborhood Community Garden Project non-profit organizations selected for funding in this Expenditure Plan. CHDC shall use no more than twenty (20) percent (%) of the total amount awarded to each Project to oversee project implementation, including facilitating review/assessment of reports and deliverables. Payments to Implementing Entities for Neighborhood Community Garden Projects shall not be issued by CHDC without the written approval of both City and County Committee Staff.

⁵ Administering agency contracting charge applies (\$3,000 per contract)

Implementing Entity: Various Non-Profit Organizations (see Neighborhood Community Garden Projects Table in Attachment 3)

Reporting/Payment Requirements: Any Neighborhood Community Garden Project contracts issued or amended by the City/County shall incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Neighborhood Community Garden Project contracts being administered by CHDC on behalf of the County shall also incorporate Reporting & Invoicing Requirements equivalent with those shown in Attachment 1. Attachment 1 only applies to the Neighborhood Community Garden Project contracts with the Implementing Entities. CHDC would be subject to contractual payment and reporting provisions that differ from those in Attachment 1 due to the nature of the services to be provided. The County will issue advance payments to CHDC, as needed, to ensure there is adequate funding available to payments requested by Implementing Entities if and when authorized by City and County Staff.

STAFF COSTS

Committee Administration/Staffing Funding: The funding allocated for Committee Administration/Staffing may not be adequate to cover the full cost of staff time necessary for jointly staffing the North Richmond Waste & Recovery Mitigation Fee Joint Expenditure Planning Committee as well as developing, administering and overseeing this Expenditure Plan for the specified period. Supplemental funding allocation may be necessary upon determining actual costs exceed the amount budgeted to cover the intended City/County costs for joint staffing.

Strategy-Specific Funding: The cost of City/County staff time spent providing direct implementation assistance and/or coordination for specific Strategies may be covered with a portion of the NRMF funding budgeted for each applicable Strategy. Additionally, a portion of the NRMF funding budgeted for Strategies will be used to pay fixed administering agency contracting charge for each applicable contract (Currently \$3,000 per contract. An additional \$3,000 may be added to a contract amendment to add additional funding or nonprofits to a contract during an existing contract cycle) unless otherwise specified herein.

Community-Based Project & Neighborhood Community Garden Project Reporting and Invoicing Requirements

Substantially equivalent language to be included in all NRMF-funded Community Project Agreements/Amendments

Agreements providing for payments using funding allocated for Community Projects must include provisions that address the requirements contained herein. Contractor shall submit Progress Reports covering each invoice period, using a City/County provided template similar to the attached, in conjunction with each monthly invoice in order to be eligible for payment. Contractor shall monitor, document, and report all Project activities associated with the tasks and deliverables described in the agreement and any eligible Project costs for which reimbursement will be requested. Upon completion of work or the end of the contract's term, Contractor shall submit a Final Report, using a City/County provided template similar to the attached, in conjunction with the final invoice.

Task Deliverables

The agreement shall assign a dollar amount for each deliverable within each task. Contractor shall only be paid for completed deliverables submitted with all associated supporting documentation. The agreement may include assignment of one dollar amount to multiple deliverables for a specific task when appropriate to substantiate completion of the required task. The Contracting entity (City or County) may authorize partial payment to Contractor for submittal of incomplete deliverables if solely incomplete due to unusual and unforeseen circumstances beyond the control of the Contractor. Contractor must submit written request asking to receive payment for incomplete deliverable containing an explanation as to what factors beyond the Contractor's control specifically precluded the Contractor from submitting the completed deliverable and why such could not have been foreseen or avoided by Contractor.

Timely Submittal of Invoices

A separate Reporting & Invoicing budget line item shall be included in the agreement to facilitate timely submittal of invoices, progress reports and other deliverables. Submittal of monthly invoices shall be included as a deliverable and the exact amount that is payable upon timely submittal of each invoice complete with all required supporting documentation shall be specified. The agreement shall provide that no portion of the Reporting & Invoicing budget line item be paid to Contractor for invoices submitted beyond 30 days of any monthly invoice period, or without the required documentation including completed Progress Reports.

Pre-approval Required for Supplies and Materials

Unless the exact supplies and materials are specified as preauthorized in the Agreement, Contractor shall obtain pre-approval from the Contracting entity (City or County) prior to incurring supplies and materials expenses for which reimbursement will be requested. To request pre-approval, contractor shall provide written request identifying all proposed supplies and materials as well as an explanation demonstrating its reasonable cost and how said items will aid in the completion of each applicable required task.

Attendance of Community Meetings and Events

Contractor shall attend one North Richmond Green meeting per quarter during the contract period. Documentation substantiating attendance of required meetings shall be included as a deliverable for this task and be included with all applicable monthly invoice(s). Contractor shall

attend first Mitigation Committee meeting following the end of the Expenditure cycle in which their project was funded to present their project outcomes.

Acknowledgment Required on Outreach & Promotional Materials

Any printed outreach materials or promotional items must include “Jointly funded by City of Richmond & Contra Costa County”, with the exception of T-Shirts, which Contractor may request Contracting entity pre-approve to include only the NRGreen.org website address.

Authorized Advance Payments

In order to receive any potential payment in advance, such must be authorized for the specified Project in Attachment 2 or Attachment 3 of the Expenditure Plan approved by both the County Board of Supervisors and Richmond City Council. No Contractor authorized for advance payment may receive more than ten (10) percent (%) of the approved Implementing Entity Award for this Project. In order to receive any advance payment(s) provided for in the City and County approved Expenditure Plan, the Contractor shall submit a written request to both the City and County Committee Staff detailing the reason(s) advance payment is necessary and how such costs will aid in the completion of each applicable required task. Advance payment requests must be submitted prior to any other invoice. If an advance payment is issued, Contractor shall not be eligible for an additional payment until one of the following occurs:

1. For advance payments used to purchase supplies or materials allowed in the projects approved budget, documentation is submitted and approved proving that the amount paid in advance was used to purchase the intended supplies and materials.
2. For projects that do not include supplies and materials in the project’s approved budget, enough required deliverable documentation is submitted and approved to offset the amount paid in advance.

Conflict of Interest Provisions

Contractor shall not employ, subcontract with, or make payment to any person, for the purpose of implementing a specified Project in Attachment 2 or Attachment 3 of the Expenditure Plan that is at the same time employed by Contra Costa County, City of Richmond or any entity that receives Expenditure Plan funding from the County or the City of Richmond, except upon written approval by the Contracting entity (either City or County).

Payment Provisions

Contractor shall submit invoices and required deliverables on a monthly basis consistent with the amounts and frequency contained in the “Eligible Costs” Section, which together may not total more than \$ (enter applicable contract amount). Contractor will only receive payment for eligible costs if such amounts are included on invoices adequately substantiated with required supporting documentation that are all submitted to the Contracting entity on or before July 30th. Invoices or portions thereof for which required supporting documentation has not been submitted by July 30th (or 30 days after any contract end date prior to June 30th) shall not be eligible for payment.

1. **Invoices:** Invoices shall be submitted monthly and contain the following information in sufficient detail and be submitted in a form, which adequately demonstrates consistency with the “Service Plan” specified in the contract. Invoices shall be accompanied by the applicable deliverables.

- a. Itemization of any tasks partially or fully completed during the applicable calendar month for which completed deliverables are submitted and associated deliverable payment amount is being requested.
- b. Itemization of any supplies & materials expenses incurred for which reimbursement is being requested within that invoice period.

2. **Supporting Documentation:** The following required supporting documentation must be submitted with invoices when applicable as described below.

- a. Every invoice must be accompanied by a Progress Report, with the exception of the final invoice, which must be accompanied by a Final Report. Both types of Reports must contain all of the information specified in the City/County provided Report templates, as well as any applicable details specified in the Service Plan as a Contractor's Obligation.
- b. All applicable required deliverables associated with the requested payment amounts itemized on each monthly invoice.
- c. If an invoice is requesting reimbursement of any supplies or materials not pre-authorized in the budget contained in the agreement, such invoice must be accompanied by copies of pre-approval from the Contracting entity, as well as actual itemized invoices or receipts for all applicable supplies and materials. If an invoice is requesting reimbursement for copying or printing, at least one copy of the printed item should accompany the invoice.

City/County shall review submitted invoices and supporting documentation within a reasonable period of time and remit payment to Contractor promptly upon determining the purpose and amount of payment requested are authorized under the Agreement.

G:\Conservation\Deidra\Illegal Dumping\BMPC Mitigation Fee Committee_EPs\2019-2020 Exp Plan\Amended 2019-20 EP\NRMF 2019-20 Exp Plan Attachment 1-Amended.doc

North Richmond Waste & Recovery Mitigation Fee Community-Based Project Progress Report

Organization: _____

Contact Person: _____

Progress Report Period: _____ - _____

Project Expenses to Date: *Attach completed Progress Report to each Invoice being submitted for any reimbursable costs incurred during this Progress Report Period.*

Brief Description of the Project:

Provide a brief description of the project activities/services your Organization is providing with this North Richmond Mitigation Fee (NRMF) funding. Funded activities must be consistent with the signed Agreement.

Tasks Accomplished to Date:

Describe the various tasks that your Organization has completed in whole or in part during the Progress Report Period (can be bullet points). [Save for use/reference when preparing Final Progress Report.]

Materials Produced to Date:

Provide a listing of any materials/documents produced during this Progress Report period as a part of this project (e.g. pictures, surveys, handouts, work products, etc.) and attach copies of each.

Number of Persons Served to Date:

Provide total number served from the NRMF Funding Area during this Progress Report period.

Provide total number served from outside the NR Funding Area during this period.

Provide total number of residents paid with NRMF funding during this period.

North Richmond Green Meeting Attendance to Date:

Specify which monthly North Richmond Green meetings (list meeting dates) your Community Based Project representative(s) attended during this Progress Report period. [Must attend at least once per quarter]

MEETING DATE(s): _____

ATTENDEE NAME(s): _____

Successes to Date:

Identify whether and how your project is addressing the intended problems associated with illegal dumping (be specific). Describe any other beneficial outcomes/success stories resulting from your project activities to date.

Challenges to Date:

List any and all issues/problems (e.g. change in personnel, inadequate public awareness, applicability of regulatory restrictions/requirements, etc.) identified during this period which may impact the project's ability to achieve the intended outcome(s) identified by your Organization. Include all challenges/obstacles/barriers that may inhibit or compromise your ability to address the intended illegal dumping problem(s).

Lessons Learned to Date & Feedback from Participants/Community:

Share any lessons learned from participants, staff and/or the community during this Progress Report period.

Provide any feedback about the NRMF-funded project/program received from participants and/or community members (such as copies of quotes, emails/letters and completed surveys/evaluations).

Other Project Information:

Provide any additional information about your organization's work that did not fit in any of the other sections, including description(s) of any additional services or enhanced activities provided beyond those specified.

North Richmond Waste & Recovery Mitigation Fee Community-Based Project Final Progress Report

Organization: _____

Contact Person: _____

Contract Period: _____ - _____

Final Project Expenses: Attach completed Final Progress Report to the Final Invoice being submitted for any reimbursable costs not included on invoice(s) submitted with prior Progress Report(s).

Brief Description of the Project:

Provide a brief description of the project activities/services your Organization provided with this North Richmond Mitigation Fee (NRMF) funding. Funded activities must be consistent with the terms of your signed Agreement.

Tasks Accomplished:

Describe all project tasks/activities that your Organization completed during the entire contract period. Summarize any work completed not previously reported and consolidate with updated information from prior Progress Reports.

Materials Produced:

Provide a listing of any materials/documents produced as a part of the program (e.g. pictures, surveys, handouts, work products, etc.). Attach copies of anything not included with prior Progress Reports submitted.

Number of Persons Served:

Provide total number served from the NRMF Funding Area during the entire contract period. _____

Provide total number served from outside the NR Funding Area during the entire contract period. _____

Provide total number of residents paid with NRMF funding during the entire contract period. _____

North Richmond Green Meeting Attendance:

Specify which monthly North Richmond Green meetings (list all meeting dates) your Community Based Project representative(s) attended during the contract period. [Must attend at least once per quarter]

MEETING DATE(s): _____ ATTENDEE NAME(s): _____

Successes:

Identify extent to which your project addressed the intended problems associated with illegal dumping and how (be specific). Describe any other beneficial outcomes/success stories resulting from your project activities.

Challenges:

Explain why your Organization was not able to achieve the intended project outcomes and/or address the illegal dumping problems previously identified, if applicable. Include any challenges/obstacles/barriers (e.g. personnel changes, lack of public awareness, previously unknown regulatory restrictions/requirements, etc.) that compromised or inhibited your project's success in addressing problems associated with illegal dumping.

Lessons Learned & Feedback from Participants/Community:

Share any lessons learned from participants, staff and/or the community during the contract period.

Summarize all participant and/or community feedback received about this NRMF-funded project/program (attach any findings/summary of final project evaluation and copies of related documents not previously submitted).

Other Project Information:

Provide any additional information about your organization's work that did not fit in any of the other sections, including description(s) of any additional services or enhanced activities provided beyond those specified.

Attachment 2 - Community Based Projects Table (Strategy 9)

2019/20 Expenditure Plan Funding Allocations for Projects - Amended

The NRMF Committee recommended at total of **\$142,981.09 be allocated in the 2019/2020 Fiscal Year for Community Based Projects (Strategy 9)** . Total dollar amount was off by **\$0.03 when adding up the individual amounts awarded for implementation and contracting, therefore the total should have been \$142,981.12**. The Committee recommended allocation of this funding based on a Funding Request Proposal released on February 9, 2018 by Committee Staff and Proposals submitted by eligible non-profit organizations and Agencies on March 6, 2018.¹ The project selections, funding recommendations and number of implementing entities selected by the Committee are shown below for the Amended 2019/2020 Expenditure Plan.

New Community Based Projects Recommended for Funding in 2019/2020

Implementing Entity Organization / Fiscal Sponsor (if applicable)	Project Title	Advance Payment Allowed (Up to 10% of Implementer Award Amount)	Requested Amount	Total Award Amount *	County Contracting Costs ²	CHDC Contracting Cost (20%) to Manage Non-Profits	Non-Profit Implementer Award Amount for Project ¹	Notes
City of Richmond	Richmond Tool Lending Library	No	\$ 18,050.00	\$ 21,050.00	\$ 3,000.00	n/a	\$ 18,050.00	Contracts between County & Implementing Entity (City)
City of Richmond	Love Your Block	No	\$ 17,490.00	\$ 20,490.00	\$ 3,000.00	n/a	\$ 17,490.00	
Urban Tilth	Water is Life	No	\$ 29,290.80	\$ 27,116.74	\$ 801.95	\$ 5,262.96	\$ 21,051.83	County Contract with CHDC Contracts between CHDC & Implementing Entities (Non-Profits) Total dollar amounts were off due to rounding errors
Social Progress Inc. / Greater Richmond Inter-Faith Program	Brighter Beginnings in North Richmond	Yes	\$ 29,999.76	\$ 27,116.74	\$ 801.95	\$ 5,262.96	\$ 21,051.83	
Watershed Project	Curb Appeal	No	\$ 29,986.25	\$ 27,116.74	\$ 801.95	\$ 5,262.96	\$ 21,051.83	
Men & Women of Valor	Community Working Together	Yes	\$ 20,000.00	\$ 20,090.90	\$ 594.16	\$ 3,899.35	\$ 15,597.39	
Total Funding Requested/Allocated			\$ 144,816.81	\$ 142,981.12	\$ 9,000.01	\$ 19,688.23	\$ 114,292.88	

¹ Funding Proposal Application received by Men & Women of Valor was the wrong application. At their meeting on March 23, 2018, the NRMF Committee gave Men & Women of Valor 30 days to re-submit their application to the NRMF Committee using the correct application and submittal requirements. On April 22, 2018, Committee staff received the correct Funding Proposal application. The Men & Women of Valor Proposal application was considered at the NRMF Committee Meeting on June 8th and allocated funding as shown in this Attachment.

² For the non-profit entities, costs to have 3rd party organization (CHDC) manage and oversee contracts with Organizations selected for funding is up to twenty (20) percent (%) of award amount after first taking out City/County Contracting cost for \$3,000 for City/County to contract directly with CHDC to have CHDC administer non-profit contracts. Amounts not needed for contracting costs may be made available to pay implementing entities for additional CBP costs.

Attachment 3 - Neighborhood Community Garden Projects (Strategy 12)

Funding Allocations for 2019/20 Neighborhood Community Garden Projects recommended for City/County approval by the North Richmond Mitigation Fee Committee

The NRMF Committee recommended an allocation of **\$46,733.25 for Neighborhood Community Garden Projects**. The Committee recommended allocation of this funding based on a Funding Request Proposal released on February 9, 2018 by Committee Staff and Proposals submitted by eligible non-profit organizations on March 6, 2018. The project selections, funding recommendations and number of non-profits selected by the Committee are shown below for the 2019/2020 Expenditure Plan.

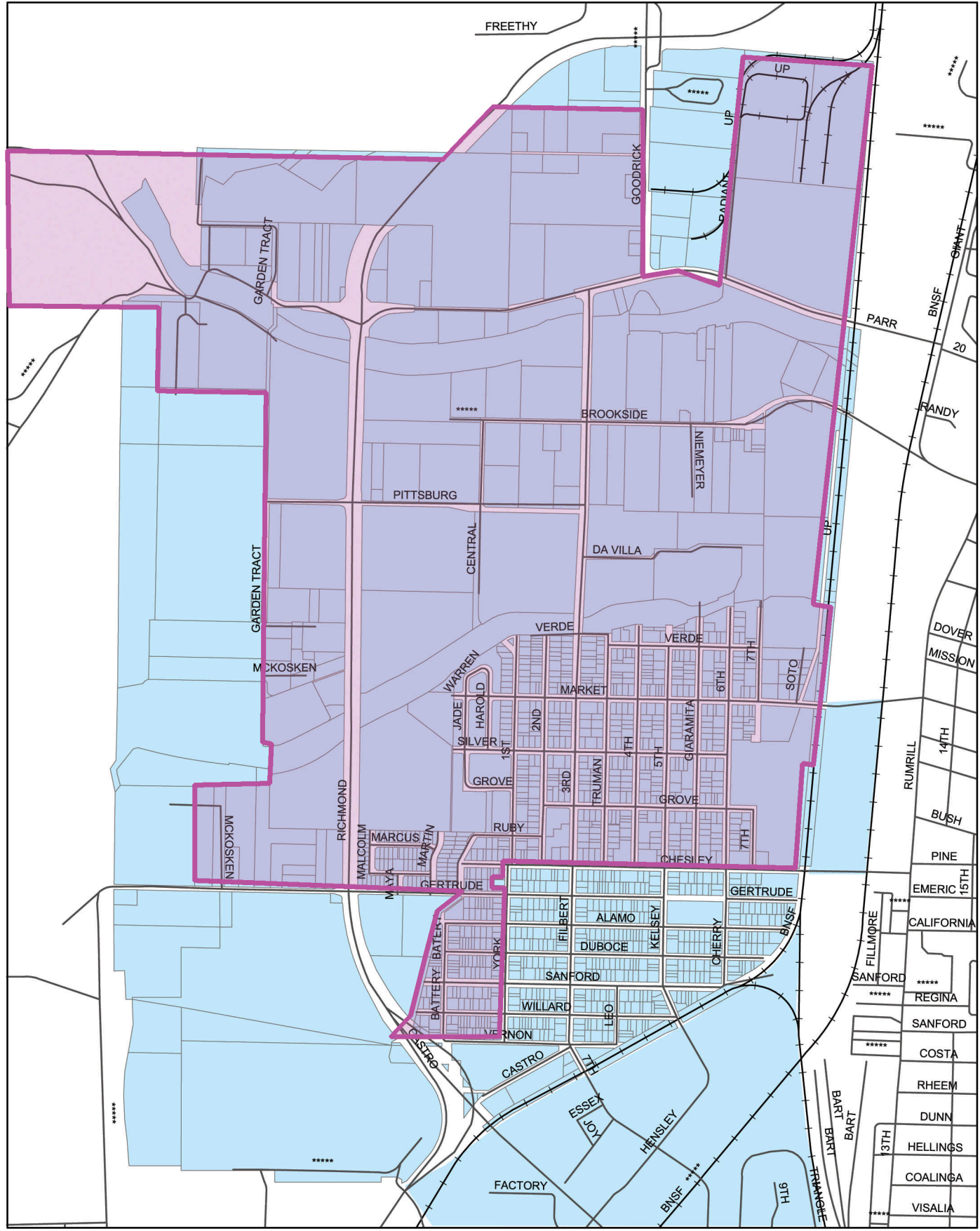
<i>New Neighborhood Community Garden Projects Recommended for Funding in 2019/2020</i>								
Implementing Entity / Fiscal Sponsor (if applicable)	Project Title	Advance Payment Allowed (Up to 10% of Implementer Award Amount) Yes/No	Requested Amount	Total Award Amount	County Contracting Cost with CHDC¹	CHDC Contracting Cost (20%) to Manage Non- Profits	Non-Profit Implementer Award Amount for Project	Notes
Urban Tilth	Cultivating Hope: Maintaining North Richmond Gardens	No	\$ 19,894.60	\$ 26,574.15	\$ 1,705.90	\$ 4,973.65	\$ 19,894.60	
Communities United Restoring Mother Earth (CURME) / Greater Richmond Interfaith Program	Lots of Crops	No	\$ 15,092.00	\$ 20,159.10	\$ 1,294.10	\$ 3,773.00	\$ 15,092.00	
Total Funding Requested/Allocation Recommended			\$ 34,986.60	\$ 46,733.25	3,000.00	8,746.65	\$ 34,986.60	

¹ Costs to have 3rd party organization (CHDC) manage and oversee contracts with Organizations selected for funding is up to twenty (20) percent (%) of award amount after first taking out City/County Contracting cost of \$3,000 for City/County to contract directly with CHDC to have CHDC administer non-profit contracts.


North Richmond Waste & Recovery Mitigation Fee Funding Area

 Incorporated (City)

 Unincorporated (County)

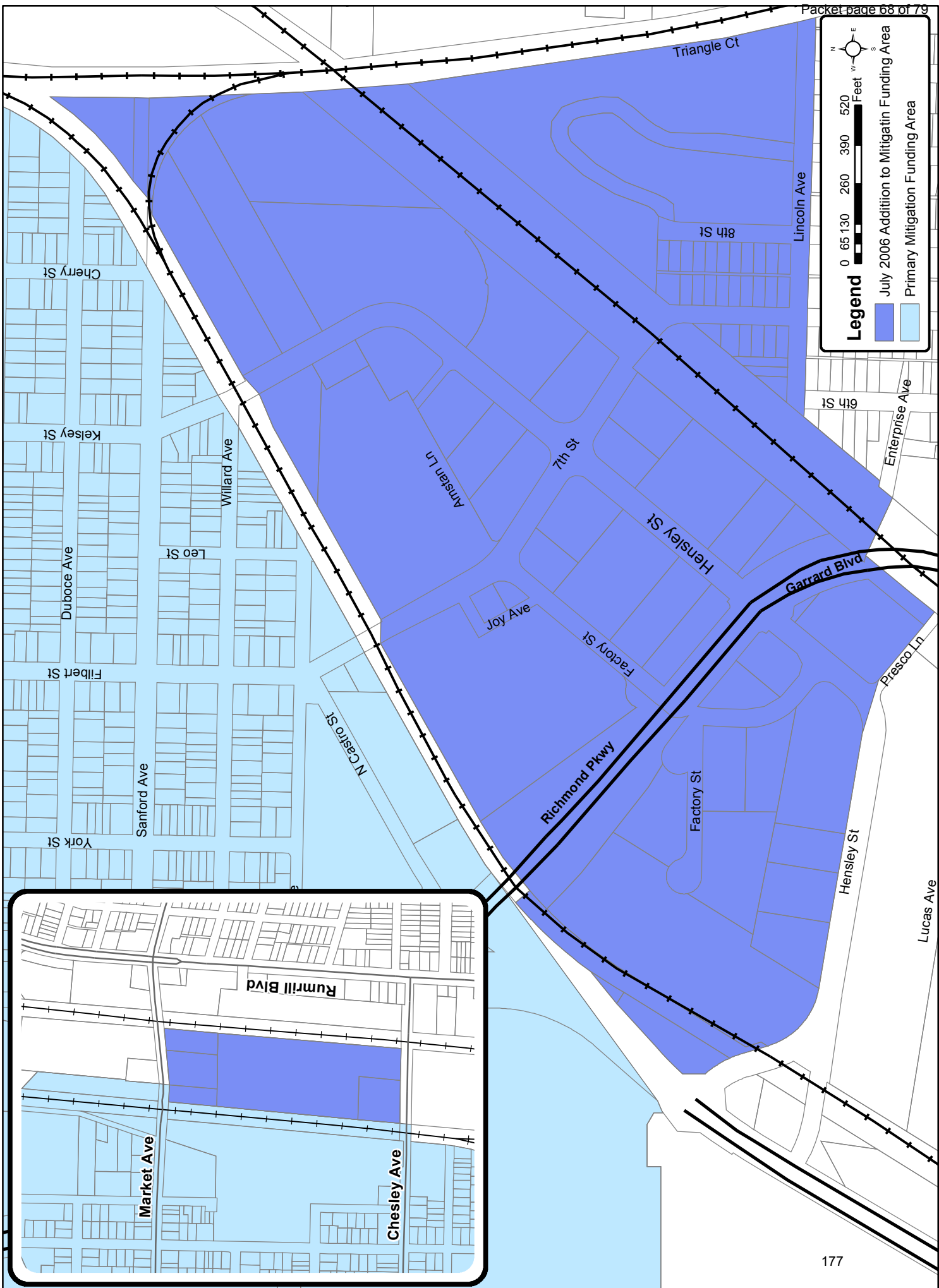


Contra Costa County
Community Development Department

Southern boundary 
shown on back side

Map contains copyrighted information
Revised on 7/28/2006

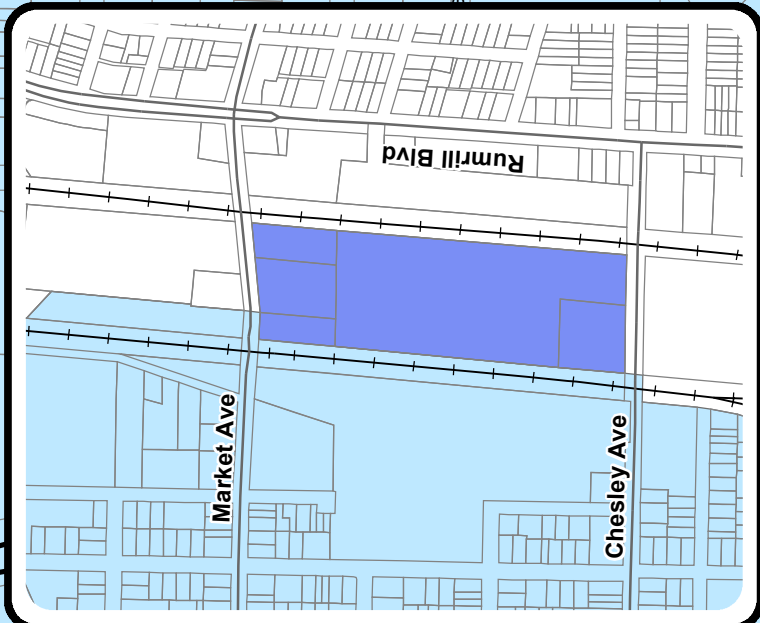
Committee Approved Additions to Primary Mitigation Funding Area



Legend

- July 2006 Addition to Mitigation Funding Area
- Primary Mitigation Funding Area

0 65 130 260 390 520 Feet





**Contra
Costa
County**

To: Board of Supervisors
From: FINANCE COMMITTEE
Date: January 7, 2020

Subject: Proposed Changes to Contract Fees with Cities for Animal Services

RECOMMENDATION(S):

ACCEPT the attached report and recommendations included in the report; DIRECT staff to bring the topic of inadequate resources up at the next Public Managers' Meeting; DIRECT County Administration staff to attend the Animal Services Director meetings with city managers to discuss new contracts and fees; and, include these fees in the FY 2020-21 budget development for the department.

FISCAL IMPACT:

No fiscal impact at this time. If additional department revenues are not secured from contracted cities service levels to contract cities will be reduced.

BACKGROUND:

On June 18, 2019, the Board of Supervisors referred a review of city contract fees for Animal Services to the Finance Committee. The following report was provided to the Finance Committee at its meeting of December 16, 2019.

In the fall of 2017, Contra Costa Animal Services (CCAS) hired the firm City Gate Associates, LLC. (City Gate) to perform a cost analysis of the County's animal services operations for animal control services to contracted cities. The County's primary purpose in conducting this analysis was to develop a factual and analytical study upon which the Department could make critical decisions for financial sustainability. The

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Eric Angstadt (925)
335-1009

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Beth Ward, Animal Services Director

BACKGROUND: (CONT'D)

>
analysis was necessary to identify and begin financial recovery steps and processes for the Department, strengthen its operational and financial foundation to position itself for success, both short and long-term, and enhance its services for the future to adequately serve our community residents and care for our animals.

The report of the analysis was provided in early 2018 and action steps were already in place to address operational efficiencies and to create clear and realistic budget recommendations for FY 2018/19. The efforts to strengthen core financial and operational activities included working with the County Administrator's Office (CAO) on our budget and forecasting, updating the current Department fee schedule, developing Standard Operating Procedures (SOP's), increasing staff training, evaluating key programs to improve efficiencies (examples: phone services, customer wait times, field service response times, etc), and filling funded vacant positions.

The next phase was to address the impacts of population growth in Contra Costa County and the service demands of the residents we serve. Contra Costa County population has increased by nearly 10% since 2010 in the contracted cities and unincorporated areas that we serve. The analysis contained research and comparison of services provided by other similar animal control agencies by assessing these agencies' costs and revenues, including, but not limited to, personnel, operations, and service delivery models. Bay area traffic has grown over 80% since 2010, which has created more challenges for Animal Service Officers to respond to calls in a timely manner for dangerous, sick and injured animals and for members of the public trying to reach our shelters to search for their lost animals, bring in strays and use our services. Another key factor impacting the cost of providing field and shelter services is the state mandate to accept stray animals and the community's desire to have a place to safely surrender a pet that they no longer have the ability keep. This resulted in the Department receiving many challenging animals that are impounded into Contra Costa County shelters. These animals can require extensive resources to get them to an adoptable state as defined by the California Food and Agricultural Code 17005 (established in 1998) which reads:

“Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken back into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no signs of disease, injury, or congenital or hereditary condition that adversely affects the health of the animal or that is likely to adversely affect the animal's health in the future”

Other key factors included the need of the community to retrieve stray animals, responding to injured animals, picking up deceased animals, supporting families who may have been at risk due to a biting animal, investigating animal cruelty, etc.

Our current contract fee structure does not allow CCAS to keep up with the services the residents we serve desire to have available. Based on the Department's current staffing levels and response times to our communities, CCAS needs to increase the levels of staffing to appropriately care for the animals and to serve our community in a timely manner. As described in the City Gate report, the County has the authority to charge user fees for animal control services, such as those services provided by CCAS to the 18 contracted cities and unincorporated County areas per capita based on the population of each jurisdiction. The fees charged by the County must not be more than the estimated cost that the County

incurs to provide the services for which the fees are charged. The main cost the County incurs providing animal control, husbandry and veterinary care and services is the cost of County staff time.

Summary of Key Findings:

CCAS city contracts were established in 1985. The contract stipulates services for mandated programs and the enforcement of all animal related laws. The fees were based on Department costs at that time and on a city's population (per capita). In May of 2005, the Board of Supervisors granted approval for the Animal Services Department to increase city contracts each fiscal year based on the municipality's population growth and the Consumer Price Index (CPI) percentage. There was no adjustment for the drastic increase in costs for providing services as a baseline. These annual increases at approximately 3.5% per year have not generated sufficient revenue allocations to cover the increased expenses for providing animal control services throughout Contra Costa County. Personnel costs account for over 72% of the Department's budget. City Contract revenues remained flat from FY2010/11 to FY2014/15 due to the Board waiving the annual CPI increases during the economic downturn, while operational and personnel expenses continued to rise.

In the City Gate, LLC. report, it highlights in Section 1.2.2 "Post-Great-Recession Rebuild" that the Department has suffered a significant turnover in leadership, budget cuts, and had difficulty with personnel retention and recruitment. In parallel, the demand from the public and animal advocates around the "No Kill" movement increased the Department's expectations to provide a higher level of veterinary care, which increased the operational cost for medical services for shelter animals. The City Gate report indicates the public expectation has become that shelters can achieve a goal of saving 90% of all sheltered dogs and cats. In FY 2015/16, the Department began to assess its cost for services to the contract cities. The internal financial analysis determined that the cost for services are far greater to provide contracted animal control services to the 18 Cities, which is discussed in the City Gate report in Section 4.2.2.

In FY 2017/18, the Department implemented strong financial strategies with the support of the County Administrator's Office that were discussed in Section 5 of the City Gate, LLC. Report. The action items that were implemented have provided the Department a financial baseline on what the personnel, operational and community service levels are, and what they must be to provide adequate care for our animals and the staffing levels needed to provide public safety for our community members.

Recommendations:

In order for the Department to sustain current services levels, along with the County's population growth, the Department recommends the formula for city contract fees would be current per capita fee (\$6.38) multiplied by the Bay Area CPI, which is estimated at 3.5% plus \$1.00 for five (5) years as a method for spreading the fee increase out over time to ease the impact on the contract cities:

FY 20/21 - \$ 7.60

FY 21/22 - \$ 8.87

FY 22/23 - \$10.18

FY 23/24 - \$11.54

FY 24/25 - \$12.94

Committee Direction:

The following report was provided to the Finance Committee at its meeting of December 16, 2019. The Committee accepted the report and recommendations included in the report and directed staff to bring the topic of inadequate resources up at the next Public Managers' Meeting. Additional direction included County Administration staff joining Beth Ward to attend individual meetings with city managers to discuss new contracts and fees. Peter Wilson from Project Delta View Cats spoke in support of

additional resources to address the needs of the community. Staff was directed to bring the recommendations to the full Board of Supervisors.

CONSEQUENCE OF NEGATIVE ACTION:

If these actions are not implemented the Department will not have the adequate resources to sustain its current service levels. The gap between the Department's budget revenues and actual expenses will negatively impact the communities and animals in Contra Costa County.

The immediate impact if the Department recommendations are not approved will be:

1. Minimize public shelter service hours
2. After hours Field Operation Services will need to be eliminated
3. Eliminate deceased animal pickups, which would have to become the responsibility of each City and the County's Public Works Departments.
4. The population of sheltered animals would have to be controlled significantly through euthanasia for animals with treatable conditions outside of the Department's veterinary scope of services and financial resources.

Additionally, if cities decline to agree to new contracts and fee structures then CCAS would stop providing services other than those required by State statute to those cities. The cities who may choose not to contract with the County would then be responsible for enforcement of their own animal control ordinances, management of stray animals in their jurisdictions similar to how the City of Antioch currently operates independent of the County.

ATTACHMENTS

FY 2020-21 City Fee Proposal

CONTRA COSTA ANIMAL SERVICES FY 2020/21 CITY CONTRACTS PROPOSAL



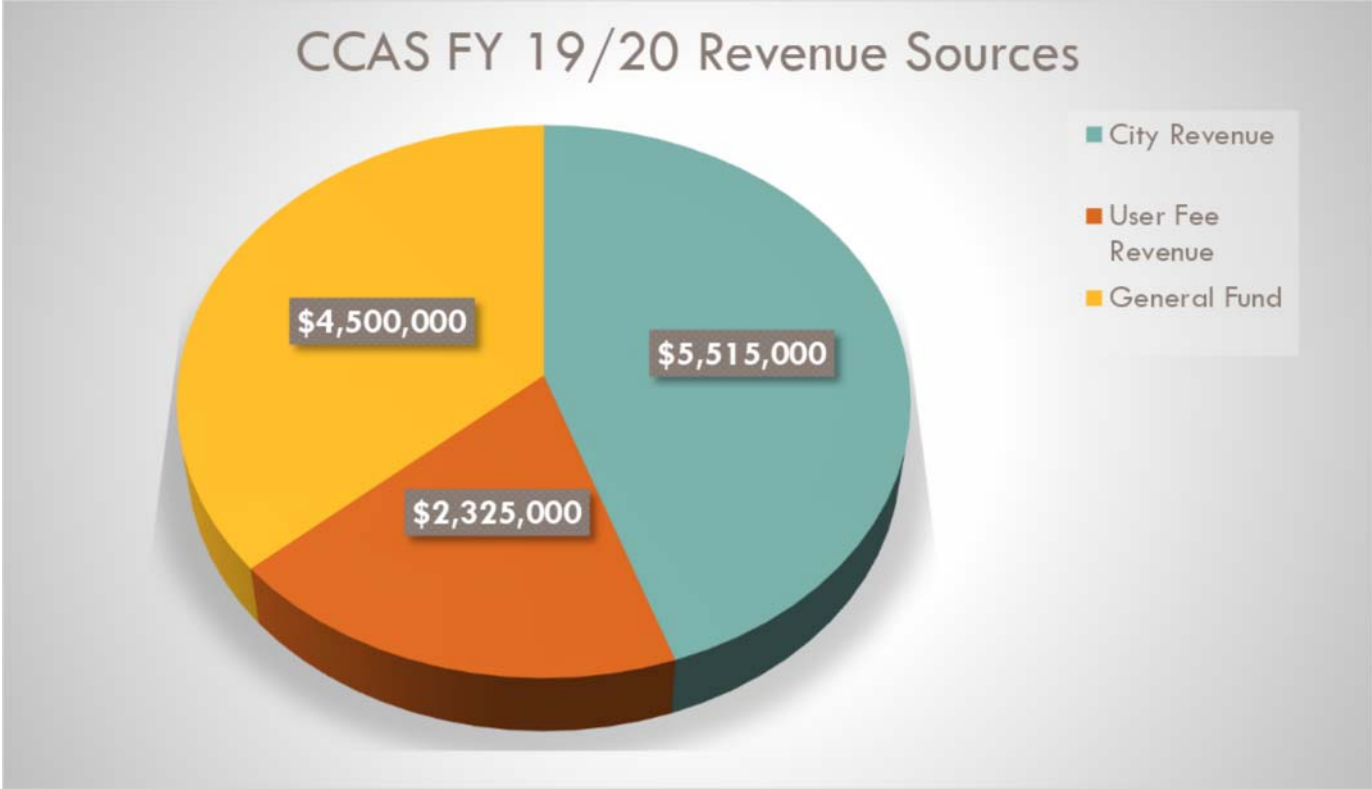
NOVEMBER 4, 2019

City Contract History

2

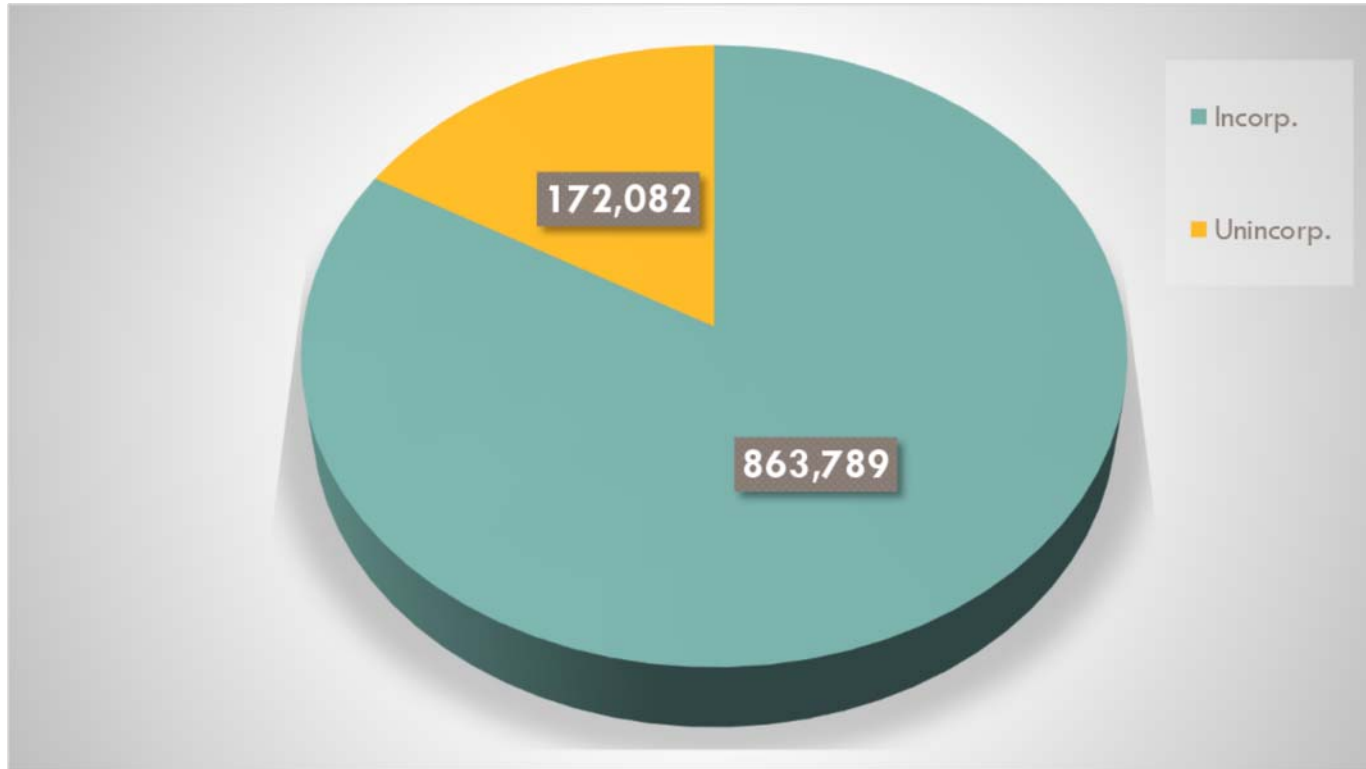
- CCAS city contracts were established in 1985. The contracts stipulate services for mandated programs and the enforcement of all animal related laws. The fees were based on Department costs at that time and on a city's population (per capita).
- In May of 2005, the Board of Supervisors granted approval, and the Cities agreed, that Animal Services Department would increase city contract fees each fiscal year based on the municipality's population growth and the Consumer Price Index (CPI) percentage.

CCAS Department Revenues



2018 Contra Costa County Incorporated (excluding the City of Antioch) & Unincorporated Population

4



City Contract Challenges

5

- Beginning in FY 2014/15 to present the annual CPI increases have averaged 3.5%, which have not generated sufficient revenue allocations to cover operational expenses, which have increased on averaged at just under 7% per year for providing animal control services throughout Contra Costa County.
- Contra Costa population has increased by nearly 10% since 2010 in the contracted cities that the department serves.
- Since 2010 Bay Area traffic has grown over 80%, which has created more challenges for Animal Services Officers to respond to calls in a timely manner for dangerous, sick and injured animals.

CCAS Operational & Personnel Expenses

6

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<i>Personnel</i>	\$7,234,652	\$7,405,941	\$7,096,075	\$7,856,106	\$7,950,358
<i>Operations</i>	\$3,242,056	\$3,902,953	\$4,298,537	\$4,279,836	\$3,585,519
Total:	\$10,476,708	\$11,308,894	\$11,394,613	\$12,135,942	\$11,535,877

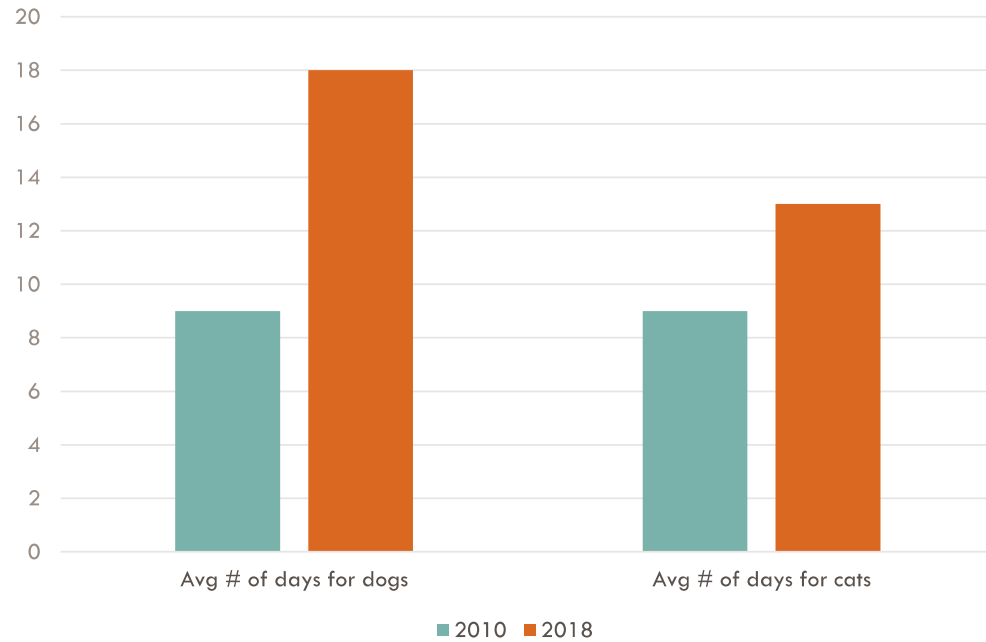
CCAS Personnel & Operations

7

- Along with operational expenses, the other major increase for the Department each fiscal year are personnel costs, which account for over 72% of the Department's budget.
- This has significantly affect the Department's operational expenses and services levels, which has required the Department to eliminate positions.
- The Animal Services Department's past budget practices have affected the Department's ability to prepare for and assess its financial sustainability per the City Gate Associates, LLC report. The following charts, provide an overview on how the Department utilized personnel cost savings (not filling vacancies) to support its rising operational expenses, which have significantly increased over the past five years.
- For FY 2017/18, the Department instituted new financial controls to better manage its operation expenses, although the Department has not been able to recover from these past budget practices.

Length of Stay (LOS)

- ❑ 44% increase in LOS for cats from 2010 to 2018
- ❑ 100% increase in LOS for dogs from 2010 to 2018
- ❑ In 2010 the Live Release Rate was 59% for dogs and cats
- ❑ In 2018 the Live Release Rate was 88% for dogs and cats



City Contract Fees & Revenues

- First Animal Services Agreement 9/2/1969
- No costs to cities.
- June 1981 Contra Costa County adopted a Comprehensive Animal Services Ordinance at no cost to cities.

NOTE:

* FY 85/86 First contract with 18 Cities to begin reimbursement for services provided.

** Per Capita plus CPI added

*** Spring 2005 Board approved recommendation of increases on top of CPI to close the gap of cost of services for the new Martinez and Pinole animal shelters and programs.

	Per Capita Fee	CPI
FY 85/86 *	\$1.25	n/a
FY 86/87	\$1.22	n/a
FY 87/88	\$1.25	n/a
FY 88/89 **	\$1.31	5.00%
FY 89/90	\$1.37	4.40%
FY 90/91	\$1.42	3.90%
FY 91/92	\$1.51	6.06%
FY 92/93	\$1.56	3.47%
FY 93/94	\$1.61	3.23%
FY 94/95	\$1.64	1.90%
FY 95/96	\$1.67	1.70%
FY 96/97	\$1.70	1.70%
FY 97/98	\$1.74	2.54%
FY 98/99	\$1.81	4.20%
FY 99/00	\$1.86	2.94%
FY 00/01	\$1.94	4.30%
FY 01/02	\$2.05	5.46%
FY 02/03	\$2.11	3.57%
FY 03/04	\$2.14	1.35%
FY 04/05	\$2.16	0.93%
FY05/06 ***	\$2.46	2.13%

City Contract Fees & Revenues (continued)

**** FY 10/11 to FY 14/15,
no CPI increases only per capita.

FY 06/07 ****	\$3.61	CPI dropped to reach actual cost for expenses					
FY 07/08	\$4.20	.59 increase					
FY 08/09	\$4.76	.56 increase					
FY 09/10	\$5.26	.50 increase					
FY 10/11	\$5.31	.05 increase					
FY 11/12	\$5.31	no increase					
FY 12/13	\$5.31	no increase					
FY 13/14	\$5.31	no increase					
FY 14/15	\$5.31	no increase					
		.25 increase since no increase due to economy down turn since FY					
FY 15/16	\$5.56	10/11					
FY 16/17	\$5.74	CPI reinstated, CPI at 3.2%					
FY 17/18	\$5.94	CPI at 3.5%					
FY 18/19	\$6.11	CPI at 2.9%					
FY 19/20	\$6.38	CPI at 4.5%					

NOTE:

The fees for services have increased by \$5.13 within the last 34 years at an average \$.15 cents per year.

Animal Care Agency Comparisons

- ❑ In comparison to other municipal shelters, Contra Costa Animal Services ranks low on cost per capita.

- ❑ The City of Antioch will be proposing a 19% increase for their animal services rates for FY 2020/21, which will bring them to **\$15.77** per capita.

Municipal Shelter:	FY 19/20 Rate Per Capita
City of Antioch	\$13.30
City of Oakland	\$10.82
Solano County	\$11.81
Sacramento County	\$14.57
<i>Contra Costa County</i>	\$6.38

CCAS Mandated Personnel & Services Levels

In July 1999, the State of California passed SB 1785 known as the Hayden Bill. This legislation significantly increased the cost of animal services throughout the State. No additional funding was provided to local jurisdictions to sustain the new mandates.

CCAS Department Budget Projections			
	FY 1998/99 Prior SB 1785	FY 2019/20	To meet current Service/Care Guidelines
CCAS Personnel:			
Field Services	30	26	38
Center Operations Shelter Services	9	16	22
Center Operations Medical Services	4	13	18
Administration	24	20	27
Community Services	2	2	4
Total # of Positions:	69	77	109
Total Personnel Expenses:	\$3,630,000	\$8,872,475	\$11,755,048
Total Operations Expenses:	\$476,550	\$2,973,760	\$4,241,338
Department Budget:	\$4,106,550	\$11,846,235	\$15,996,386

Recommendations:

In order for the Department to meet expected services levels, along with the County’s population growth, the Department recommends the following:

1. Formula for city contract fees would be current per capita fee (\$6.38) multiplied by the Bay Area CPI, which is estimated at 3.5% plus \$1.00 for five (5) years):

<i>FY 20/21</i>	\$7.60
<i>FY 21/22</i>	\$8.87
<i>FY 22/23</i>	\$10.18
<i>FY 23/24</i>	\$11.54
<i>FY 24/25</i>	\$12.94

Consequence of Negative Action

The immediate impact if the Department recommendations are not approved will be:

1. Minimize public shelter service hours
2. Afterhours Field Operation Services will need to be eliminated
3. Eliminate deceased animal pickups, which would have to become the responsibility of each City and the County's Public Works Departments.
4. The population of sheltered animals would have to be controlled significantly through euthanasia for animals with treatable conditions outside of the Department's veterinary scope of services and financial resources.

Questions & Answers



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Add one Buyer II position and cancel one Lead Materials Technician position in the Health Services Department.

RECOMMENDATION(S):

ADOPT Position Adjustment Resolution No. 22534 to add one permanent full-time Buyer II (STTA) position at salary plan and grade level ZB5-1525 (\$5,781-\$7,027) and cancel one Lead Materials Technician (91VD) position #16121 at salary plan and grade level TB5-1359 (\$4,905-\$5,962) in the Health Services Department. (Represented)

FISCAL IMPACT:

There is an annual increased cost of approximately \$21,538.00 with pension costs of \$4,866.00 already included. The cost is 100% offset by Enterprise Fund I Subsidy.

BACKGROUND:

The Health Services Department is requesting to add one permanent Buyer II position and cancel vacant Lead Materials Technician position #16121 allocated in the Information Technology Procurement Team. As part of a re-structure in 2015, the Lead Materials Technician position was added although it was never filled. The Department has determined the position does not serve its operational needs and a Buyer II position is the most appropriate classification based on the higher level duties and responsibilities required

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jo-Anne Linares, (925) 957-5240

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

>of the position. With 150 vendors and \$30 million in spending, the Health Services IT Procurement Team supports the entire nine (9) divisions for all information technology systems and services. The Team requires a dedicated staff primarily responsible for the maintenance of purchase contracts of information technology services and commodities. Duties include contract monitoring to ensure vendor compliance, purchasing a wide variety of specialized material and equipment, analyzing and developing purchasing specifications, preparing documentation for bids and Request for Proposal solicitations, and resolving invoice and payment problems.

The Department is canceling the Lead Materials Technician position to offset the cost of the new Buyer II position.

CONSEQUENCE OF NEGATIVE ACTION:

The Health Services Department's Information Technology Procurement Team will not have a dedicated staff assigned to contract maintenance of 150 vendors to provide critical information systems support to its nine (9) divisions including CCRMC and Health Centers; Behavioral Health; Homeless, Housing and Health; Contra Costa Health Plan; Environmental Health; Hazardous Materials; and Public Health.

ATTACHMENTS

P300 No. 22534

POSITION ADJUSTMENT REQUEST

NO. 22534
DATE 9/17/2019

Department Health Services Department No./ Budget Unit No. 0540 Org No. 6355 Agency No. A18
Action Requested: Add one permanent Buyer II (STTA) position at salary plan ZB5-1525 (\$5,781-\$7,027) and cancel one Lead Materials Technician (91VD) at salary plan TB5-1359 (\$4,905-\$5,962) in the Health Services Department.

Proposed Effective Date: _____

Classification Questionnaire attached: Yes No / Cost is within Department's budget: Yes No

Total One-Time Costs (non-salary) associated with request: \$0.00

Estimated total cost adjustment (salary / benefits / one time):

Total annual cost \$21,538.00 Net County Cost _____
Total this FY \$14,358.00 N.C.C. this FY _____

SOURCE OF FUNDING TO OFFSET ADJUSTMENT 100% Enterprise Fund I Subsidy

Department must initiate necessary adjustment and submit to CAO.
Use additional sheet for further explanations or comments.

Jo-Anne Linares

(for) Department Head

REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCES DEPARTMENT

Sarah Kennard for

12/23/2019

Deputy County Administrator

Date

HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS

DATE _____

Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Basic / Exempt salary schedule.

Effective: Day following Board Action.
 _____(Date)

(for) Director of Human Resources

Date

COUNTY ADMINISTRATOR RECOMMENDATION:

DATE 12/29/2019

Approve Recommendation of Director of Human Resources
 Disapprove Recommendation of Director of Human Resources
 Other: _____

Timothy M. Ewell

(for) County Administrator

BOARD OF SUPERVISORS ACTION:

Adjustment is APPROVED DISAPPROVED

David J. Twa, Clerk of the Board of Supervisors
and County Administrator

DATE _____

BY _____

APPROVAL OF THIS ADJUSTMENT CONSTITUTES A PERSONNEL / SALARY RESOLUTION AMENDMENT

POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN RESOURCES DEPARTMENT FOLLOWING BOARD ACTION
Adjust class(es) / position(s) as follows:

REQUEST FOR PROJECT POSITIONS

Department _____

Date 12/29/2019

No. xxxxxx

1. Project Positions Requested:

2. Explain Specific Duties of Position(s)

3. Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)

4. Duration of the Project: Start Date _____ End Date _____
Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.

5. Project Annual Cost
 - a. Salary & Benefits Costs: _____
 - b. Support Costs: _____
(services, supplies, equipment, etc.)
 - c. Less revenue or expenditure: _____
 - d. Net cost to General or other fund: _____

6. Briefly explain the consequences of not filling the project position(s) in terms of:
 - a. potential future costs
 - b. legal implications
 - c. financial implications
 - d. political implications
 - e. organizational implications

7. Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.

8. Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted

9. How will the project position(s) be filled?
 - a. Competitive examination(s)
 - b. Existing employment list(s) Which one(s)? _____
 - c. Direct appointment of:
 1. Merit System employee who will be placed on leave from current job
 2. Non-County employee

Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY



Contra
Costa
County

To: Board of Supervisors
From: Matt Slattengren
Date: January 7, 2020

Subject: Establish the class of Weed and Vertebrate Pest Control Technician-Project and add three positions

RECOMMENDATION(S):

ADOPT Position Adjustment Resolution No. 22514 to establish the classification of Weed and Vertebrate Pest Control Technician - Project (B9W4) (represented) position at Salary Plan and Grade QA5 1116 (\$3855.45) and add three (3) Weed and Vertebrate Pest Control Technician - Project positions in the Agriculture - Weights and Measures Department.

FISCAL IMPACT:

There is an annual cost of approximately \$32,142.32 per employee, including benefits, which is offset by agreements with the California Department of Food and Agriculture, Public Works, and contracts with East Bay Regional Parks. Having project staff do most of the weed and vertebrate control work will allow us to get more work done in the contracts and it will free up licensed Biologists to do work in other contracts that require a license to complete the work, bringing in other revenue as well.

BACKGROUND:

The Agriculture Department is requesting to establish the classification of Weed and Vertebrate Pest Control Technician - Project. This position will perform noxious weed and vertebrate pest control work under supervision. The primary duties of the Weed and Vertebrate Pest Control Technician - Project will be to perform noxious weed and ground squirrel control. These are seasonal programs typically performed from February through September. These pest control activities occur throughout the county and require the candidate to work outside on a daily basis.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Matt Slattengren (925)
608-6008

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Roxann Crosby

CONSEQUENCE OF NEGATIVE ACTION:

If this action is not approved, the Department will not have adequate staffing for noxious weed services or vertebrate pest control work, and be unable to fulfill its agreement with the California Department of Food and Agriculture.

ATTACHMENTS

P300 22514 Est Weed & Vertebrate Tech Class, Add 3 Project positions

POSITION ADJUSTMENT REQUEST

NO. 22514
DATE 10/14/2019

Department Agriculture Department No./
Budget Unit No. 0335 Org No. 3305 Agency No. 33
Action Requested: ADOPT Position Adjustment Resolution No. 22514 to establish the class of Pest Management Specialist - Project (represented) and add three Pest Management Specialist - Project positions.

Proposed Effective Date: 2/1/2020

Classification Questionnaire attached: Yes No / Cost is within Department's budget: Yes No

Total One-Time Costs (non-salary) associated with request: \$0.00

Estimated total cost adjustment (salary / benefits / one time):

Total annual cost \$103,610.84 Net County Cost \$0.00
Total this FY \$64,756.78 N.C.C. this FY \$0.00

SOURCE OF FUNDING TO OFFSET ADJUSTMENT Agreements with CA Dept. of Food and Agriculture

Department must initiate necessary adjustment and submit to CAO.
Use additional sheet for further explanations or comments.

Matthew Slattengren

(for) Department Head

REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCES DEPARTMENT

Ramsey AlQaisi (for Paul Reyes) 10/23/2019

Deputy County Administrator

Date

HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS

DATE 12/17/2019

Establish the classification of Weed and Vertebrate Pest Control Technician- Project (B9W4) (represented) position at salary plan and grade QA5 1116 (\$3,855) and add three Weed and Vertebrate Pest Control Technician - Project positions.

Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Basic / Exempt salary schedule.

Effective: Day following Board Action.

_____(Date)

Elizabeth Loud

12/17/2019

(for) Director of Human Resources

Date

COUNTY ADMINISTRATOR RECOMMENDATION:

DATE

12/30/2019

Approve Recommendation of Director of Human Resources

Disapprove Recommendation of Director of Human Resources

Other: _____

/s/ Julie DiMaggio Enea for P. Reyes

(for) County Administrator

BOARD OF SUPERVISORS ACTION:

Adjustment is APPROVED DISAPPROVED

David J. Twa, Clerk of the Board of Supervisors
and County Administrator

DATE _____

BY _____

APPROVAL OF THIS ADJUSTMENT CONSTITUTES A PERSONNEL / SALARY RESOLUTION AMENDMENT

POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN RESOURCES DEPARTMENT FOLLOWING BOARD ACTION

Adjust class(es) / position(s) as follows:

REQUEST FOR PROJECT POSITIONS

Department 335

Date 12/30/2019

No. 22514

1. Project Positions Requested:
Pest Management Specialist - Project
2. Explain Specific Duties of Position(s)
TYPICAL TASKS:
 - Performs weed and vertebrate pest control activities
 - Use pesticides in a safe and effective manner
 - Works independently
 - Work effectively in groups
 - Work outside
 - Operate a 4-wheel drive vehicle
 - Operate an all-terrain vehicle on uneven ground
3. Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)
Revenue agreements with CA Department of Food and Agriculture and other public agencies to control and/or eradicate noxious weeds and vertebrate pest in the county.
4. Duration of the Project: Start Date 2/1/2020 End Date 3/31/2021
Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.
Funding levels will be evaluated on a year to year basis. Noxious weeds and vertebrate agreements have different funding periods.
5. Project Annual Cost
 - a. Salary & Benefits Costs: \$103,610.84
 - b. Support Costs: \$37,686
(services, supplies, equipment, etc.)
 - c. Less revenue or expenditure: \$150,893.02
 - d. Net cost to General or other fund: \$0.00
6. Briefly explain the consequences of not filling the project position(s) in terms of:
 - a. potential future costs
 - b. legal implications
 - c. financial implications
 - d. political implications
 - e. organizational implicationsFailure to fill the projected positions would result in the department possibly not being able to fulfill the scope of work as outlined in the agreements. Furthermore, noxious weeds and vertebrate pest distribution would continue to increase in the county threatening the agricultural industry and natural environment.
7. Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.
The department could utilize licensed biologist to conduct the work. However, it would result in an increase of cost of approximately 300% for the same work and the possibility of not meeting other contractual obligations. It is preferable to use project staff in case funding goes away as it has in the past.
8. Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted
See Attached document
9. How will the project position(s) be filled?
 - a. Competitive examination(s)
 - b. Existing employment list(s) Which one(s)? _____
 - c. Direct appointment of:
 1. Merit System employee who will be placed on leave from current job
 2. Non-County employee

Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Appoint Director of Risk Management - Exempt

RECOMMENDATION(S):

APPOINT Karen Caoile to the position of Director of the Risk Management – Exempt (AJD3) at step 1 of the salary range effective January 14, 2020, with the following additional terms of employment:

- a. One-time accrual of 80 hours of vacation time
- b. All other benefits as provided in the current Management Resolution applicable to the position of Director of Risk Management - Exempt.

FISCAL IMPACT:

No additional fiscal impact as this action fills a budgeted vacant position. The annual estimated cost of the position is \$146,278.08 salary and \$95,519.59 benefits, for a total cost of \$241,797.67, which will be recovered through service fees charged to user departments.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Dianne Dinsmore (925)
335-1766

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

In March of 2019, the County commenced its recruitment to fill the Director of Risk Management - Exempt position.

The County contracted with Avery Associates to conduct the recruitment. Invitation letters and copies of the recruitment brochure were sent to 150 potential candidates. The position was advertised nationwide, including at CALPELRA, NPELRA, CSAC, IPMA Western Region and Northern California, RiskManagement.com, Risk Management Society, and LinkedIn. By the end of the six week recruiting period, a total of 55 resumes were received. Of these resumes, 17 applicants met the minimum qualifications. After intensive candidate screening and interviews, six finalists were forwarded for interviews with the County management team.

Following a series of interviews, reference checks and other background investigation, Karen Caoile was selected for the position.

Ms. Caoile holds a Bachelor's Degree in Political Science with an emphasis in Public Administration from California State University, Hayward. She currently serves on the General Liability, Property, and Medical Malpractice Committees of the CSAC Excess Insurance Authority and previously served as the Committee Chair for both the Medical Malpractice Committee and the Technology Committee. Ms. Caoile's career in Risk Management has included city, special district, and county government, beginning with the East Bay Regional Park District followed by four years as the Assistant Risk Manager for the City of Alameda. She joined County of Alameda in 2005 and most recently has served as Acting Assistant Director of Risk Management.

Ms. Caoile has established collaborative relationships with industry professionals and other public entities that recognize her as a highly skilled practitioner who facilitates the exchange of information and resolves multi-agency problems. She has a strong commitment to high ethical and professional standards and developing creative, proactive solutions in the complex risk management arena.

It is recommended that Karen Caoile be appointed Director of Risk Management - Exempt at Step 1 of the salary range effective January 14, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

The County will not have a Director of Risk Management to lead this critical function.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services
Date: January 7, 2020

Subject: Add one Deputy Director of Health Services-Exempt position and Cancel one EMS Program Coordinator position in the Health Services Department

RECOMMENDATION(S):

ADOPT Position Adjustment Resolution No. 22567 to add one Deputy Director of Health Services-Exempt position (VCB4) at salary plan and grade level B85-1000 (\$19,198 - \$23,335) and cancel vacant Emergency Medical Services Program Coordinator (VBHB) position #8004 at salary plan and grade level ZB5-1824 (\$7,773 - \$9,448) in the Health Services Department. (represented)

FISCAL IMPACT:

There is a net annual cost increase of approximately \$240,143; however, the department anticipates cancelling an additional position at a later date to further mitigate this cost increase.

BACKGROUND:

The Health Services Department is requesting to add one Deputy Director of Health Services - Exempt position to support the Health Services Director in providing dedicated attention and focused program support to departmental division heads. In the past ten years, the Department has responded to various changes in State and Federal regulations and mandates specific to healthcare. The health system operation is more complex than ever with increased and stringent State

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jo-Anne Linares, (925) 957-5240

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

and Federal regulations. This new position is primarily assigned to divisions with high public view including Hazardous Materials, Environmental Health Services and Emergency Medical Services which require dedicated oversight to ensure regulatory compliance for the health and safety of the people of Contra Costa.

Under executive direction from the Health Services Director, the incumbent will work closely with department division heads and program chiefs to ensure the effective and efficient operations of the divisions and programs in alignment with the Department's overall strategic plan. The incumbent is required to possess a high level of knowledge about the operations of divisions in order to act as the liaison between the Health Services Director, senior management, and outside agencies and other County departments. The incumbent will represent the Department at meetings in all levels, participate on various committees and/or boards as directed by the Health Services Director, and be able to assume all duties of the Health Services Director in his/her absence.

The Emergency Medical Services Program Coordinator position #8004 has been vacant since March 2019 and is cancelled to offset this request.

CONSEQUENCE OF NEGATIVE ACTION:

The Health Services Director will not have adequate high level administrative leadership focused on working with division heads and program chiefs to strategically plan, effectively maintain department operations, and ensure regulatory compliance.

ATTACHMENTS

P300 No. 22567

POSITION ADJUSTMENT REQUEST

NO. 22567
DATE 12/11/19

Department Health Services

Budget Unit No. 0540 Org No. 6544

Department No./
Agency No. A18

Action Requested: Add one (1) Deputy Director of Health Services-Exempt (VCB4) position and cancel Emergency Medical Services Program Coordinator (VBHB) position #8004 in the Health Services Department.

Proposed Effective Date: _____

Classification Questionnaire attached: Yes No / Cost is within Department's budget: Yes No

Total One-Time Costs (non-salary) associated with request: \$0.00

Estimated total cost adjustment (salary / benefits / one time):

Total annual cost \$240,143 Net County Cost 0
Total this FY \$100,059 N.C.C. this FY \$0

SOURCE OF FUNDING TO OFFSET ADJUSTMENT: 100% Enterprise Fund I

Department must initiate necessary adjustment and submit to CAO.
Use additional sheet for further explanations or comments.

Jo-Anne Linares

(for) Department Head

REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCES DEPARTMENT

Sarah Kennard for

12/26/2019

Deputy County Administrator

Date

HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS

DATE _____

Exempt from Human Resources review under delegated authority.

Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Basic / Exempt salary schedule.

Effective: Day following Board Action.
 _____(Date)

(for) Director of Human Resources

Date

COUNTY ADMINISTRATOR RECOMMENDATION:

DATE 12/30/2019

- Approve Recommendation of Director of Human Resources
- Disapprove Recommendation of Director of Human Resources
- Other: Approve as recommended by the department.

Timothy M. Ewell

(for) County Administrator

BOARD OF SUPERVISORS ACTION:

David J. Twa, Clerk of the Board of Supervisors
and County Administrator

Adjustment is APPROVED DISAPPROVED

DATE _____

BY _____

APPROVAL OF THIS ADJUSTMENT CONSTITUTES A PERSONNEL / SALARY RESOLUTION AMENDMENT

POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN RESOURCES DEPARTMENT FOLLOWING BOARD ACTION

Adjust class(es) / position(s) as follows:

REQUEST FOR PROJECT POSITIONS

Department _____

Date 12/30/2019

No. xxxxxx

1. Project Positions Requested:

2. Explain Specific Duties of Position(s)

3. Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)

4. Duration of the Project: Start Date _____ End Date _____
Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.

5. Project Annual Cost
 - a. Salary & Benefits Costs: _____
 - b. Support Costs: _____
(services, supplies, equipment, etc.)
 - c. Less revenue or expenditure: _____
 - d. Net cost to General or other fund: _____

6. Briefly explain the consequences of not filling the project position(s) in terms of:
 - a. potential future costs
 - b. legal implications
 - c. financial implications
 - d. political implications
 - e. organizational implications

7. Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.

8. Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted

9. How will the project position(s) be filled?
 - a. Competitive examination(s)
 - b. Existing employment list(s) Which one(s)? _____
 - c. Direct appointment of:
 1. Merit System employee who will be placed on leave from current job
 2. Non-County employee

Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services
Date: January 7, 2020

Subject: Add and cancel positions in the Alcohol and Other Drug Services Program within the Health Services Department

RECOMMENDATION(S):

ADOPT Position Adjustment Resolution No. 22568 to add one (1) Administrative Services Assistant II position (APVA) at salary plan and grade level ZB5-1475 (\$5,502-\$6,687), one (1) Health Services Systems Analyst I position (LBWC) at salary plan and grade level ZB5-1595 (\$6,196-\$8,303), one (1) Substance Abuse Program Manager position (VHGE) at salary plan and grade level ZA5-1750 (\$7,224-\$8,780) and cancel one (1) Substance Abuse Program Manager-Project position #17603 (VHG5) at salary plan and grade level Z15-1750 (\$7,224-\$8,780) in the Health Services Department. (Represented)

FISCAL IMPACT:

There is an annual cost increase of approximately \$320,388 with \$80,625 in pension costs already included. The cost is 100% funded by the Substance Abuse Block Grant.

BACKGROUND:

Health Services is requesting to add the three positions allocated to the Alcohol and Other Drug Services Program (AODS) within Behavioral Health Division to support various administrative and professional support of alcohol and other drugs clinical, business and operational applications of several systems. The

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jo-Anne Linares, (925) 957-5240

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

>incumbents of these positions will report directly to the AODS Chief or designee and are fully funded by the Substance Abuse Block Grant (SABG).

The Administrative Services Assistant II will be responsible to gather, research and analyze billing data for invoice processing through the Share Care billing system as well as contract development. With the implementation of the Drug Medi-Cal Waiver, the development of service rates and contract structure has increased in complexity requiring alignment of federal and state funding streams to specific regulatory requirements. Duties and responsibilities include preparation and submission of reports, data and documentation to the Department of Health Care Services. In addition, the incumbent will oversee the AODS Medi-Cal Administrative Activities program, track and collect data to ensure accuracy; draft policies, procedures and recommendations.

The Health Services Systems Analyst I will be responsible to ensure data is entered accurately and timely by community based organizations and reports meet the regulatory standards of the Department of Health Care Services. AODS is required to attest and certify the accuracy of data. Duties and responsibilities include ensuring quality and timeliness of the reports, training and supporting all providers with data needs including clinical information systems, supporting all AODS managers with preparation of report and analysis of systems performance, and Drug Medi-Cal claims service utilization for budgetary needs and external quality audits.

The Substance Abuse Program Manager will be responsible for the overall operation and management of one of the County's and/or contract substance abuse services areas - Outpatient Programs; Residential Services; Methadone Services; Perinatal Services; and Prevention Programs in addition to services to special populations, Federal Grant Programs, and development of an integrated services system under the Drug Medi-Cal Waiver. To offset the cost, the vacant Substance Abuse Program Manager-Project position #17603 is cancelled.

CONSEQUENCE OF NEGATIVE ACTION:

There will not be adequate profession and technical staff to support the Alcohol and Other Drugs Services Program within Behavioral Health Division which impacts care and services of the County's special population.

ATTACHMENTS

P300 No. 22568

POSITION ADJUSTMENT REQUEST

NO. 22568
DATE 12/18/19

Department Health Services

Budget Unit No. 0466 Org No. 5920

Department No./
Agency No. A18

Action Requested: Add one Administrative Services Assistant II (APVA), one HS Systems Analyst I (LBWC), one Substance Abuse Program Manager (VHGE) positions and cancel Substance Abuse Program Manager-Project (VHG5) position #17603 in the Health Services Department.

Proposed Effective Date: _____

Classification Questionnaire attached: Yes No / Cost is within Department's budget: Yes No

Total One-Time Costs (non-salary) associated with request: \$0.00

Estimated total cost adjustment (salary / benefits / one time):

Total annual cost \$320,388.00

Net County Cost 0

Total this FY \$133,495.00

N.C.C. this FY \$0

SOURCE OF FUNDING TO OFFSET ADJUSTMENT: 100% Substance Abuse Block Grant

Department must initiate necessary adjustment and submit to CAO.

Use additional sheet for further explanations or comments.

Jo-Anne Linares

(for) Department Head

REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCES DEPARTMENT

Sarah Kennard for

12/26/2019

Deputy County Administrator

Date

HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS

DATE _____

Exempt from Human Resources review under delegated authority.

Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Basic / Exempt salary schedule.

Effective: Day following Board Action.

_____(Date)

(for) Director of Human Resources

Date

COUNTY ADMINISTRATOR RECOMMENDATION:

DATE 12/30/2019

Approve Recommendation of Director of Human Resources

Disapprove Recommendation of Director of Human Resources

Other: Approve as recommended by the department.

Timothy M. Ewell

(for) County Administrator

BOARD OF SUPERVISORS ACTION:

Adjustment is APPROVED DISAPPROVED

David J. Twa, Clerk of the Board of Supervisors
and County Administrator

DATE _____

BY _____

APPROVAL OF THIS ADJUSTMENT CONSTITUTES A PERSONNEL / SALARY RESOLUTION AMENDMENT

POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN RESOURCES DEPARTMENT FOLLOWING BOARD ACTION

Adjust class(es) / position(s) as follows:

REQUEST FOR PROJECT POSITIONS

Department _____

Date 12/30/2019

No. xxxxxx

1. Project Positions Requested:

2. Explain Specific Duties of Position(s)

3. Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)

4. Duration of the Project: Start Date _____ End Date _____
Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.

5. Project Annual Cost
 - a. Salary & Benefits Costs: _____
 - b. Support Costs: _____
(services, supplies, equipment, etc.)
 - c. Less revenue or expenditure: _____
 - d. Net cost to General or other fund: _____

6. Briefly explain the consequences of not filling the project position(s) in terms of:
 - a. potential future costs
 - b. legal implications
 - c. financial implications
 - d. political implications
 - e. organizational implications

7. Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.

8. Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted

9. How will the project position(s) be filled?
 - a. Competitive examination(s)
 - b. Existing employment list(s) Which one(s)? _____
 - c. Direct appointment of:
 1. Merit System employee who will be placed on leave from current job
 2. Non-County employee

Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services
Date: January 7, 2020

Subject: Add one Account-Clerk Advanced Level position and Cancel one Accounting Technician position in the Health Services Department

RECOMMENDATION(S):

ADOPT Position Adjustment Resolution No. 22569 to add one Account Clerk-Advanced Level (JD7D) position at salary plan and grade level 3RX-1133 (\$3,911-\$4,995) and cancel one vacant Accounting Technician (JD7A) position #8169 at salary plan and grade level 3RX-1236 (\$4,331-\$5,531) in the Health Services Department. (Represented)

FISCAL IMPACT:

This action will result in an annual cost savings of approximately \$10,143.

BACKGROUND:

Health Services is requesting to cancel a vacant Accounting Technician position #8169 and add one Account Clerk-Advanced Level position allocated to the Conservatorship/Guardianship Program. There are currently three (3) Accounting Technician positions including one vacancy that no longer meets the needs of the program. The department has determined the Account Clerk-Advanced Level position is a more appropriate classification to provide direct support to the two Accounting Technician incumbents. Duties and responsibilities include performing less complex accounting clerical tasks; preparing bills for payment;

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jo-Anne Linares, (925)
957-5240

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

>scanning bank statements, notices and other documents into the shared folder; working with or acting as the vault custodian for property set up in Panoramic inventory; maintaining filing of journals, ledgers, and logs; and annual purging of the Accounting file room.

The cancellation of the Accounting Technician position will result in an annual cost savings of approximately \$10,143 (100% General Funds).

CONSEQUENCE OF NEGATIVE ACTION:

The Conservatorship/Guardianship Program will continue operating at a higher cost, and there will not be adequate accounting clerical support in the program.

ATTACHMENTS

P300 No. 22569

POSITION ADJUSTMENT REQUEST

NO. 22569
DATE 12/19/19

Department Health Services

Budget Unit No. 0451 Org No. 0451

Department No./
Agency No. A18

Action Requested: Add one Account Clerk-Advanced Level position (JDTD) and Cancel one Accounting Technician position #8169 (JD7A) in the Health Services Department.

Proposed Effective Date:

Classification Questionnaire attached: Yes No / Cost is within Department's budget: Yes No

Total One-Time Costs (non-salary) associated with request: \$0.00

Estimated total cost adjustment (salary / benefits / one time):

Total annual cost \$0

Net County Cost 0

Total this FY \$0

N.C.C. this FY \$0

SOURCE OF FUNDING TO OFFSET ADJUSTMENT: Cost Savings of \$10,143 (General Fund)

Department must initiate necessary adjustment and submit to CAO.

Use additional sheet for further explanations or comments.

Jo-Anne Linares

(for) Department Head

REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCES DEPARTMENT

Sarah Kennard for

12/26/2019

Deputy County Administrator

Date

HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS

DATE _____

Exempt from Human Resources review under delegated authority.

Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Basic / Exempt salary schedule.

Effective: Day following Board Action.

_____(Date)

(for) Director of Human Resources

Date

COUNTY ADMINISTRATOR RECOMMENDATION:

DATE 12/30/2019

Approve Recommendation of Director of Human Resources

Disapprove Recommendation of Director of Human Resources

Other: Approve as recommended by the department.

Timothy M. Ewell

(for) County Administrator

BOARD OF SUPERVISORS ACTION:

Adjustment is APPROVED DISAPPROVED

David J. Twa, Clerk of the Board of Supervisors
and County Administrator

DATE _____

BY _____

APPROVAL OF THIS ADJUSTMENT CONSTITUTES A PERSONNEL / SALARY RESOLUTION AMENDMENT

POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN RESOURCES DEPARTMENT FOLLOWING BOARD ACTION

Adjust class(es) / position(s) as follows:

REQUEST FOR PROJECT POSITIONS

Department _____

Date 12/30/2019

No. xxxxxx

1. Project Positions Requested:

2. Explain Specific Duties of Position(s)

3. Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)

4. Duration of the Project: Start Date _____ End Date _____
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 - a. Salary & Benefits Costs: _____
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(services, supplies, equipment, etc.)
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6. Briefly explain the consequences of not filling the project position(s) in terms of:
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 - c. financial implications
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 - e. organizational implications

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 - a. Competitive examination(s)
 - b. Existing employment list(s) Which one(s)? _____
 - c. Direct appointment of:
 1. Merit System employee who will be placed on leave from current job
 2. Non-County employee

Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY



Contra
Costa
County

To: Board of Supervisors
From: Melinda Cervantes, County Librarian
Date: January 7, 2020

Subject: Grant in the amount of \$195,000 from the City of Antioch for CDBG funds

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Librarian, or designee, to apply for and accept a grant in the amount of \$195,000 from the City of Antioch to provide a new HVAC (heating, ventilation, and air conditioning) system at the Antioch Library.

FISCAL IMPACT:

No Library Fund match.

BACKGROUND:

The Community Development Block Grant (CDBG) program is funded by the federal government through the Department of Housing and Urban Development (HUD). The primary objective of this program is to help develop viable urban communities through the provision of decent housing, a suitable living environment, and economic opportunity, principally for low and moderate income persons.

The City of Antioch joins the cities of Concord, Pittsburg, Walnut Creek, and the Urban County on behalf of all the other cities, to form the Contra Costa HOME and CDBG Consortium. Together these jurisdictions cover all of Contra Costa County and have a joint, integrated funding application for these funds.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

**VOTE OF
SUPERVISORS**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact:
925-608-7790

By: , Deputy

cc:

CONSEQUENCE OF NEGATIVE ACTION:

If the grant is not applied for and monies are not received, the current aging and insufficient HVAC system at the library will continue to run at suboptimal levels and risks becoming inoperable in the near future. An inoperable HVAC system would mean the Antioch Library could not serve as a cooling center or potentially a warming center for people experiencing homelessness. Additionally, it will be unable to provide a comfortable environment for its patrons.

ATTACHMENTS



Contra
Costa
County

To: Board of Supervisors
From: Kathy Gallagher
Date: January 7, 2020

Subject: Approve Community Services Block Grant Revenue Contract Amendment

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to execute a revenue agreement extension from the California Department of Community Services and Development for the 2019 Community Services Block Grant, to extend the term end date from December 31, 2019 to February 29, 2020 with no change to the payment limit of \$850,578.

FISCAL IMPACT:

The County receives a pass-through of federal funding from the California Department of Community Services and Development. There is no county match requirement.

State Contract Number: 19F-4007 / Amendment 1
County Contract Number: 39-813-48a
[CFDA 93.569]

BACKGROUND:

The Employment and Human Services Department (Department) received notification of funding

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: CSB (925)
681-6308

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Nancy Sparks, Sam Mendoza

BACKGROUND: (CONT'D)

from the California Department of Community Services and Development on October 30, 2018. As the County's Community Action Agency, the Department's Community Services Bureau regularly receives Community Services Block Grant (CSBG) funding to operate self-sufficiency programs under the advisement of the County's Economic Opportunity Council. The self-sufficiency programs have the goal of ameliorating poverty in Contra Costa County through programs that address housing, economic development and food security. Examples of programs to receive funding include those that provide employment training, housing payment assistance and food distribution.

The Board approved the funding allocation on November 13, 2018 (c.30) in the amount of \$847,381. This allocation was an estimate provided by the state based on 2018 allocations. Subsequently, the state provided the accurate 2019 allocation as confirmed by the federal budget. On December 11, 2018 (c.27), the Board approved a correction board order to clarify the payment limit, of \$850,578. This board order is to extend the term end date of the agreement from December 31, 2019 to February 29, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

The Department will be hampered in its ability to operate self-sufficiency programs in the community, and to establish partnerships with community based agencies and public organizations.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #28-906 with the City of Oakley

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Contract #28-906, including mutual indemnification, with the City of Oakley, a government agency, to provide congregate meal services for the County’s Senior Nutrition Program for the period from January 1, 2020 through June 30, 2020, which includes a three-month automatic extension through September 30, 2020.

FISCAL IMPACT:

Agency will pay County the voluntary contributions it receives from participating seniors, after it has paid its authorized expenses. No County funds required.

BACKGROUND:

This Contract meets the social needs of County’s population by providing an average of 35 congregate meals one day per week for senior citizens at the Oakley Senior Center.

Under Contract #28-906 Contractor will provide congregate meal services for County’s Senior Nutrition Program, for the period from January 1, 2020 through June 30, 2020, which includes a three-month

-
- APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Dan Peddycord,
925-313-6712

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

automatic extension through September 30, 2020. This contract includes mutual indemnification.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, County's senior citizens who depend on County's Senior Nutrition Program will not receive meals at Contractor's facility.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Submission of Grant Application #28-759-23 to the California Department of Resources Recycling and Recovery (CalRecycle)

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, (the Director of Environmental Health), to submit Grant Application #28-759-23 (TEA-27), to the California Department of Resources Recycling and Recovery (CalRecycle), to pay the County in an amount not to exceed \$450,000, for the Environmental Health Waste Tire Enforcement Program, for the period from June 29, 2020 through September 30, 2021.

FISCAL IMPACT:

Approval of this application will result in an amount not to exceed \$450,000 from CalRecycle for the Environmental Health Waste Tire Enforcement Program. The funds are allocated and available from CalRecycle for grants to solid waste Local Enforcement Agencies (LEA) and cities and counties with regulatory authority within the city and county government to perform enforcement/compliance and surveillance activities at waste tire facilities. No County match required.

BACKGROUND:

Contra Costa Environmental Health/General Programs is the solid waste LEA for the entire county, including all incorporated cities except for the City of Pittsburg. CalRecycle has been delegated the

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Randall Sawyer,
925-335-3210

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

responsibility for the administration of the program within the state, setting up necessary procedures governing application by cities and counties under the program. The applicant (Contra Costa County) demonstrates it has sufficient staff resources, technical expertise, and/or experience with similar projects to carry out the proposed program.

Approval of Application #28-759-23 will allow Contra Costa County Environmental Health services to apply for funds to implement the waste tire enforcement program through September 30, 2021.

CONSEQUENCE OF NEGATIVE ACTION:

If this grant is not approved, the County will not be able to monitor and reduce illegal waste tire practices, educate and enforce proper waste tire management throughout the County, assist in reducing potential vector problems and prevent tire fires, nor protect public health and safety.



Contra
Costa
County

To: Board of Supervisors
From: Kathy Gallagher, Employment & Human Services Director
Date: January 7, 2020

Subject: Department of Health Care Services, Medi-Cal Health Navigators Project

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, on behalf of the Workforce Services (WFS) Bureau to accept an allocation award from the California Department of Health Care Services (DHCS) in an amount of \$1,385,957 for the Medi-Cal Navigators Project for the period January 1, 2020 through December 31, 2021.

FISCAL IMPACT:

County to receive an amount of \$1,385,957 from the California Department of Health Care Services (DHCS) for Fiscal Year 2019-2020 to fund the Medi-Cal Health Navigators Project over a two-year period. Funding is 100% State, with no required County in-kind match.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Elaine Burres
608-4960

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND:

Contra Costa County Employment Human Services Department (EHSD) currently conducts Medi-Cal navigation services. Through our Workforce Services Bureau, we have Medi-Cal eligibility workers and other project staff to assist with navigation efforts within our three county regions, West, East and Central County. Our efforts are currently conducted in EHSD and partner service sites, and target specific populations. Approximately 240,000 individuals in Contra Costa County receive health coverage through Medi-Cal every month. DHCS funds would enable EHSD and community to conduct outreach activities to enroll and retain an estimated 7,000 individuals to Medi-Cal over the two-year grant period. The grant would allow EHSD to expand navigation efforts to include the following targeted populations: persons who are homeless; immigrants and families of mixed immigration status; and persons with limited English proficiency. This grant funding will be used to:

- Expand and increase Medi-Cal outreach and enrollment to the homeless population, both sheltered and unsheltered individuals; and
- Expand and increase Medi-Cal outreach and enrollment to immigrant population, Limited English Proficient (LEP), and families of mixed immigration status.

Expenses these funds will support include two Social Services Program Assistant positions and \$675,687 for contract support.

EHSD's Workforce Services Bureau will partner with Contra Costa Health Services and contracted community-based partners to deliver the Medi-Cal outreach and enrollment activities outlined in the proposal application to DHCS. Additional partners may be identified and added as needed.

Pros and cons of request:

Pros:

- Leverages existing Medi-Cal services and community-based partners to address gaps in services for homeless adults, immigrants and the LEP population.
- Addresses gaps in need to cover more uninsured County residents in Medi-Cal health benefits.
- Provides focused Medi-Cal outreach and retention activities to understand communities.

Cons:

- Sustainability of program funding beyond end of allocation term, December 31, 2021.

CONSEQUENCE OF NEGATIVE ACTION:

Without funding, the County will continue to face an increasing number of uninsured clients without access to health care and preventative services.



Contra
Costa
County

To: Board of Supervisors
From: David O. Livingston, Sheriff-Coroner
Date: January 7, 2020

Subject: California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program Agreement

RECOMMENDATION(S):

ADOPT Resolution No. 2020/10 approving and authorizing the Sheriff-Coroner or designee, to apply for and accept the California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program Agreement in an initial amount of \$738,249 for marine patrol and boating regulation enforcement for the period July 1, 2020 through the end of available funding.

FISCAL IMPACT:

Initial Revenue of \$738,249, 100% State funds. The Office of the Sheriff receives annual funding from the California Department of Parks and Recreation, Division of Boating and Waterways that is incorporated in the baseline budget. No County match.

BACKGROUND:

California Department of Parks and Recreation, Division of Boating and Waterways (DBW) provides funding to maintain the service level of the Office of the Sheriff's Marine Patrol Unit on the Delta Waterways. Marine patrol operations cost roughly \$2.4 million per year of which DBW has awarded \$638,249 for each of the past seven years. Beginning July 1, 2016, DBW funded an additional \$100,000 for a total initial amount of \$738,249. DBW funding provides the ability for more vigilant enforcement of boating regulations.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to secure State funding will result in a further reduction in Marine Patrol Services.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Mary Jane Robb, (925)
335-1557

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

ATTACHMENTS

Resolution
2020/10

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:
NO:
ABSENT:
ABSTAIN:
RECUSE:



Resolution No. 2020/10

IN THE MATTER OF: Applying for and Accepting the FY 2020/2021 California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program Agreement.

WHEREAS, the County of Contra Costa is seeking funds available through the California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program Agreement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors: Authorizes the Sheriff-Coroner, Undersheriff or the Sheriff's Chief of Management Services, to execute for and on behalf of the County of Contra Costa, a public entity established under the laws of the State of California, any action necessary for the purpose of obtaining financial assistance including Agreement modifications and extensions provided by California Department of Parks and Recreation, Division of Boating and Waterways Financial Aid Program Agreement.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Mary Jane Robb, (925) 335-1557

By: , Deputy

cc:



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #23-538-10 with Allegis Group Holdings, Inc. (dba TEK Systems, Inc.)

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract #23-538-10 with Allegis Group Holdings, Inc. (dba TEK Systems, Inc.), a corporation, in an amount not to exceed \$4,200,000, to provide consulting, technical support, temporary help and recruitment services for the Health Services Department's Information Systems Unit, for the period January 1, 2020 through December 31, 2021.

FISCAL IMPACT:

This contract is funded 100% by Hospital Enterprise Fund I. (No Rate increase)

BACKGROUND:

On July 24, 2018, the Board of Supervisors approved Contract #23-538-9 with Allegis Group Holdings, Inc. (dba TEK Systems, Inc.) to provide qualified contract-to-hire and/or direct placement candidates for hard to fill positions in the Health Services Department's Information Systems Unit, for the period from July 1, 2018 through December 31, 2019. Approval of Contract #23-538-10 will allow the Contractor to continue to provide temporary help and recruitment services through December 31, 2021.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patrick Wilson,
925-335-8700

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: F Carroll, M Wilhelm

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, the Division will not have access to Contractor's staffing services for hard to fill positions in the Department's Information Systems Unit.



Contra
Costa
County

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: January 7, 2020

Subject: APPROVE and AUTHORIZE the Auditor-Controller to issue a payment of \$2,000 to the Alamo Rotary Foundation for the holiday lights, Alamo area.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Auditor-Controller, or designee, to void check #G527664 issued to the Community Foundation of Alamo and reissue a payment on behalf of the Public Works Director in the amount of \$2,000 from County Service Area R-7 (CSA R-7), payable to the Alamo Rotary Foundation for the holiday lights event at Andrew H. Young Park, Alamo area. (District II)

FISCAL IMPACT:

100% County Service Area (CSA) R-7 funds.

BACKGROUND:

On October 22, 2019 the Board of Supervisors approved payment to the Community Foundation of Alamo who in the past has coordinated the annual tree lighting event at Andrew H. Young Park. Since that approval County staff learned that the Community Foundation of Alamo has been dissolved. As a result, the Alamo Rotary Foundation has agreed to coordinate this much anticipated annual event. CSA R-7 residents participate in Alamo's Annual Tree Lighting Festival each year. The Alamo Tree Lighting Festival is a collaborative effort now coordinated by the Alamo Rotary

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Rochelle Johnson
(925)313-2299

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Diana Oyler - Public Works Finance, Cameron Collins- District 2 Field Representative, Rochelle Johnson- Public Works Special District Division, Victoria Skerritt- Public Works Special District Division

BACKGROUND: (CONT'D)

Foundation. CSA R-7 also contributes the use of Andrew H. Young Park and provides funding to decorate the park with holiday lights. The 2019 Alamo Tree Lighting Festival took place on Sunday, December 8, 2019 from 4:30 p.m. – 6:30 p.m. The holiday lights were installed on or after November 15, 2019 and will remain up through January 15, 2020. The CSA R-7 contribution was reviewed by the Alamo Municipal Advisory Council (Alamo MAC) at their meeting on May 7, 2019 and a \$2,000 contribution from CSA R-7 funds was recommended for this event. County staff recommends voiding check #G527664 issued to the Community Foundation of Alamo and issuing a check to the Alamo Rotary Foundation for services provided.

CONSEQUENCE OF NEGATIVE ACTION:

Without Board approval the previously approved activity would not receive CSA R-7 funding.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Amendment/Extension #26-790-4 with the Regents of the University of California, on behalf of the University of California, San Francisco

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract Amendment/Extension Agreement #26-790-4 with the Regents of the University of California, a California Constitutional corporation, on behalf of the University of California, San Francisco (UCSF), effective January 31, 2020, to amend Contract #26-790-2, as amended by Amendment/Extension Agreement #26-790-3, to increase the payment limit by \$50,000 from \$75,000, to a new payment limit of \$125,000, and to extend the termination date from January 31, 2020 through January 31, 2022, to provide additional phone consultation and in-person consultation for the Endocrinology Unit at Contra Costa Regional Medical Center (CCRMC).

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I Budget. (No rate increase)

BACKGROUND:

On January 10, 2017, the Board of Supervisors approved Contract #26-790-2, as amended by Amendment/Extension Agreement #26-790-3, with the Regents of the University of California,

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- APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

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ATTESTED: January 7, 2020

Contact: Samir Shah, M.D.,
925-370-5525

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

for the provision of twenty-four hour a day, seven days a week, phone consultation and in-person consultation during clinic hours, for the Endocrinology Unit at CCRMC, which included mutual indemnification to hold harmless both parties for any claims arising out of the performance of this Contract, for the period February 1, 2017 through January 31, 2020.

Approval of Contract Amendment/Extension Agreement #26-790-4 will allow the Contractor to continue providing services through January 31, 2022. This Contract includes mutual indemnification to hold harmless both parties for any claims arising out of the performance of this Contract.

CONSEQUENCE OF NEGATIVE ACTION:

If this amendment is not approved, Contractor will not continue providing consultation services.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Payment for Services Provided by United Family Care, LLC (dba Family Courtyard)

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Auditor-Controller, or designee, to pay \$27,460 to the United Family Care, LLC, (dba Family Courtyard), a limited liability company, for the provision of augmented board and care services to mentally ill adults in West County for the month of November 2019.

FISCAL IMPACT:

This Contract is funded 100% by Mental Health Realignment Funds.

BACKGROUND:

On October 23, 2018, the Board of Supervisors approved Contract #24-681-84(16) (as amended by Amendment Agreement #24-681-84(17)) with United Family Care, LLC (dba Family Courtyard) for the period from December 1, 2018 through November 30, 2019, for the provision of augmented room and board, and twenty-four-hour emergency residential care and supervision to eligible mentally disordered clients, who are specifically referred by the Mental Health Program Staff and who are served by County Mental Health Services.

The facility serves up to fifty (50) Contra Costa County clients. In February 2019, the Contractor notified the County that they were reducing the number of beds allotted to Contra Costa County clients to forty (40).

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Suzanne Tavano, Ph.D.,
925-957-5212

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: F Carroll, M Wilhelm

BACKGROUND: (CONT'D)

In turn, a contract amendment was submitted effective March 1, 2019 to reduce the Contract payment limit by \$84,550. However, due to a calculation error, the Contract payment limit was instead reduced by \$116,224, leaving an insufficient balance to pay the Contractor for services requested and provided through November 30, 2019. At the end of the contract period, charges of \$27,460 had been incurred, leaving the now-expired contract short by \$10,453. The contract renewal effective December 1, 2019 is currently in process.

Therefore, the County has determined that United Family Care, LLC (dba Family Courtyard) is entitled to payment for the reasonable value of their services under the equitable relief theory of quantum meruit. That theory provides that where a person has been asked to provide services without a valid contract, and the provider does so to the benefit of the recipient, the provider is entitled to recover the reasonable value of those services.

CONSEQUENCE OF NEGATIVE ACTION:

United Family Care, LLC (dba Family Courtyard) will not be paid for augmented board and care services rendered in good faith.

ATTACHMENTS



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 7, 2020

Subject: Contract with Benchmark, Inc. to prepare an Environmental Impact Report for the CEMEX Clayton Quarry project, County File #'s LP15-2030 and LP15-2031.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract with Benchmark Land Use Group, Inc. (dba Benchmark Resources), in an amount not to exceed \$295,952 to prepare an Environmental Impact Report for the CEMEX Clayton Quarry project, for the period January 7, 2020 through December 31, 2021.

FISCAL IMPACT:

No impact to the County General Fund. The applicant is responsible for payment of costs associated with the preparation of the Environmental Impact Report.

BACKGROUND:

The Department of Conservation and Development (DCD) received an application from CEMEX Construction Materials Pacific, LLC., requesting approval of two land use permit applications. The first application seeks to amend a previously approved 1983 Reclamation Plan, the second request seeks approval to alter planned contours (depth). As proposed, instead of backfilling the quarry pit to an elevation of 650 feet above-mean-sea-level (AMSL), the east rim of the quarry pit will remain at an elevation of 800 feet AMSL and the pit will be mined to a depth of 110 feet AMSL and be allowed to fill slowly with storm water to an elevation of 735 feet AMSL.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Francisco Avila, (925)
674-7801

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

DCD has determined that an Environmental Impact Report (EIR) is required. The EIR will be prepared by DCD, who will be the lead agency, with the assistance of a professional consulting team possessing the necessary expertise. After completing the Request for Proposal process, DCD selected Benchmark Landuse Group, Inc., as the contractor for completing the EIR.

CONSEQUENCE OF NEGATIVE ACTION:

The Department of Conservation and Development will be unable to complete the environmental review of a pending land development application.



Contra
Costa
County

To: Board of Supervisors
From: David O. Livingston, Sheriff-Coroner
Date: January 7, 2020

Subject: Purchase Order - Allen Packaging Company

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of the Sheriff-Coroner, a purchase order with Allen Packaging Company in the amount of \$180,000 to provide three-compartment trays for Seal-a-Meal food to be used at the West County, Martinez, and Marsh Creek Detention Facilities for the period January 1, 2020 through December 31, 2020.

FISCAL IMPACT:

\$180,000; 100% County General Fund, Budgeted.

BACKGROUND:

Allen Packaging supplies the packaging equipment and supplies used for the seal-a-meal food central production system at WCDF, where inmate meals are produced and distributed to MDF and MCDF. This central production system has proven to increase efficiency and reduce costs for mandated provided meals to inmates.

APPROVE
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VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Alycia Rubio,
925-335-1529

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Paul Reyes, Heike Anderson, Alycia Rubio



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Amendment Agreement #26-346-24 with the U.S. Department of Veterans Affairs

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Amendment Agreement #26-346-24, with the U.S. Department of Veterans Affairs, Northern California Health Care System (VANCHCS), effective September 1, 2019, to amend Agreement #26-346-21 (as amended by Amendment Agreements #26-346-22 and #26-346-23) to increase the Payment Limit by \$594,640 from \$989,737 to a new Payment Limit of \$1,584,377 for nuclear medicine services at Contra Costa Regional Medical Center (CCRMC) with no change in the term of April 1, 2018 through March 31, 2020.

FISCAL IMPACT:

This Amendment Agreement is funded 100% by Hospital Enterprise Fund I. The services provided for the County's patients under this Contract are billable to patients and third-party payors.

BACKGROUND:

For many years, the County and VANCHCS have maintained a mutual sharing agreement, which has made specialized medical services available to the County which otherwise would not be available due to lack of resources, equipment, and personnel. These services included specialized laboratory testing, radiology

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

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Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Jaspreet Benepal,
925-957-5741

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

services, nuclear medicine studies, computerized tomography (CT) scans, magnetic resonance imaging (MRI), dermatology, gastroenterology, urology, audiology and speech, and ophthalmology services. The County provides Emergency Room treatment and inpatient care, including certain ancillary services, for VANCHCS referred patients.

On March 27, 2018, the Board of Supervisors approved Agreement #26-346-21 (as amended by Amendment Agreements #26-346-22 and #26-346-23) with VANCHCS to provide a full range of Nuclear Medicine Services to the County's patients at the VANCHCS Outpatient Clinic in Martinez and CCRMC's Nuclear Medicine Department, for the period from April 1, 2018 through March 31, 2020. This contract included mutual indemnification to hold harmless both parties for any claims arising out of the performance of this agreement.

Approval of Amendment Agreement #26-346-24 will allow Contractor to provide additional nuclear medicine services through March 31, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

If this amendment is not approved, VANCHCS will not be able to continue to provide nuclear medicine services to CCRMC patients.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Purchase Order with Hologic, Inc.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Purchasing Agent to execute a contract, on behalf of the Health Services Director, a Purchase Order with Hologic, Inc., in the amount of \$1,000,000 to purchase test reagents and related laboratory supplies for the Public Health Laboratory, for the period from January 1, 2020 through December 31, 2022.

FISCAL IMPACT:

100% funding is included in the Hospital Enterprise Fund I budget.

BACKGROUND:

Hologic, Inc. is the sole source provider of reagents for the Panther System Aptima Combo tests (for sexually transmitted diseases). These reagents are used to conduct testing at our Public Health Laboratory. The reagents are highly sensitive and specific for the organism being tested. These tests take significantly less time to identify the organisms than with other testing systems allowing for a quicker diagnosis and response.

CONSEQUENCE OF NEGATIVE ACTION:

If this Purchase Order is not approved, the health care system would not be able to provide the most

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Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Daniel Peddycord,
925-313-6712

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Marcy Wilhelm, Melody Hung-Fan

CONSEQUENCE OF NEGATIVE ACTION: (CONT'D)

sensitive testing for Chlamydia and Gonorrhea which are the most commonly reported sexually transmitted diseases according to Centers for Disease Control (CDC). This would result in increased rates of these sexually transmitted diseases in Contra Costa County.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #26-788-10 with Peyman Keyashian, M.D.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Contract #26-788-10 with Peyman Keyashian, M.D., an individual, in an amount not to exceed \$2,040,000, to provide anesthesia services for Contra Costa Regional Medical Center (CCRMC) and Health Centers patients, for the period from February 1, 2020 through January 31, 2023.

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I. (No rate increase)

BACKGROUND:

On February 12, 2019, the Board of Supervisors approved Contract #26-788-8 (as amended by Contract Amendment Agreement #26-788-9) with Peyman Keyashian, M.D., to provide anesthesia services, including consultation, training, medical and surgical procedures for CCRMC and Health Centers patients for the period from February 1, 2019 through January 31, 2020.

Approval of Contract #26-788-10 will allow Contractor to continue to provide anesthesia services through January 31, 2023.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, County's patients will not have access to Contractor's services.

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- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
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Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

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ATTESTED: January 7, 2020

Contact: Samir Shah, M.D.,
925-370-5525

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: A Floyd , M Wilhelm



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #27-928-3 with Diabetes and Endocrinology Specialists, Inc.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute County Contract #27-928-3 with Diabetes and Endocrinology Specialists, Inc., in an amount not to exceed \$650,000, to provide diabetes and endocrinology services to Contra Costa Health Plan (CCHP) members, for the period from February 1, 2020 through January 31, 2022.

FISCAL IMPACT:

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II.

BACKGROUND:

On January 9, 2018, the Board of Supervisors approved Contract #27-928-2 with Diabetes and Endocrinology Specialists, Inc., for the provision of diabetes and endocrinology services for Contra Costa Health Plan members for the period from February 1, 2018 through January 31, 2020.

Approval of Contract #27-928-3 will allow Diabetes and Endocrinology Specialists, Inc. to continue to provide diabetes and endocrinology services through January 31, 2022.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
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Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Sharron Mackey,
925-313-6104

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Marcy Wilhelm, Kimberley Mullen

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, certain specialized health care services for CCHP members, under the terms of their Individual and Group Health Plan membership contracts with the County, will not be provided.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #23-531-12 with Nordic Consulting Partners, Inc.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract #23-531-12 with Nordic Consulting Partners, Inc., a corporation, in an amount not to exceed \$11,000,000, to provide consultation and technical assistance to the Health Services Department's Information Systems Unit in support of the ccLink Electronic Health Record System including consultation, technical support, system optimization, information security, training and application support, for the period from January 1, 2020 through December 31, 2021.

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I. (No rate increase)

BACKGROUND:

On July 24, 2018, the Board of Supervisors approved Contract #23-531-10 (as amended by Amendment Agreement #23-531-11) with Nordic Consulting Partners, Inc. to provide consultation and technical assistance to the Department's Information Systems Unit in support of ccLink, for the period from July 1, 2018 through December 31, 2019.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

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ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Patrick Wilson,
925-335-8700

By: , Deputy

cc: Marcy Wilhelm

BACKGROUND: (CONT'D)

Approval of Contract #23-531-12 will allow Contractor to continue providing consulting services for ccLink including consultation, technical support, system optimization, information security, training and application support through December 31, 2021. This work includes future project based needs to implement the CalAIM waiver for Medi-Cal, additional build in ccLink to support new programs in public health and care coordination, business intelligence analysts to create, modify, and release new data analytics reports, and for project management support needs.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, the Department will not have access to Contractor's expert consultation and technical assistance in support of ccLink.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #76-602-2 with Elizabeth M. HollandBerry, M.D.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Contract #76-602-2 with Elizabeth M. HollandBerry, M.D., an individual, in an amount not to exceed \$900,000, to provide patient care services at Contra Costa County's adult and juvenile detention facilities, for the period from December 1, 2019 through November 30, 2022.

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I. (No rate increase)

BACKGROUND:

On December 18, 2018, the Board of Supervisors approved Contract #76-602-1 with Elizabeth M. Berryman, M.D., (now Elizabeth M. HollandBerry, M.D.) to provide patient care services at Contra Costa County's adult and juvenile detention facilities, for the period from December 1, 2018 through November 30, 2019.

Approval of Contract #76-602-2 will allow Contractor to continue to provide patient care services at Contra Costa County's adult and juvenile detention facilities through November 30, 2022.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

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Clerks Notes:

VOTE OF SUPERVISORS

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ATTESTED: January 7, 2020

Contact: Samir Shah, M.D.,
925-370-5525

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: A Floyd, M Wilhelm

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, patients requiring care at Contra Costa County's adult and juvenile detention facilities will not have access to Contractor's services.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Amendment/Extension #27-799-9 with Health Management Systems, Inc.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract Amendment Agreement #27-799-9 with Health Management Systems, Inc., a corporation, effective September 1, 2019, to amend Contract #27-799-6 (as amended by Contract Amendment Agreements #27-799-7 and #27-799-8), to include additional Fraud, Waste and Abuse services for professional auditing services, with no change in the payment limit of \$3,300,000, and no change in the term of February 1, 2017 through January 31, 2020.

FISCAL IMPACT:

This Contract is funded 100% by Contra Costa County Health Plan (CCHP) Enterprise Fund II. (No rate increase)

BACKGROUND:

On February 7, 2017, the Board of Supervisors approved Contract #27-799-6 (as amended by Contract Amendment Agreements #27-799-7 and #27-799-8), with Health Management Systems, Inc., for the provision of professional auditing services, for the period from February 1, 2017 through January 31, 2020.

APPROVE
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Clerks Notes:

VOTE OF SUPERVISORS

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ATTESTED: January 7, 2020

Contact: Sharron Mackey,
925-313-6104

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

BACKGROUND: (CONT'D)

Approval of Contract Amendment #27-799-9 will allow the Contractor to include additional Fraud, Waste and Abuse services in providing professional auditing services through January 31, 2020.

CONSEQUENCE OF NEGATIVE ACTION:

If this amendment is not approved, then CCHP will be out of compliance with the Medi-Cal Audit Corrective Action Plan requirements.

ATTACHMENTS



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #26-718-5 with The Wright Institute

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of County Contract #26-718-5 with The Wright Institute, an educational institution, in an amount not to exceed \$1,545,000 to provide behavioral health services to Contra Costa Regional Medical Center (CCRMC) and Health Centers, for the period from January 1, 2020 through December 31, 2020.

FISCAL IMPACT:

This Contract is funded 100% by Hospital Enterprise Fund I. (No rate increase)

BACKGROUND:

On December 18, 2018, the Board of Supervisors approved Contract #26-718-4 with The Wright Institute for the provision of behavioral health services to patients at CCRMC and Health Centers, including consultation to primary care providers, short term interventions, individual and group therapy sessions, and psychopharmacologic consultations, for the period from January 1, 2019 through December 31, 2019.

Approval of Contract #26-718-5 will allow the Contractor to continue providing behavioral health services, through December 31, 2020.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Samir Shah, M.D.,
925-370-5525

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: L Walker, M Wilhelm

CONSEQUENCE OF NEGATIVE ACTION:

If this agreement is not approved, County will not have access to Contractor's behavioral health services at the Contra Costa Regional Medical Center and Health Centers.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Purchase of Gift Cards for the Youth Opioid Response Pilot Program

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Purchasing Agent, on behalf of the Health Services Department, to purchase gift cards in an amount not to exceed \$3,300 (Target and Safeway gift cards in the amount of \$10 each) for opioid use disorder prevention client incentives in school-based and homeless Public Health Clinics, for the period from December 1, 2019 through August 31, 2020.

FISCAL IMPACT:

100% funded by the California Department of Health Care Services Youth Opioid Response Pilot Program. No county general funds will be used.

BACKGROUND:

The Contra Costa Health Services Department received funding for a Youth Opioid Response Pilot Program from the California Department of Health Care Services. The program aims to expand the continuum of accessible and effective youth-specific Opioid Use Disorder services to California youths ages 12 to 24 by expanding access to Opioid Use Disorder prevention, intervention, treatment and recovery services.

The program will include offering gift card incentives to those who engage in services.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Daniel Peddycord,
925-313-6712

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Ashley Kokotaylo, Marcy Wilhelm



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #22-780-19 with John Muir Health, Inc. (dba Community Health Improvement)

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract #22-780-19 containing mutual indemnification with John Muir Health, Inc. (dba Community Health Improvement), a non-profit corporation, in an amount not to exceed \$3,000, for the County's use of a mobile van to provide healthcare services to low income families and individuals, in Central, East and West Contra Costa County, for the period from January 1, 2020 through December 31, 2020.

FISCAL IMPACT:

This Contract is funded 100% by Federal Healthcare for the Homeless Grant. (No rate increase)

BACKGROUND:

On January 22, 2019, the Board of Supervisors approved Contract #22-780-18 with John Muir Health, Inc., (dba Community Health Improvement) for the County's use of a mobile van to conduct regularly scheduled clinics, which offer much needed health care services to low-income families and disadvantaged individuals in Central, East and West Contra Costa County, for the period from January 1, 2019 through December 31, 2019.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020**
 APPROVED AS RECOMMENDED
 OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Dan Peddycord,
925-313-6712

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: E Suisala , M Wilhelm

BACKGROUND: (CONT'D)

Approval of Contract #22-780-19 will allow the County continuous use of the John Muir Health, Inc., (dba Community Health Improvement) mobile van, through December 31, 2020. This contract includes mutual indemnification.

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, many low income families and disadvantaged individuals in Contra Costa County will not receive much needed health services.



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Contract #74-277-22 with Jackson & Coker Locumtenens, LLC

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute on behalf of the County Contract #74-277-22 with Jackson & Coker Locumtenens, LLC, a limited liability company, in an amount not to exceed \$1,218,336, to provide psychiatrists for temporary work and recruitment services at the County's Mental Health Outpatient Clinics, for the period from January 1, 2020 through December 31, 2020.

FISCAL IMPACT:

This Contract is funded 100% by Mental Health Realignment. (Rate increase)

BACKGROUND:

On December 18, 2018, the Board of Supervisors approved Contract #74-277-21, with Jackson & Coker Locumtenens, LLC to provide psychiatrists for temporary work and recruitment services at the County's Mental Health Outpatient Clinics, to cover vacations, sick and extended leaves and emergency situations, for the period from January 1, 2019 through December 31, 2019.

Approval of Contract #74-277-22 will allow the Contractor to continue to provide services, through December 31, 2020. The Contract deletes Paragraph 18. (Indemnification) of the General Conditions.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020**
 APPROVED AS RECOMMENDED
 OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Suzanne Tavano, PhD.,
925-957-5212

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: K Cyr, M Wilhelm

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, the County's Mental Health Outpatient Clinics would not have access to Contractor's services



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 7, 2020

Subject: Contract amendment with ImagingTek, Inc. for "Document Imaging Services"

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract amendment with ImagingTek, Inc., to extend the term from January 31, 2020 through January 31, 2022 and increase the payment limit by \$80,000 to a new payment limit of \$492,000, to provide continuing document imaging services.

FISCAL IMPACT:

No impact to the County General Fund. The contract is funded by 100% Land Development Fees.

BACKGROUND:

In January 2014, the Department of Conservation and Development (DCD) entered into a contract with ImagingTek, Inc., to provide technical assistance and services for the conversion of DCD documents and files into an electronic format, Laserfiche. This conversion enabled DCD to access all permits/plans electronically, thereby reducing DCD physical storage needs and costs.

Per the attached State of California Health and Safety Code, DCD is required to maintain an official copy of plans of every building throughout the life of the building, for which DCD issued a building permit. This results in a large volume of documents that need to be stored. Further, DCD has other ongoing plans/

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020**
 APPROVED AS RECOMMENDED
 OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Patricia Zaragoza
925-674-7857

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

documents, and an abundance of unusually large documents that require scanning/conversion. At this point, it is more cost effective to have ImagingTek continue providing the service rather than acquiring the required equipment.

CONSEQUENCE OF NEGATIVE ACTION:

If the proposed contract amendment is not approved, ImagingTek, Inc., would not be able to continue providing its services, which may result in DCD staff's inability to access permits/plans electronically. Likewise, DCD would then have to store data at storage facilities and pay for physical storage costs.

ATTACHMENTS

Health and Safety Code 19850

State of California

HEALTH AND SAFETY CODE

Section 19850

19850. The building department of every city or county shall maintain an official copy, which may be on microfilm or other type of photographic copy, of the plans of every building, during the life of the building, for which the department issued a building permit.

“Building department” means the department, bureau, or officer charged with the enforcement of laws or ordinances regulating the erection, construction, or alteration of buildings.

Except for plans of a common interest development as defined in Section 4100 or 6534 of the Civil Code, plans need not be filed for:

- (a) Single or multiple dwellings not more than two stories and basement in height.
- (b) Garages and other structures appurtenant to buildings described under subdivision (a).
- (c) Farm or ranch buildings.
- (d) Any one-story building where the span between bearing walls does not exceed 25 feet. The exemption in this subdivision does not, however, apply to a steel frame or concrete building.

(Amended (as amended by Stats. 2012, Ch. 181, Sec. 64) by Stats. 2013, Ch. 605, Sec. 36. (SB 752) Effective January 1, 2014.)



Contra
Costa
County

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Advisory Boards & Commissions

RECOMMENDATION(S):

ADOPT Resolution No. 2020/1 to amend governing requirements and policies for making appointments to advisory bodies to the Board of Supervisors, and to supersede Resolution No. 2011/497.

FISCAL IMPACT:

No direct fiscal impact associated with this action.

BACKGROUND:

In 2011, the Board of Supervisors approved Resolution Nos. 2011/497 and 2011/498. Resolution No. 2011/497 pertains to Board advisory bodies, and Resolution No. 2011/498 applies to independent bodies. Resolution No. 2011/497, updated the policy governing procedures for making appointments to advisory bodies to the Board of Supervisors, in its various capacities, and affirmed a variety of governing policies that apply to advisory bodies to the Board of Supervisors. Resolution No. 2011/497 superseded an earlier policy, Resolution No. 2002/377.

Resolution Nos. 2011/497 and 2011/498 provided a critical reference document on various policies for advisory and independent bodies. The Resolutions delineate the appointments process for District and At-Large seats. The resolution references key policies defined elsewhere, such as open meeting and ethics policies. The resolution also aggregates various reporting requirements, such as the Annual Report and Triennial Review. The policies outlined in these resolutions form the basis for other instructional resources, such as the advisory body handbook. Maintaining accurate policies and governing documents is critical to

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Emlyn Struthers,
925-335-1919

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

transparency and public participation in County government.

Since their adoption over eight years ago, changes in County policy have affected the guidance communicated in Resolution Nos. 2011/497 and 2011/498. Over time, the lists of applicable bodies in both Resolutions have evolved, with numerous newly established bodies, and several that have been dissolved. In addition to conforming changes, staff suggests several policy changes intended to conform with, or improve upon, existing practice.

On October 21, 2019, the Internal Operations Committee (IOC) reviewed numerous proposed changes to Resolution Nos. 2011/497 and 2011/498, pursuant to referral IOC 19/5. The Internal Operations Committee provided additional direction and recommended that the following changes included in Resolution 2020/1, attached, be adopted by the Board of Supervisors.

Five main changes are included in Resolution No. 2020/1, as compared to Resolution 2011/497:

- 1.

BACKGROUND: (CONT'D)

Online Agenda Posting: All advisory bodies will be required to post agendas online, in addition to the physical posting requirements, effective March 2, 2020. The Clerk of the Board will be responsible for communicating this requirement to advisory body staff, and for producing associated information on how to comply.

2. At-Large Appointments Process: Advisory bodies will generally be permitted to conduct their own interviews for At-Large appointments, with three exceptions: the County Planning Commission, the Contra Costa County Fire Protection District Advisory Commission, and the Treasury Oversight Committee. Board Standing Committees will continue to review all nominations for appointments to At-Large seats and may conduct interviews for At-Large appointments to any advisory body at the Standing Committee's discretion.

3. List of Applicable Advisory Bodies: The list of applicable bodies has been changed to reflect bodies that have been newly created and discontinued since the adoption of Resolution No. 2011/497.

4. Enhanced Section on Ethics: Resolution No. 2020/1 references existing board policies around ethics and conflict of interest to improve understanding, awareness, and enforcement.

5. Online Maddy Book Posting: The Board Appointive List or "Maddy Book" (in reference to the original sponsoring Senator, Kenneth L. Maddy) will be posted online, as provided for in California's Local Government Omnibus Act of 2017, in addition to a public viewing copy on display at the Clerk of the Board office.

On October 21, 2019, the IOC approved the changes to Resolution No. 2011/497 in its entirety, and recommended that the updated resolution (Resolution No. 2020/1) be adopted by the Board of Supervisors. Additional legislative history and justification can be found in the IOC Subcommittee Report published October 21, 2019. Attached to this action, and included as Exhibit A to Resolution No. 2020/1, is a list of applicable bodies, and a redline demonstrating the changes made to Resolution No. 2011/497 by Resolution No. 2020/1.

ATTACHMENTS

Resolution 2020/1

Redline - Proposed Changes to Res. 2011/497

Exhibit A - List of Applicable Advisory Bodies

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/1

IN THE MATTER OF ADOPTING POLICY GOVERNING APPOINTMENTS TO, FORMATION OF, AND REQUIREMENTS OF BOARDS, COMMITTEES, AND COMMISSIONS THAT ARE ADVISORY TO THE BOARD OF SUPERVISORS

WHEREAS, the Board of Supervisors appoints citizens to boards, committees, and commissions that are advisory to and governed by the Board; and

WHEREAS, the Board of Supervisors wishes to encourage participation of interested citizens in the course of decisions affecting this County; and

WHEREAS, a broad representation of existing concerns and views is desired; and

WHEREAS, the Board of Supervisors finds the appointment of citizens to advisory boards, commissions, or committees to be of value in promoting civic participation;

NOW, THEREFORE, BE IT RESOLVED that the following procedures governing the formation of, and appointments to, boards, commissions, and committees that are advisory to the Board of Supervisors (hereafter "advisory bodies") are adopted:

I. APPLICATION

A. The advisory bodies to which this Resolution applies are listed on Exhibit A, "Advisory Bodies" attached hereto.

II. LOCAL APPOINTMENTS LIST

A. In accordance with the Maddy Local Appointive List Act of 1975 (Government Code Section 54970 et seq.), the Board of Supervisors (hereinafter the "Board") will include in the Local Appointments List prepared by December 31st of every year, a list of all regular and ongoing advisory bodies that have members appointed by the Board.

1. The Local Appointments List will be made available at the following locations: a) in a conspicuous place at the Office of the Clerk of the Board; and b) on the Contra Costa County website.

2. The Local Appointments List will include a) a list of all appointive terms that will expire during the next calendar year; b) a list of all advisory bodies whose members serve at the pleasure of the Board; c) the name of the incumbent, if any; d) the date of appointment for each filled seat; e) the necessary qualifications for service in each seat; f) the date on which the term for the seat expires, if any.

III. APPOINTMENT PROCEDURE

A. The Board makes appointments to two distinct types of seats on its advisory bodies. The following process will be followed for appointments to these two types of seats:

Type 1: Supervisorial District Appointments Applications may be delivered to either the Clerk of the Board or to the District Supervisor's office. Applications received by a Supervisor's office are to be sent to the Clerk of the Board, and a copy is to be retained by the Supervisor's office. The Clerk of the Board will ensure that the Supervisor has a copy of all applications originally filed with the Clerk of the Board.

Type 2: At Large/Countywide Appointments Applications are sent to the Clerk of the Board. The Clerk of the Board will distribute the applications to the appropriate interviewer. With the exception of the Planning Commission and the Treasury

Oversight Committee, bodies may generally conduct their own interviews of applicants, unless provided direction by a Board Committee. When an advisory body conducts interviews, the body's recommendation will be provided to a Board Committee for further review, along with all applications received for the applicable seat. In all cases, the Board Committee decides which applicants to nominate for full Board action.

B. A Board Committee or an individual Supervisor may select a screening committee to assist in interviewing applicants for appointment. Membership subcommittees of Board advisory bodies may serve this purpose.

C. The Board shall strive to maintain an ethnic, economic, and geographic balance to the membership of advisory bodies.

D. Except where federal, State, or County statutes or regulations dictate otherwise, or in exceptional circumstances, the following applicants generally should not be appointed: 1. An applicant who has a family member already serving on the same advisory body. 2. An applicant who would be repeatedly required to recuse himself from the body's business due to a conflict of interest.

E. Except for county officers and employees serving in an official capacity, all advisory body members shall have specific terms of appointment as prescribed by statute or as fixed by the Board. Unless otherwise specified, appointees shall serve four-year terms, and terms should be staggered to limit the number of scheduled vacancies at any one time.

F. All Board appointees to advisory bodies serve at the pleasure of the Board and may be removed during their terms of office by a majority vote of the Board at its pleasure, provided that such action is consistent with conditions imposed by law.

G. An unscheduled vacancy occurs when an appointee leaves or becomes ineligible for his/her seat before his/her term expires. Unscheduled vacancies in seats on advisory bodies which are appointed by the Board will be listed on the Board's agenda within 20 days after the vacancy occurs. The Board will declare the positions vacant and instruct the Clerk of the Board to post the unscheduled vacancies. The Clerk of the Board will create and post the unscheduled vacancy notice within one business day of being instructed to do so by the Board. The notice will be posted at the following locations: 1) in a conspicuous location at the Office of the Clerk of the Board; and 2) on the Contra Costa County website. Additional outreach may be implemented by the Supervisorial District offices, and/or the advisory body. Pursuant to Government Code §54974(a), the Board will not make a final appointment for a minimum of ten working days after the Clerk has posted the unscheduled vacancy notice. If the Board finds an emergency exists, it may fill the unscheduled vacancy immediately, but the appointee will only serve on an acting basis until the final appointment is made.

IV. FORMATION AND DISSOLUTION OF ADVISORY BODIES

A. The Board of Supervisors may form an advisory body for the purpose of rendering advice or recommendations to the Board on issues of importance. The Board of Supervisors may dissolve an advisory body at the Board's discretion, consistent with conditions imposed by law. Commencing July 1, 2012, each advisory body shall be reviewed at least once every three years pursuant to a procedure established by the Board in Resolution 2012/261 or its successor.

B. When the Board creates an advisory body, the Board may determine whether or not the body should adopt a conflict of interest code.

V. RESPONSIBILITIES OF ADVISORY BODIES

A. Each advisory body:

1. Shall operate within its mandate as defined in the Board Order, Resolution, or Ordinance creating the body and any applicable law, and may establish specifically defined objectives consistent with its mandate.

2. Shall elect a chairperson and notify the Clerk of the Board of said selection.

3. Shall establish regularly scheduled meeting times and inform the Clerk of the Board of such schedule.

4. Subject to limitations resulting from statutory requirements, may adopt a set of operating rules (bylaws) addressing attendance requirements for continuing membership, the election of officers, and the establishment of subcommittees composed solely of current members of the advisory body. The operating rules (bylaws) shall not be operative until they have been approved by the Board of Supervisors.

5. Shall maintain necessary records including agendas and meeting minutes (records of action) and ensure that these documents are made available to the public upon request.

6. Shall comply with by the Ralph M. Brown Act (Gov. Code, §54950, et. Seq.) and the County's Better Government Ordinance (County Ordinance Code Division 25).

7. Shall post meeting agendas on the County's webpage, in addition to the physical posting requirements specified in the Brown Act and Better Government Ordinance, at least 96 hours ahead of any regular meeting, beginning on March 2, 2020.
8. Shall comply with the Board's policy against conflict of interest, as required by state law and County policies, including but not limited to Resolution No. 2002/376 and Resolution 2011/55, or their successors.
9. Shall submit an Annual Report to the Board in December on its activities, accomplishments, membership attendance, required training/certification, and proposed work plan or objectives for the following year, in December. A suggested template for the Annual Report can be found in the Advisory Body Handbook or can be obtained by contacting the Clerk of the Board.

VI. This Resolution supersedes Resolution 2011/497 in its entirety.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Emlyn Struthers, 925-335-1919

By: , Deputy

cc:

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Resolution No. [2011/4972020/1](#)

**IN THE MATTER OF ADOPTING POLICY GOVERNING APPOINTMENTS TO, FORMATION OF,
AND REQUIREMENTS ~~OF~~ BOARDS, COMMITTEES,
AND COMMISSIONS THAT ARE ADVISORY TO THE BOARD OF SUPERVISORS**

WHEREAS, the Board of Supervisors appoints citizens to boards, committees, and commissions that are advisory to and governed by the Board; and

WHEREAS, the Board of Supervisors wishes to encourage participation of interested citizens in the course of decisions affecting this County; and

WHEREAS, a broad representation of existing concerns and views is desired; and

WHEREAS, the Board of Supervisors finds the appointment of citizens to advisory boards, commissions, or committees to be of value in promoting civic participation;

NOW, THEREFORE, BE IT RESOLVED that the following procedures governing the formation of, and appointments to, boards, commissions, and committees that are advisory to the Board of Supervisors (hereafter “advisory bodies”) are adopted:

I. APPLICATION

A. The advisory bodies to which this Resolution applies are listed on Exhibit A, “Advisory Bodies” attached hereto.

II. LOCAL APPOINTMENTS LIST

A. In accordance with the Maddy Local Appointive List Act of 1975 (Government Code Section 54970 et seq.), the Board of Supervisors (hereinafter the “Board”) will include in the Local Appointments List prepared by December 31st of every year, a list of all regular and ongoing advisory bodies that have members appointed by the Board.

1. The Local Appointments List will be made available at the following locations: a) in a conspicuous place at the Office of the Clerk of the Board; ~~b) at all County Library branches;~~ and [eb](#)) on the Contra Costa County website.

2. The Local Appointments List will include a) a list of all appointive terms that will expire during the next calendar year; b) a list of all advisory bodies whose members serve at the pleasure of the Board; b) the name of the incumbent, if any; c) the date of appointment for each filled seat; c) d) the necessary qualifications for service in each seat; e) the date on which the term for the seat expires, if any.

III. APPOINTMENT PROCEDURE

A. The Board makes appointments to two distinct types of seats on its advisory bodies. The following process will be followed for appointments to these two types of seats:

Type 1: Supervisorial District Appointments

Applications may be delivered to either the Clerk of the Board or to the District Supervisor’s office. Applications received by a Supervisor’s office are to be sent to the Clerk of the Board, and a copy is to be retained by the Supervisor’s office. The Clerk of the Board will ensure that the Supervisor has a copy of all applications originally filed with the Clerk of the Board.

Type 2: At Large/Countywide Appointments

Applications are sent to the Clerk of the Board. The Clerk of the Board will distribute the applications to the appropriate interviewer. [With the exception of the Planning Commission and the Treasury Oversight Committee, bodies may generally conduct their own interviews of applicants, unless provided direction by a Board Committee.](#) When an advisory body conducts interviews, the body’s recommendation will be provided to a Board Committee for further review. [along with all applications received for the applicable seat.](#) In all cases, the Board Committee decides

which applicants to nominate for full Board action. ~~A list of those advisory bodies that initially interview applicants for appointment is attached hereto as Exhibit B, "Bodies that interview applicants for at large/countywide appointments." A list of those bodies for which a Board Committee initially interviews applicants for appointment is attached hereto as Exhibit C, "Bodies for which a Board Committee interviews applicants."~~

B. A Board Committee or an individual Supervisor may select a screening committee to assist in interviewing applicants for appointment. Membership subcommittees of Board advisory bodies ~~bodies~~ may serve this purpose.

C. The Board shall strive to maintain an ethnic, economic, and geographic balance to the membership of advisory bodies.

D. Except where federal, State, or County statutes or regulations dictate otherwise, or in exceptional circumstances, the following applicants generally should not be appointed:

1. An applicant who has a family member already serving on the same advisory body.

2. An applicant who would be repeatedly required to recuse himself from the body's business due to a conflict of interest.

E. Except for county officers and employees serving in an official capacity, all advisory body members shall have specific terms of appointment as prescribed by statute or as fixed by the Board. Unless otherwise specified, appointees shall serve four-year terms, and terms should be staggered to limit the number of scheduled vacancies at any one time.

F. All Board appointees to advisory bodies serve at the pleasure of the Board and may be removed during their terms of office by a majority vote of the Board at its pleasure, provided that such action is consistent with conditions imposed by law.

G. An unscheduled vacancy occurs when an appointee leaves his/her seat before his/her term expires. Unscheduled vacancies in seats on advisory bodies which are appointed by the Board will be listed on the Board's agenda within 20 days after the vacancy occurs. The Board will declare the positions vacant and instruct the Clerk of the Board to post the unscheduled vacancies. The Clerk of the Board will create and post the unscheduled vacancy notice within one business day of being instructed to do so by the Board. The notice will be posted at the following locations: 1) in a conspicuous location at the Office of the Clerk of the Board; ~~2) at all County library branches;~~ and ~~23)~~ on the Contra Costa County website. Additional outreach may be implemented by the Supervisorial District offices, and/or the advisory body. Pursuant to Government Code §54974(a), the Board will not make a final appointment for a minimum of ten working days after the Clerk has posted the unscheduled vacancy notice. If the Board finds an emergency exists, it may fill the unscheduled vacancy immediately, but the appointee will only serve on an acting basis until the final appointment is made.

IV. FORMATION AND DISSOLUTION OF ADVISORY BODIES

A. The Board of Supervisors may form an advisory body for the purpose of rendering advice or recommendations to the Board on issues of importance. The Board of Supervisors may dissolve an advisory body at the Board's discretion, consistent with conditions imposed by law. Commencing July 1, 2012, each advisory body shall be reviewed at least once every three years pursuant to a procedure established by the Board [in Resolution 2012/261 or its successor](#).

B. When the Board creates an advisory body, the Board may determine whether or not the body should adopt a conflict of interest code.

V. RESPONSIBILITIES OF ADVISORY BODIES.

A. Each advisory body:

1. Shall operate within its mandate as defined in the Board Order, Resolution, or Ordinance creating the body and any applicable law, and may establish specifically defined objectives consistent with its mandate.
 2. Shall elect a chairperson and notify the Clerk of the Board of said selection;
 3. Shall establish regularly scheduled meeting times and inform the Clerk of the Board of such schedule;
 4. Subject to limitations resulting from statutory requirements, may adopt a set of operating rules (bylaws) addressing attendance requirements for continuing membership, the election of officers, and the establishment of subcommittees composed solely of current members of the advisory body. ~~Should the advisory body adopt The~~ operating rules (bylaws) ~~that address other topics, these rules~~ shall not be operative until they have been approved by the Board of Supervisors.
 5. Shall ~~keep-maintain~~ necessary records including agendas and meeting minutes (records of action) and ensure that these documents are made available to the public upon request.
 6. Shall comply with by the Ralph M. Brown Act (Gov. Code, §§-54950, et. Seq.) and the County's Better Government Ordinance (County Ordinance Code Division 25-.)
 7. Shall post meeting agendas on the County's webpage, in addition to the physical posting requirements specified in the Brown Act and Better Government Ordinance, at least 96 hours ahead of any regular meeting, beginning on March 2, 2020.
 8. Shall comply with the Board's policy against conflict of interest, as required by state law and County policies, including but not limited to Resolution No. 2002/376 and Resolution 2011/55, or their successors.
 98. Shall submit an Annual Report to the Board in December on its activities, accomplishments, membership attendance, required training/certification ~~(if any)~~, and proposed work plan or objectives for the following year, in December. ~~(The form~~ A suggested template for the Annual Report can be found in the Advisory Body Handbook or can be obtained by contacting the Clerk of the Board)
- VI. This Resolution ~~and supersedes~~ Resolution 2011/497/498 ~~supereede Resolution 2002/377~~ in its entirety.

RESOLUTION NO. 2020/1
EXHIBIT A

List of Applicable Advisory Bodies

Advisory Council on Aging
Agricultural Advisory Task Force
Alamo Municipal Advisory Council
Alcohol and Other Drugs Advisory Board
Arts & Culture Commission of Contra Costa County
Aviation Advisory Committee
Bay Point Municipal Advisory Council
Bethel Island Municipal Advisory Council
Byron Municipal Advisory Council
Commission for Women
Contra Costa County Fire Protection District Fire Advisory Commission*
Contra Costa County Planning Commission*
Council on Homelessness
County Service Area P-2A (Blackhawk Police Services) Citizens Advisory Committee
County Service Area P-2B Citizens Advisory Committee (Alamo Police Services Advisory Committee)
County Service Area P-5 (Roundhill) Citizens Advisory Committee
County Service Area P-6 (Discovery Bay Zones) Citizen Advisory Committee
County Service Area R-10 (Rodeo) Citizens Advisory Committee
Countywide Bicycle Advisory Committee
Crockett-Carquinez Fire Protection District Advisory Fire Commission
Diablo Municipal Advisory Council
East Richmond Heights Municipal Advisory Council
Economic Opportunity Council
El Sobrante Municipal Advisory Council
Emergency Medical Care Committee
Equal Employment Opportunity Advisory Council
Family & Children's Trust Committee
Fish & Wildlife Committee
Hazardous Materials Commission
Historical Landmarks Advisory Committee
Integrated Pest Management Advisory Committee
Iron Horse Corridor Management Program Advisory Committee
Juvenile Justice Coordinating Council
Keller Canyon Mitigation Fund Review Committee
Kensington Municipal Advisory Council
Knightsen Town Advisory Council
Library Commission
Local Planning and Advisory Council for Early Care and Education (LPC)
Managed Care Commission

Mental Health Commission
North Richmond Municipal Advisory Council
Pacheco Municipal Advisory Council
Public Law Library Board of Trustees
Racial Justice Oversight Body
Rodeo Municipal Advisory Council
Sustainability Commission
Treasury Oversight Committee*

Last Updated: January 7, 2020

*Interviews for the Contra Costa County Fire Protection District Fire Advisory Commission, Planning Commission and Treasury Oversight Committee will always be conducted by a Board Committee.



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Advisory Boards & Commissions of Independent Bodies to Which the County Makes Appointments

RECOMMENDATION(S):

ADOPT Resolution No. 2020/2 to amend policies for making appointments to independent bodies not governed by the Board of Supervisors, and to supersede Resolution No. 2011/498.

FISCAL IMPACT:

No direct fiscal impact is associated with this action.

BACKGROUND:

The Board of Supervisors adopted Resolution No. 2011/498, to update the policy governing procedures for making appointments to independent bodies not governed by the Board of Supervisors. Resolution Nos. 2011/498 and its companion 2011/497 superseded Resolution No. 2002/377.

Along with Resolution No. 2011/497, these resolutions provide guidance for various key policies for advisory and independent bodies, including the interview and appointments process. In contrast to the policies that apply to advisory bodies governed by the Board of Supervisors, the Board applied a narrower set of policies to the independent bodies covered in Resolution No. 2011/498, and the updated Resolution No. 2020/2.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Emlyn Struthers,
925-335-1919

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

Since adoption more than eight years ago, there have been changes in County policy that have affected lists of applicable bodies in both Resolution No. 2011/498, and in a variety of County policies that pertain to the appointments process to these bodies.

Recommended Changes to the Resolution for Independent Bodies include:

1. **List of Applicable Advisory Bodies:** The list of applicable bodies has been changed to reflect bodies that have been newly created and discontinued since the adoption of Resolution No. 2011/498.
2. **Online Maddy Book Posting:** The Board Appointive List or "Maddy Book" (in reference to the original sponsoring Senator, Kenneth L. Maddy) will be posted online, as provided for in California's Local Government Omnibus Act of 2017, in addition to a public viewing copy on display at the Clerk of the Board's office.
3. **At-Large Appointments Process:** A Board Standing Committee will generally conduct interviews for At-Large appointments to independent decision making bodies and advisory committees to independent bodies, or may delegate this activity to the bodies, which will then make nominations to a Board Standing Committee. Board Standing Committees will continue to provide all recommendations for Board appointments to At-Large seats to these bodies.

On October 21, 2019, the Internal Operations Committee (IOC) approved changes to the resolution for full consideration by the Board of Supervisors. Resolution No. 2020/1 supersedes Resolution No. 2011/497 in its entirety.

This Resolution addresses the proposed policy governing appointments to, formation of, and requirements for, boards, committees, and commissions that are advisory to the Board of Supervisors. On October 21, 2019, the IOC approved the changes to Resolution No. 2011/498 in its entirety, and recommended that the updated resolution (Resolution No. 2020/2) be adopted by the Board of Supervisors. Additional legislative history and justification can be found in the IOC Subcommittee Report published October 21, 2019. Attached to this action, and included as Exhibit A to Resolution No. 2020/2, is a list of applicable independent bodies, and a redline demonstrating the changes made to Resolution No. 2011/498 by Resolution No. 2020/2.

ATTACHMENTS

Resolution 2020/2

Exhibit A - List of Applicable Independent Bodies

REDLINE - Res 2011/498 w proposed edits

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/2

IN THE MATTER OF ADOPTING POLICY GOVERNING APPOINTMENTS TO INDEPENDENT BOARDS, COMMITTEES, AND COMMISSIONS, AND SPECIAL DISTRICTS

WHEREAS, the Board of Supervisors makes appointments to independent bodies not governed by the Board of Supervisors; and WHEREAS the Board of Supervisors wishes to encourage participation of interested citizens in decisions affecting residents of this County;

NOW, THEREFORE, BE IT RESOLVED that the following procedures governing appointments to independent special districts, boards, commissions, and committees that are not governed by the Board of Supervisors (hereafter collectively referred to as "independent bodies") are adopted:

I. APPLICATION A. The independent bodies to which this Resolution applies are listed on Exhibit A, "Independent and Quasi-Independent Bodies" attached hereto.

II. LOCAL APPOINTMENTS LIST A. In accordance with the Maddy Local Appointive List Act of 1975 (Government Code section 54970 et seq.), the Board of Supervisors (hereafter "Board") will include in the Local Appointments List prepared by December 31st of each year, a list of all regular and ongoing independent bodies that have members appointed by the Board.

1. The Local Appointments List will be made available at the following locations: a) in a conspicuous place at the Office of the Clerk of the Board; and b) on the Contra Costa County website.

2. The Local Appointments List will include a) a list of all appointive terms that will expire during the next calendar year; b) a list of all boards, commissions and committees whose members serve at the pleasure of the Board; c) the name of the incumbent, if any; d) the date of appointment for each filled seat; e) the necessary qualifications for service in each seat; f) the date on which the term for the seat expires, if any.

III. APPOINTMENT PROCEDURE A. The Board makes appointments to two distinct types of seats on independent bodies, Supervisorial District Seats and At Large/ Countywide Seats. The following process will be followed for appointments to these two types of seats:

Type 1: Supervisorial District Seats Applications may be delivered to either the Clerk of the Board or to the District Supervisor's office. Applications received by a Supervisor's office are to be sent to the Clerk of the Board, and a copy is to be retained by the Supervisor's office. The Clerk of the Board will ensure that the Supervisor has a copy of all applications originally filed with the Clerk of the Board.

Type 2: At Large/Countywide Seats Applications are sent to the Clerk of the Board. The Clerk of the Board will distribute the applications to the appropriate interviewer. When an independent body conducts interviews, the body's recommendation will be provided to a Board Committee for further review. In all cases, the Board Committee decides which applicants to nominate for full Board action.

A Board Committee or an individual Supervisor may select a screening committee to assist in interviewing the applicants for appointment. A membership subcommittee of an independent body may serve this purpose.

B. An unscheduled vacancy occurs when an appointee leaves or becomes ineligible for his/her seat before his/her term expires. Unscheduled vacancies in seats on independent bodies which are appointed by the Board will be listed on the Board's agenda within 20 days after the vacancy occurs. The Board will declare the positions vacant and instruct the Clerk of the Board to post the unscheduled vacancies. The Clerk of the Board will create and post the unscheduled vacancy notice within one business day

of being instructed to do so by the Board. The notice will be placed at the following locations: 1) in a conspicuous place at the Office of the Clerk of the Board; and 2) on the Contra Costa County website. Additional outreach may be implemented by the Supervisorial District offices and/or the independent body. Pursuant to Government Code §54974(a), the Board will not make a final appointment for a minimum of ten working days after the Clerk has posted the unscheduled vacancy notice. If the Board finds an emergency exists, it may fill the unscheduled vacancy immediately, but the appointee will only serve on an acting basis until the final appointment is made.

C. Except where federal, State, or County statutes or regulations dictate otherwise, or in exceptional circumstances, the following applicants generally should not be appointed:

1. An applicant who has a family member already serving on the same independent body;
2. An applicant who would be repeatedly required to recuse himself from the body's business due to a conflict of interest.
3. An applicant with any of the conflicts of interest listed in Resolution 2011/55.

D. Board of Supervisors representatives on independent bodies serve at the pleasure of the Board and may be removed during their terms of office by a majority vote of the Board at its pleasure, provided such action is consistent with conditions imposed by law.

IV. This Resolution supersedes Resolution 2011/498 in its entirety.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Emlyn Struthers, 925-335-1919

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

RESOLUTION NO. 2020/2
EXHIBIT A

List of Applicable Independent or Quasi-Independent Bodies

A. Decision-Making Bodies

Airport Land Use Commission
Alamo-Lafayette Cemetery District Board of Directors
Assessment Appeals Board
Byron-Brentwood-Knighten Union Cemetery District Board of Trustees
Contra Costa County Employees' Retirement Association (CCCERA)*
East Contra Costa Fire Protection District Board of Directors
First 5 Contra Costa Children and Families Commission
Housing Authority Board of Commissioners
Merit Board
Mosquito & Vector Control District Board of Trustees (Contra Costa County)
Resource Conservation District Board of Directors (Contra Costa County)
Tri-Delta Transit Authority Board of Directors
Western Contra Costa Transit Authority Board of Directors
Workforce Development Board (Contra Costa County)

B. Advisory to independent bodies

Affordable Housing Finance Committee
Contra Costa Transportation Authority (CCTA) Citizen Advisory Committee
County Connection Citizens Advisory Committee
Countywide Redevelopment Successor Agency Oversight Board*
East Bay Regional Park District Park Advisory Committee
In-Home Supportive Service Public Authority Advisory Committee
Contra Costa Solid Waste Local Enforcement Agency (LEA) Independent Hearing Panel
North Richmond Waste and Recovery Mitigation Fee Committee
Regional Measure 3 (RM3) Independent Oversight Committee*

Last Updated: January 7, 2020

*Interviews for the following will always be conducted by a Board Committee:

- Contra Costa County Employees' Retirement Association (CCCERA),
- Countywide Redevelopment Successor Agency Oversight Board, and
- Regional Measure 3 Independent Oversight Committee.

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board
Adopted this Resolution on ~~12/13/2011~~ by the following vote:

Resolution No. ~~2011/498~~2020/2

IN THE MATTER OF ADOPTING POLICY GOVERNING APPOINTMENTS TO INDEPENDENT BOARDS, COMMITTEES, AND COMMISSIONS, AND SPECIAL DISTRICTS

WHEREAS, the Board of Supervisors makes appointments to independent bodies not governed by the Board of Supervisors; and

WHEREAS the Board of Supervisors wishes to encourage participation of interested citizens in decisions affecting residents of this County;

NOW, THEREFORE, BE IT RESOLVED that the following procedures governing appointments to independent special districts, boards, commissions, and committees that are not governed by the Board of Supervisors (hereafter collectively referred to as “independent bodies”) are adopted:

I. APPLICATION

A. The independent bodies to which this Resolution applies are listed on Exhibit A, “Independent and Quasi-Independent Bodies” attached hereto.

II. LOCAL APPOINTMENTS LIST

A. In accordance with the Maddy Local Appointive List Act of 1975 (Government Code section 54970 et seq.), the Board of Supervisors (hereafter “Board”) will include in the Local Appointments List prepared by December 31st of each year, a list of all regular and ongoing independent bodies that have members appointed by the Board.

1. The Local Appointments List will be made available at the following locations: a) in a conspicuous place at the Office of the Clerk of the Board; and b) at all County Library branches; and c) on the Contra Costa County website.

2. The Local Appointments List will include a) a list of all appointive terms that will expire during the next calendar year; b) a list of all boards, commissions and committees whose members serve at the pleasure of the Board; c) the name of the incumbent, if any; d) the date of appointment for each filled seat; e) the necessary qualifications for service in each seat; f) the date on which the term for the seat expires, if any.

III. APPOINTMENT PROCEDURE

A. The Board makes appointments to two distinct types of seats on independent bodies, Supervisorial District Seats and At Large/ Countywide Seats. The following process will be followed for appointments to these two types of seats:

Type 1. Supervisorial District Seats

Applications may be delivered to either the Clerk of the Board or to the District Supervisor’s office. Applications received by a Supervisor’s office are to be sent to the Clerk of the Board, and a copy is to be retained by the Supervisor’s office. The Clerk of the Board will ensure that the Supervisor has a copy of all applications originally filed with the Clerk of the Board.

Type 2. At Large/Countywide Seats

Applications are sent to the Clerk of the Board. The Clerk of the Board will distribute the applications to the appropriate interviewer. When an independent body conducts interviews, the body’s recommendation will be provided to a Board Committee for further review. In all cases, the Board Committee decides which applicants to nominate for full Board action. ~~A list of those bodies that initially interview applicants for appointment is attached hereto as Exhibit B, “Bodies that interview applicants for at large/countywide appointments.” A list of those bodies for which a Board Committee initially interviews applicants for appointment is attached hereto as Exhibit C, “Bodies for which a Board Committee interviews applicants.”~~

A Board Committee or an individual Supervisor may select a screening committee to assist in interviewing the applicants for appointment. A membership subcommittee of an independent body may serve this purpose.

B. An unscheduled vacancy occurs when an appointee leaves [or becomes ineligible for](#) his/her seat before his/her term expires. Unscheduled vacancies in seats on independent bodies which are appointed by the Board will be listed on the Board's agenda within 20 days after the vacancy occurs. The Board will declare the positions vacant and instruct the Clerk of the Board to post the unscheduled vacancies. The Clerk of the Board will create and post the unscheduled vacancy notice within one business day of being instructed to do so by the Board. The notice will be placed at the following locations: 1) in a conspicuous place at the Office of the Clerk of the Board; [and 2\) at all County Library branches; and 3\)](#) on the Contra Costa County website. Additional outreach may be implemented by the Supervisorial District offices and/or the independent body. Pursuant to Government Code §54974(a), the Board will not make a final appointment for a minimum of ten working days after the Clerk has posted the unscheduled vacancy notice. If the Board finds an emergency exists, it may fill the unscheduled vacancy immediately, but the appointee will only serve on an acting basis until the final appointment is made.

C. Except where federal, State, or County statutes or regulations dictate otherwise, or in exceptional circumstances, the following applicants generally should not be appointed:

1. An applicant who has a family member already serving on the same independent body;
2. An applicant who would be repeatedly required to recuse himself from the body's business due to a conflict of interest.
3. [An applicant with any of the conflicts of interest listed in Resolution 2011/55.](#)

D. Board of Supervisors representatives on independent bodies serve at the pleasure of the Board and may be removed during their terms of office by a majority vote of the Board at its pleasure, provided such action is consistent with conditions imposed by law.

E. This Resolution ~~and Resolution 2011/497 supercedes~~[supersedes](#) Resolution ~~2002/377~~[2011/498](#) in its entirety.



Contra
Costa
County

To: Board of Supervisors
From: FINANCE COMMITTEE
Date: January 7, 2020

Subject: 2019 ANNUAL REPORT OF THE FINANCE COMMITTEE

RECOMMENDATION(S):

RECEIVE the 2019 Annual Report submitted by the Finance Committee.

FISCAL IMPACT:

No fiscal impact.

BACKGROUND:

On June 18, 2002, the Board of Supervisors adopted Resolution No. 2002/377, which requires that each regular and ongoing board, commission, or committee shall annually report to the Board of Supervisors on its activities, accomplishments, membership attendance, required training/certification (if any), and proposed work plan or objectives for the following year.

This report fulfills this requirement for the Finance Committee.

All Finance Committee reports from 2009 onward and attachments can be found on the County website at <http://ca-contracostacounty.civicplus.com/index.aspx?NID=2286>.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Lisa Driscoll, County Finance
Director (925) 335-1023

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Robert Campbell, Auditor-Controller

BACKGROUND: (CONT'D)

>

In 2019, the Finance Committee received reports and/or made recommendations to the Board of Supervisors concerning issues related to:

- Department of Conservation and Development's recommendations regarding requests for Community Development Block Grant (CDBG) Economic Development & Infrastructure/Public Facility Projects;
- Regular Capital Facility Updates and Specific Building Projects;
- Single Audit for the Fiscal Year ending June 30, 2018;
- Employee recognition programs;
- Increasing the basic assessment rate for County Service Area EM-1 and other EMS System funding requests;
- Proposed sales tax measure;
- Update on bank card services fees;
- Developing options for additional funding sources to comply with Municipal Regional Permit 2.0 (Storm water);
- Refunding of the County's 2010 Lease Revenue Bonds Series A and B; and
- Animal Services Department study of contracted city services and fees.

At year end, the Finance Committee had pending referrals on:

- Continuing to implement and evaluate the Real Estate Asset Management Plan (RAMP); and
- Developing options for additional funding sources to comply with Municipal Regional Permit 2.0 (Storm water).



**Contra
Costa
County**

To: Board of Supervisors
From: Deborah R. Cooper, Acting Clerk-Recorder
Date: January 7, 2020

Subject: Consolidation Requests for the March 03, 2020 Primary Election

RECOMMENDATION(S):

APPROVE election consolidation requests from jurisdictions that have filed resolutions with the County-Clerk Recorder, Elections Division, to place measures on the March 3, 2020 Primary Election ballot, and AUTHORIZE the County-Clerk Recorder to conduct elections for: Antioch Unified School District Facilities Improvement District, Lafayette School District, Moraga School District, West Contra Costa School District, Pleasant Hill Recreation and Park District, and the Town of Danville.

FISCAL IMPACT:

There is no direct cost to the County. Any additional cost incurred by the Elections Division will be recovered from each City, School and Special District.

BACKGROUND:

Election Code 10400 et seq. requires jurisdictions wishing to consolidate an election with a statewide election to submit a resolution to the Board of Supervisors requesting consolidation. The Board may approve or not approve the request. By granting these requests, the Board authorizes the County Elections Division to consolidate and conduct the election on behalf of the jurisdictions in conjunction with the March 3, 2020 Primary Election. Records indicate that entities requesting consolidation have each filed the required resolution with the Clerk of the Board of Supervisors.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Rosa Mena,
925.335.7806

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

The Board of Supervisors previously approved Contra Costa Transportation Authority's request to consolidate on November 19, 2019.

CONSEQUENCE OF NEGATIVE ACTION:

Not approving the requests will require each entity to conduct its own election.



**Contra
Costa
County**

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: January 7, 2020

Subject: APPROVE an Exclusive Negotiating Rights Agreement with Overaa Investments, LLC, related to 2555 El Portal Drive, San Pablo.

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an Exclusive Negotiating Rights Agreement between the County and Overaa Investments, LLC and the living trusts of members of the Overaa family (Overaa), the owner of the building located at 2555 El Portal Drive in San Pablo, to enable the County to determine the feasibility of rehabilitating the building for use by the County to provide supportive housing and support services to qualifying individuals through the creation of 55-60 micro housing units in the building.

FISCAL IMPACT:

No fiscal impact.

BACKGROUND:

Proposed Negotiations

Overaa owns the real property located at 2555 El Portal Drive in San Pablo, California, consisting of approximately 1.84 acres. The property is improved with an approximately 25,610 square-foot, two-story building that is currently vacant. Other improvements to the property include a parking lot and landscaping.

Overaa and the County desire to work together to determine the feasibility of rehabilitating the building for

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Julin Perez, 925.
957-2460

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

use by the County to provide supportive housing and support services for qualifying individuals. The parties intend to determine if it is feasible to undertake the rehabilitation of the building, the construction of 55-60 studio apartments and certain other rooms in the building, the restriping of the parking lot, and replanting and irrigating the landscape on the property. If the rehabilitation project is feasible, the parties would then endeavor to negotiate a lease or a lease-purchase agreement under which the County would acquire the use of the property.

During the term of the exclusive negotiating agreement, the parties will perform due diligence. As part of the due diligence, the parties will work together to identify multiple lease, or lease-purchase, structures to present to the Contra Costa County Board of Supervisors for consideration. The different structures will reflect the effect of the County having the use of the property over varying lengths of time. Once a feasibility determination is made and the structure of the transaction is determined, the parties will negotiate the final terms of a lease or lease-purchase agreement.

BACKGROUND: (CONT'D)

Grant Funds

The Health Services Department has received a grant from the U.S. Department of Housing and Urban Development in an amount not to exceed \$966,573. The grant is expected to be renewed annually. If the project is determined to be feasible, Health Services intends to allocate the grant proceeds to the Contra Costa County Continuum of Care Program to provide permanent supportive housing and support services for High Utilizers of Multiple Systems individuals.

CONSEQUENCE OF NEGATIVE ACTION:

The ability of the Contra Costa County Continuum of Care Program to provide permanent supportive housing and support services for High Utilizers of Multiple Systems individuals could be delayed.



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Resolution No. 2020/6 - DSA Side Letter - Sheriff Dispatcher Hiring Incentive

RECOMMENDATION(S):

ADOPT Resolution No. 2020/6, approving a side letter between Contra Costa County and the Deputy Sheriffs Association (DSA), Rank and File Unit, to provide for a Sheriff Dispatcher I and II hiring incentive.

FISCAL IMPACT:

Dispatch employees will be eligible for a one-time payment of \$3,000. The Office of the Sheriff anticipates approximately 10 lump sum payments each year.

BACKGROUND:

Over the past three years, the Sheriff's Department has hired 29 Dispatcher I's to fill vacancies. As of August 26, 2019, only nine of these Dispatcher I's have completed the year-long training program. Three of the individuals that passed the training program have since sought employment at other Communication Centers. The Communication Center has 50 positions and currently nine unfilled Dispatcher and Supervisors positions. Currently ten Dispatcher I's are in the training program, however they cannot be used towards available headcount to cover available shifts for approximately one year. Due to these staffing issues, Dispatchers II's have been required to work a cumulative total of approximately 1,100 to 1,300

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Lisa Driscoll, County Finance
Director (925) 335-1023

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Robert Campbell, Auditor-Controller, Dianne Dinsmore, Human Resources Director

BACKGROUND: (CONT'D)

>

hours of scheduled overtime each month. Over the past year, Dispatchers II's have been routinely held to work eighteen-hour shifts. These shifts have affected morale and cannot be maintained. It is hoped that the attached agreement to provide hiring incentives to dispatchers will help to mitigate the staffing shortage.

CONSEQUENCE OF NEGATIVE ACTION:

If the side letter is not approved, the department may continue to find it difficult to hire and retain dispatchers.

ATTACHMENTS

Resolution 2020/6

Side Letter - DSA Dispatchers

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/6

In The Matter Of: Approving the Side Letter between Contra Costa County and the Deputy Sheriff's Association (DSA), Rank and File Unit, to provide for a hiring incentive for Sheriff Dispatchers.

The Contra Costa County Board of Supervisors acting in its capacity as Governing Board of the County of Contra Costa and all districts of which it is the ex-officio governing Board **RESOLVES THAT:**

Effective January 1, 2020, the attached Side Letter of Agreement dated December 12, 2019, between Contra Costa County and the Deputy Sheriff's Association, Rank and File Unit, be **ADOPTED**.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

**Contact: Lisa Driscoll, County Finance Director (925)
335-1023**

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Robert Campbell, Auditor-Controller, Dianne Dinsmore, Human Resources Director

**SIDE LETTER AGREEMENT
BETWEEN CONTRA COSTA COUNTY &
DEPUTY SHERIFFS ASSOCIATION, RANK & FILE UNIT**

This Side Letter is by and between the Deputy Sheriffs Association ("DSA"), on behalf of its Rank & File Unit, and Contra Costa County ("County") and is effective on January 1, 2020 following approval of the Board of Supervisors. The Parties agree to the following:

Beginning January 1, 2020, Sheriff's Dispatcher I (64WK) employees who complete their training and promote to Sheriff's Dispatcher II (64WM) will be paid a one-time, lump sum payment of three thousand dollars (\$3,000.00) following their promotion to Sheriff's Dispatcher II. New employees hired from outside the County directly into the Sheriff's Dispatcher II (64WM) classification will be paid a one-time, lump sum payment of three thousand dollars (\$3,000.00) following one continuous year of service with the County in the Sheriff's Dispatcher II classification. In no case shall any individual be eligible for more than one lump sum payment over the course of their employment with the County.

This Side Letter shall automatically terminate at the expiration of the current Memorandum of Understanding between the County and DSA on June 30, 2023. Renewal, extension or amendment of this Side Letter may occur by mutual agreement of the parties.

Date: 12-10-2019

Contra Costa County:
(Signature/Printed Name)

**Deputy Sheriffs Association
(Rank & File Unit):**
(Signature/Printed Name)

Michelle L. Bradiswell | *Bradiswell*
[Signature] | *mphdd*
 _____ | _____
 _____ | _____
 _____ | _____
 _____ | _____

[Signature] | *Sharon Wekh*
 _____ | _____
 _____ | _____
 _____ | _____
 _____ | _____



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: County Service Area P-2A Citizens Advisory Committee 2019 Annual Report

RECOMMENDATION(S):

ACCEPT the County Service Area P-2A (Blackhawk Police Services) Citizens Advisory Committee 2019 Annual Report.

FISCAL IMPACT:

None.

BACKGROUND:

On December 13, 2011, the Board of Supervisors adopted Resolution No. 2011/497, which requires that each regular and ongoing board, commission, or committee annually report to the Board on its activities, accomplishments, membership attendance, required training/certification (if any), and proposed work plan or objectives for the following year. The attached report is submitted to fulfill this requirement, and share information about the Blackhawk Police Services Advisory Committee's activities in 2019 with the public.

-
- APPROVE OTHER
 - RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE
-

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Tricia Englund,
925-736-1018

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

ATTACHMENTS

P-2A Advisory Committee 2019 Annual
Report



ADVISORY BODY ANNUAL REPORT

Advisory Body Name: County Service Area P-2A ~ Citizens Advisory Committee
Advisory Body Meeting Time/Location: 6 p.m. on 2nd Tue of each month / 1092 Eagle Nest Pl, Danville
Chair (during the reporting period): Christopher Gallagher
Staff Person (during the reporting period): Lieutenant Tricia England
Reporting Period: 2019 Calendar Year

I. Activities

(estimated response length: 1/2 page)

Describe the activities for the past year including areas of study, work, special events, collaborations, etc.

- Budget Management
- Cost Control
- Financial Projections
- Interviews of candidates to replace retiring Police Chief
- Selection of new Police Chief
- Resignation of majority of P2A Board Members
- Selection of new P2A Board Members
- Selection of new Chair, Vice-Chair, and Secretary for the P2A Board
- Formation of Finance Sub-Committee
- Attendance and participation in Blackhawk Town Hall Meeting
- Brown Act Training completed by all Board Members
- Steps made to include a parcel tax increase for P2A Police Services on 2020 ballot
- Chief Assistant County Administrator Tim Ewell attended meetings and explained/clarified financial statements and projections

II. Accomplishments

(estimated response length: 1/2 page)

Describe the accomplishments for the past year, particularly in reference to your work plan and objectives.

- Selection of new Police Chief was made
- Blackhawk HOA agreed to continue annual donation of \$100,000 for Police Services
- Blackhawk Country Club agreed to begin annual donation of \$40,000 for Police Services
- 1 Deputy left Blackhawk for a new assignment opportunity
- The deputy spot is vacant pending outcome of vote for the Parcel Tax increase

III. Attendance/Representation

(estimated response length: 1/4 page)

Describe your membership in terms of seat vacancies, diversity, level of participation, and frequency of achieving a quorum at meetings.

- The P2A Committee consists of 7 Community residents
- 6 males and 1 female
- Ranging in age from approximately 48 to 71 years.
- Attendance at monthly meetings is typically 6 or 7 members.
- We have not had a problem achieving quorum with the exception of June and July. This was when the majority of the old Board resigned and a new Board was being selected.

IV. Training/Certification

(estimated response length: 1/4 page)

Describe any training that was provided or conducted, and any certifications received, either as a requirement or done on an elective basis by members. NOTE: Please forward copies of any training certifications to the Clerk of the Board.

- All Board members were required to complete Brown Act Training and submit their certificates of completion.

V. Proposed Work Plan/Objectives for Next Year

(estimated response length: 1/2 page)

Describe the advisory body's workplan, including specific objectives to be achieved in the upcoming year.

- Continue to monitor financial performance and outlook
- Adjust staffing as necessary to meet priorities and available funds
- Provide direction and oversight to the Police chief
- Support the increase in parcel tax and bring it to a successful vote to the residents.



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 7, 2020

Subject: Multifamily Housing Revenue Note - Hidden Cove Apartments in Bay Point

RECOMMENDATION(S):

ADOPT Resolution No. 2020/8 authorizing the issuance of a multifamily housing revenue note (the "Note") designated as "County of Contra Costa, California, Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A" in an amount not to exceed \$16,350,000 to finance the acquisition and rehabilitation of an 88-unit multifamily rental housing project located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane in the Bay Point unincorporated area of the County (the "Development"), which is commonly known as Hidden Cove Apartments.

1. FIND and DECLARE that the recitals contained in Resolution No. 2020/8 are true and correct.
2. APPROVE the form of, and authorize the County to execute, the Funding Loan Agreement among the County, Capital One, National Association (the "Funding Lender") and U.S. Bank National Association (the "Fiscal Agent") regarding the County sale of the Note to the Initial Funding Lender for the purpose of loaning the proceeds to Hidden Cove Apartments, LP (the "Borrower").
3. APPROVE the form of, and authorize the County to execute, the Project Loan Agreement among the County, the Fiscal Agent and the Borrower regarding the County loan of Note proceeds to the Borrower.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Kristen Lackey (925)
674-7793

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

RECOMMENDATION(S): (CONTD)

4. APPROVE the form of, and authorize the County to execute, the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower.
5. AUTHORIZE the delivery of the Note by the County to the Funding Lender as the initial purchaser of the Note.
6. APPROVE the form of, and authorize the County to execute, the Termination Agreement related to the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003, between the County and Borrower.
7. APPOINT Quint & Thimmig, LLP as bond counsel for the transaction.
8. AUTHORIZE and DIRECT the Designated Officers of the County, as defined in Resolution No. 2020/8, to do any and all things and take any all actions, and execute and deliver any and all certificates, agreements, and other documents which the officer may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with the Resolution.

FISCAL IMPACT:

No impact to the General Fund. At the closing for the Note, the County is reimbursed for costs incurred in the issuance process. Annual expenses for monitoring of Regulatory Agreement provisions ensuring units in the Development will be rented to low income households will be reimbursed through issuer fees established in the documents for the Note. The Note will be solely secured by and payable from revenues (e.g. Development rents, reserves, etc.) pledged under the Note documents. No County funds are pledged to secure the repayment of the Note.

BACKGROUND:

The recommended action is the adoption of Resolution 2020/8 by the Board of Supervisors, as the legislative body of the County, authorizing the issuance of a multifamily housing revenue note, the proceeds of which will be used to finance the acquisition and rehabilitation of Hidden Cove, an 88-unit residential housing development located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane in Bay Point (the "Development"). The ownership entity for the development is Hidden Cove Apartments, LP (the "Borrower"), a California limited partnership that consists of an entity related to the Foundation for Affordable Housing as the managing general partner and CREA as the tax credit equity investor. On July 9, 2019, the Board of Supervisors approved the transfer of ownership of Hidden Cove Apartments to the Borrower (Resolution No. 2019/469).

Conservation and Development staff held a noticed public hearing on July 29, 2019 to permit interested parties to comment on the proposed financing and the Development. No comments were received from the public. The Board adopted Resolution No. 2019/508 on August 6, 2019 to authorize proceeding with the issuance of the Note for the Development pursuant to Section 147(f) of the Internal Revenue Code and the submittal of an application by the County for tax-exempt private activity bond authority from the California Debt Limit Allocation Committee. On October 16, 2019, the California Debt Limit Allocation Committee awarded the County authority to issue the Note in a maximum principal amount of \$16,350,000 through its Resolution No. 19-134.

The structure of the financing will be one note (the term "note" is interchangeable with "bond" as they both evidence a borrowing). The County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments) Series 2020 A (the "Note") will be purchased by Capital One National Association (the "Funding Lender") and the proceeds of the sale will be loaned by the County to the

Borrower to finance the acquisition and rehabilitation of the Development. The loan will be assigned to Freddie Mac. In addition to the proceeds of the Note, the Development will be funded with low income housing tax credits. The transaction is expected to close on or about January 31, 2020.

The Development will be one hundred percent affordable with eighteen units affordable to households earning at or below 50% area median income and 69 units at or below 60% area median income plus one managers unit. A new Regulatory Agreement governing these affordability restrictions will be recorded against the property and the current Regulatory Agreement (entered in 2003) will be terminated. The County approved the original development of the project on February 11, 1986.

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from issuing the Multifamily Housing Revenue Note in order to provide a loan to Hidden Cove Apartments, LP to finance the acquisition and rehabilitation of Hidden Cove Apartments.

CHILDREN'S IMPACT STATEMENT:

The recommendation supports one or more of the following children's outcomes:

- (1) Children Ready for and Succeeding in School;
- (2) Children and Youth Healthy and Preparing for Productive Adulthood;
- (3) Families that are Economically Self Sufficient;
- (4) Families that are Safe, Stable and Nurturing; and
- (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.

ATTACHMENTS

Resolution 2020/8

Hidden Cove Funding Loan Agreement

Hidden Cove Project Loan Agreement

Hidden Cove Regulatory Agreement

Hidden Cove Termination Agreement (2003 Bond)

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:
NO:
ABSENT:
ABSTAIN:
RECUSE:



Resolution No. 2020/8

RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY HOUSING REVENUE NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$16,350,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING PROJECT FOR HIDDEN COVE APARTMENTS, LP, AND OTHER MATTERS RELATING THERETO

WHEREAS, the County of Contra Costa (the "County") is authorized pursuant to Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to issue bonds and notes for the purpose of financing multifamily rental housing facilities; and

WHEREAS, Hidden Cove Apartments, LP, a California limited partnership (the "Borrower") has requested that the County issue a multifamily housing revenue note (the "Note") and loan the proceeds of the Note to the Borrower to finance the acquisition and rehabilitation by the Borrower of 88 units of residential rental housing located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane in the Bay Point unincorporated area of the County (the "Development"); and

WHEREAS, on July 29, 2019, the Community Development Bond Program Manager of the County held a public hearing on the proposed issuance of the Note by the County for, and the financing, ownership and operation of, the Development, as required under the provisions of the Internal Revenue Code (the "Code") applicable to tax-exempt obligations, following published notice of such hearing, and communicated to the Board of Supervisors of the County all written and oral testimony received at the hearing; and

WHEREAS, on August 6, 2019, the Board of Supervisors of the County adopted Resolution No. 2019/508 authorizing the issuance of the Note to finance the Development in satisfaction of public approval requirements of the Code; and

WHEREAS, the California Debt Limit Allocation Committee adopted its Resolution No. 19-134 on October 16, 2019 allocating \$16,350,000 of the State of California ceiling on private activity bonds for 2019 to the County for the purpose of financing the Development; and

WHEREAS, in order to assist in the financing of the Development, the County has determined to issue the Note, as authorized by the Act, and sell the Note to Capital One, National Association, as initial funding lender (the "Funding Lender") pursuant to a funding loan agreement (the "Funding Loan Agreement") among the County, U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the Funding Lender, and to use the proceeds of the sale of the Note to the Funding Lender to make a loan to the Borrower pursuant to a project loan agreement (the "Project Loan Agreement") among the Fiscal Agent, the County and the Borrower, with amounts due from the County to the Funding Lender under the Note and the Funding Loan Agreement to be payable solely from amounts paid by the Borrower under the Project Loan Agreement; and

WHEREAS, there have been prepared various documents with respect to the issuance by the County of the Note, copies of which are on file with the Clerk of the Board, and the Board of Supervisors now desires to approve the issuance of the Note and the execution and delivery of such documents by the County; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Note as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Contra Costa, as follows:

Section 1. The Board of Supervisors hereby finds and declares that the foregoing recitals are true and correct.

Section 2. Pursuant to the Act and the Funding Loan Agreement, the Note designated as “County of Contra Costa, California, Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A” in an aggregate principal amount of not to exceed \$16,350,000, is hereby authorized to be issued. The Note shall be executed by the manual or facsimile signature of the Chair of the Board of Supervisors (the “Chair”), in the form set forth in and otherwise in accordance with the Funding Loan Agreement.

Section 3. The Funding Loan Agreement between the County and the Funding Lender, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, the County Administrator, the Director of the Department of Conservation and Development, the Assistant Deputy Director of the Department of Conservation and Development and the Community Development Bond Program Manager (collectively, the “Designated Officers”) is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Funding Loan Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Funding Loan Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof, provided that no additions or changes shall authorize an aggregate principal amount of the Note in excess of the amount set forth in Section 2 above), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Funding Loan Agreement by the County. The date, maturity date, interest rate or rates, privileges, manner of execution, place of payment, terms of redemption and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project Loan Agreement among the Fiscal Agent, the County and the Borrower, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized to execute and deliver the Project Loan Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Project Loan Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such changes to be conclusively evidenced by the execution and delivery of the Project Loan Agreement by the County.

Section 5. The regulatory agreement and declaration of restrictive covenants between the County and the Borrower (the “Regulatory Agreement”), in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Regulatory Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Regulatory Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Regulatory Agreement by the County.

Section 6. The Note, when executed, shall be delivered by the Fiscal Agent to the Funding Lender (as the initial purchaser of the Note), in accordance with written instructions executed on behalf of the County by any one of the Designated Officers of the County, which instructions said officers are hereby authorized, for and in the name and behalf of the County, to execute and deliver. Such instructions shall provide for the delivery of the Note by the Fiscal Agent to the Funding Lender upon the funding by the Funding Lender of the purchase price of the Note as described in the Funding Loan Agreement.

Section 7. It is recognized that the Regulatory Agreement contains restrictions on the operations of the Development that are substantially the same as those set forth in an existing Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003 (the “2003 Regulatory Agreement”) recorded against the Development. In light of the foregoing, the County and the Borrower intend to enter into a Termination Agreement (the “Termination Agreement”) terminating the 2003 Regulatory Agreement. Accordingly, the Termination Agreement, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Termination Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Termination Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Termination Agreement by the County.

Section 8. The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the County for the Note. The fees and expenses of such firm for matters related to the Note shall be payable solely from the proceeds of the Note or contributions by the Borrower.

Section 9. All actions heretofore taken by the officers and agents of the County with respect to the issuance of the Note are hereby approved, confirmed and ratified, and the proper officers of the County, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and

execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution, including but not limited to any certificates, agreements and other documents described in the Funding Loan Agreement, the Project Loan Agreement or the Regulatory Agreement, or otherwise necessary to issue the Note and consummate the transactions contemplated by the documents approved by this Resolution.

Section 10. This Resolution shall take effect upon its adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Kristen Lackey (925) 674-7793

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

FUNDING LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

among

**CAPITAL ONE, NATIONAL ASSOCIATION,
as Initial Funding Lender**

**COUNTY OF CONTRA COSTA, CALIFORNIA,
as Governmental Lender**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

**Relating to:
Hidden Cove Apartments
2901 Mary Ann Lane, Baypoint, California
Original Funding Loan Principal Amount: \$[AMOUNT]**

Dated as of January 1, 2020

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[TO BE UPDATED]

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FUNDING LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

THIS FUNDING LOAN AGREEMENT (this “Funding Loan Agreement”), is made and entered into as of January 1, 2020, by and among CAPITAL ONE, NATIONAL ASSOCIATION, a national banking association in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the COUNTY OF CONTRA COSTA, CALIFORNIA (the “Governmental Lender”), a public body, corporate and politic, duly organized and existing under the laws of the State of California (the “State”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, organized and operating under the laws of the United States of America, having a corporate trust office in San Francisco, California, as Fiscal Agent (the “Fiscal Agent”). Capitalized terms are defined in Section 1.01 of this Funding Loan Agreement.

RECITALS

A. Pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code (the “Act”) and the Project Loan Agreement dated as of January 1, 2020 (the “Project Loan Agreement”) by and among the Governmental Lender, the Fiscal Agent and Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (the “Borrower”), the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[AMOUNT] (the “Project Loan”) to provide for the financing of a multifamily rental housing development located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane, Baypoint, California known as Hidden Cove Apartments (the “Project”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan made to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$[AMOUNT] (the “Funding Loan” and together with the Project Loan, the “Loans”). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A dated January __, 2020 in the form attached hereto as Exhibit A (together with all riders and addenda thereto, the “Governmental Note”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”), has entered into a commitment with the Initial Funding Lender dated January __, 2020 (the “Freddie Mac Commitment”) whereby Freddie Mac has agreed to purchase the Funding Loan upon the date of satisfaction of the conditions set forth in the Freddie Mac Commitment (the “Freddie Mac Purchase Date”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain closing costs with respect to the Loans].

E. The Borrower’s repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated January __, 2020 (together with all riders and modifications

thereto, the "Project Note") delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the "Security Instrument") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "Funding Lender Representative"). Capital One, National Association (the "Servicer") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "Continuing Covenant Agreement"), which sets forth various other requirements with respect to the Project, and which agreement will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

J. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by the Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement.

"Act" means Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code.

“Administration Fund” means the Administration Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Assignment” means the Assignment of Security Instrument dated as of the date hereof by the Governmental Lender assigning its interest in the Security Instrument to the Fiscal Agent.

“Authorized Officer” means (a) when used with respect to the Governmental Lender, the Governmental Lender’s Chair, Vice Chair, County Administrator, Director of the Department of Conservation and Development, Assistant Deputy Director of the Department of Conservation and Development or Community Development Bond Program Manager and such additional Person or Persons, if any, duly designated by the Governmental Lender in writing to act on its behalf, (b) when used with respect to the Borrower, any [_____] of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Fiscal Agent, any authorized signatory of the Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of the Fiscal Agent, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of the Funding Lender Representative.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor federal statute.

“Bond Counsel” means (a) Quint & Thimmig LLP, or (b) any other firm of attorneys selected by the Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer’s Municipal Marketplace and is acceptable to the Funding Lender Representative.

“Borrower” means Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California, or any of its permitted successors or assigns, as owner of the Project.

“Borrower Equity Account” means the Borrower Equity Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Borrower Equity Deposit” means \$[_____], which shall be comprised of sources other than the proceeds of the Project Loan.

“Business Day” means any day other than (a) a Saturday or a Sunday, or (b) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Certificate of the Governmental Lender” and “Request of the Governmental Lender” mean, respectively, a written certificate or request signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender or such other Person as may be designated and authorized to sign for the Governmental Lender. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

“Continuing Covenant Agreement” means the Continuing Covenant Agreement dated as of the date hereof by and between the Borrower and the Initial Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of (A) 60 days prior to the date of a resolution of the Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (B) the Delivery Date, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Loans such costs were (A) Costs of Issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being rehabilitated or developed by the Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such affiliate in rehabilitating or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, rehabilitation or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

“Costs of Issuance” means, as applicable, (i) the fees (excluding ongoing fees), costs and expenses of (a) the Governmental Lender and the Governmental Lender’s counsel (b) Bond Counsel, (c) the Fiscal Agent and the Fiscal Agent’s counsel, (d) the Servicer and the Servicer’s counsel, (e) the Funding Lender and the Funding Lender’s counsel (including both the Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), and (f) Borrower’s counsel attributable to the funding of the Loans and the Borrower’s financial advisor, if any, and (ii) all other fees, costs and expenses directly associated with the Funding Loan and the Project Loan, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Fiscal Agent on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Project Loan.

“Cost of Issuance Fund” means the Cost of Issuance Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Default Rate” means the lower of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the maximum rate allowed by law.

“Delivery Date” means January __, 2020, the date of initial funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“Determination of Taxability” shall mean, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by Fiscal Agent or Funding Lender Representative, at the request of Governmental Lender, Borrower, Fiscal Agent or Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in gross income for federal income tax purposes of the Funding Lender or any former Funding Lender other than a Funding Lender who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (a) or (c) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (iii) one year from the date of initial determination.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.04 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.04 hereof.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

“Extraordinary Services” means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys’ or agents’ fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by the Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

“Extraordinary Fiscal Agent’s Fees and Expenses” means all those fees, expenses and reimbursements earned or incurred by the Fiscal Agent as described under Section 7.06 hereof during any Rebate Year for Extraordinary Services, as set forth in a detailed invoice to the Borrower, the Servicer and the Funding Lender Representative.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in

accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Financing Documents” means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means U.S. Bank National Association and its successors hereunder.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Commitment” means the commitment from Freddie Mac to the Initial Funding Lender pursuant to which Freddie Mac has agreed to purchase the Funding Loan, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

“Freddie Mac Purchase Date” means the date Freddie Mac purchases the Funding Loan from the Initial Funding Lender upon satisfaction of the conditions set forth in the Freddie Mac Commitment.

“Funding Lender” means any Person who is the owner of the Governmental Note.

“Funding Lender Representative” means the Funding Lender or any Person designated by the Funding Lender to act on behalf of the Funding Lender as provided in Section 11.05, or an assignee of such Person as provided in Section 11.05. The initial Funding Lender Representative shall be the Initial Funding Lender, and Freddie Mac shall become the Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

“Funding Loan” means the loan in the original principal amount of \$[AMOUNT] made to the Governmental Lender pursuant to this Funding Loan Agreement by the Initial Funding Lender.

“Funding Loan Amortization Schedule” means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

“Government Obligations” means investments meeting the requirements of clause (a) or (b) of the definition of “Qualified Investments” herein.

“Governmental Lender” means County of Contra Costa, California, a public body, corporate and politic, duly organized and existing under the laws of the State.

“Governmental Lender Fee” has the meaning given to the term Governmental Lender Annual Fee in the Tax Regulatory Agreement.

“Governmental Note” means the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated the Delivery Date, executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, in the form attached hereto as Exhibit A, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any mortgage note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“Guide” means the Freddie Mac Multifamily Seller/ Servicer Guide, as the same may be amended, modified or supplemented from time to time.

“Initial Debt Service Deposit” means an amount equal to the sum of (i) the interest payable on the Funding Loan, and (ii) the ongoing fees payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to but not including the first day of the calendar month immediately succeeding the Delivery Date.

“Initial Funding Lender” means Capital One, National Association, a national banking association, as initial owner of the Governmental Note.

“Interest Payment Date” means (i) the first day of each calendar month, commencing February 1, 2020, (ii) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (iii) the Maturity Date.

“Interest Rate” means the interest rate of ___% per annum; provided during the continuance of any Event of Default hereunder, the Interest Rate shall be the Default Rate.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to Section 4.08 hereof.

“Loans” means, together, the Project Loan and the Funding Loan.

“Loan Payment Fund” means the Loan Payment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Loan Prepayment Fund” means the Loan Prepayment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Maturity Date” means the maturity date of the Funding Loan set forth in Section 2.01(b) hereof.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Notes” means, together, the Project Note and the Governmental Note.

“Ordinary Fiscal Agent’s Fees and Expenses” means the annual administration fee for the Fiscal Agent’s ordinary fees and expenses in rendering its services under this Funding Loan

Agreement during each twelve month period, which fee is equal to (and shall not exceed) \$[_____] and shall be payable in advance on the Delivery Date and each January 1, commencing January 1, 2021, thereafter.

“Paying Agent” means the Person designated to make payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan, to the Funding Lender pursuant to Section 2.12 hereof. The initial Paying Agent shall be the Servicer.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledged Security” shall have the meaning given to that term in Section 2.02 hereof.

“Prepayment Premium” shall mean any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by the Borrower under Section 10 of the Project Note in connection with a prepayment of the Project Loan.

“Principal Office of the Fiscal Agent” means the office of the Fiscal Agent referenced in Section 11.04(a) hereof, or such other office or offices as the Fiscal Agent may designate in writing from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as Hidden Cove Apartments located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane, Baypoint, California in the unincorporated area of the Governmental Lender, including the real estate described in the Security Instrument.

“Project Account” means the Project Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Project Loan” means the loan made by the Governmental Lender to the Borrower pursuant to the Project Loan Agreement in the original principal amount of \$[AMOUNT], as evidenced by the Project Note.

“Project Loan Agreement” means the Project Loan Agreement dated as of the date hereof among the Borrower, the Governmental Lender and the Fiscal Agent, as amended, supplemented or restated from time to time.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Loan Fund” means the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Project Note” means the Project Note dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the

Project Loan, which Project Note will be delivered to the Governmental Lender and endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“Qualified Investments” means any of the following if and to the extent permitted by law: (a) direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America; (c) senior debt obligations of Freddie Mac; (d) senior debt obligations of Fannie Mae; (e) demand deposits or time deposits with, or certificates of deposit issued by, the Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Fiscal Agent or such other institution has been rated at least “VMIG 1”/“A 1+” by Moody’s or S&P which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (f) investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by Moody’s or S&P to its outstanding long term unsecured debt which is the highest rating (as defined below) for long term unsecured debt obligations assigned by Moody’s or S&P, and which are approved by the Funding Lender Representative; (g) shares or units in any money market mutual fund rated “Aaa”/“AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Fiscal Agent or its affiliates or for which the Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations; (h)(i) tax exempt obligations rated in the highest short term rating category by Moody’s or S&P, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund; or (i) any other investments approved in writing by the Funding Lender Representative. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG 1”/“A 1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG 1”/“AAA”/“A 1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s or S&P, as applicable, or any successor rating service thereof.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of

the Code, selected and retained by the Borrower at the expense of the Borrower to make the rebate computations required under this Funding Loan Agreement, the Project Loan Agreement and the Tax Regulatory Agreement.

“Rebate Fund” means the Rebate Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Rebate Year” means each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by Borrower before the earlier of the Maturity Date or the date that is five years after the Delivery Date, each Rebate Year ends on each anniversary of the Delivery Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

“Requisition” means, with respect to the Project Loan Fund, the requisition in the form of Exhibit E to this Funding Loan Agreement required to be submitted in connection with disbursements from the Project Account and /or the Borrower Equity Account of the Project Loan Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of Exhibit D to this Funding Loan Agreement required to be submitted in connection with disbursements from the Cost of Issuance Fund.

“Resolution” means Resolution No. _____ adopted by the Board of Supervisors of the Governmental Lender on January 17, 2020, authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

“Responsible Officer” means any officer of the Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of the Fiscal Agent and the trusts created hereunder.

“Revenue Fund” means the Revenue Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Revenues” means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof, by the Borrower, granting a first priority mortgage and security interest in the Project to the Governmental Lender to secure the repayment of the Project Loan and related obligations, which Security Instrument has been assigned by the Governmental Lender to the Fiscal Agent pursuant to the Assignment as security for the Funding Loan, as the same may be amended, supplemented or restated.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Servicer” means any entity appointed by the Funding Lender Representative to service the Loans and any successor in such capacity as appointed by the Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, the Servicer shall be Capital One, National Association.

“Settlement Sheet” means the settlement sheet prepared by the Title Company and executed by the Borrower setting forth the various funds to be collected and disbursed by the Title Company on the Delivery Date.

“State” means the State of California.

“Subordination Agreement” means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

“Tax Certificate” means the Tax Certificate and Agreement executed by the Governmental Lender and the Borrower on the Delivery Date.

“Tax Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2020, between the Governmental Lender and the Borrower.

“Title Company” means Fidelity National Title Company, the title company for purposes of the Loans.

“Transferee Representations Letter” has the meaning set forth in Section 2.08 hereof.

“Unassigned Rights” means all of the rights of the Governmental Lender and its supervisors, officers, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, and of the Governmental Lender to be paid its fees and expenses, to enforce the representations, warranties, covenants and agreements of the Borrower pertaining to the requirements of the Act or the Code as applicable to the Project and the use of proceeds of the Project Loan (subject to the applicable provisions of Section 7.06 of the Project Loan Agreement), to give or withhold consent to waivers, amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

“Window Period” means the three (3) consecutive month period prior to the Maturity Date.

Section 1.02 Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. References to Articles, Sections, and other subdivisions of this Funding Loan Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE FUNDING LOAN

Section 2.01 Terms.

(a) The Funding Loan shall be originated and funded on the Delivery Date in the original principal amount of \$[AMOUNT] with funds provided to the Governmental Lender by the Initial Funding Lender. The proceeds of the Funding Loan shall be deposited by the Initial Funding Lender with the Title Company on the Delivery Date on behalf of the Governmental Lender and shall be disbursed in accordance with the Settlement Sheet. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) The Funding Loan shall bear interest payable on each Interest Payment Date at the Interest Rate and shall mature on [February] 1, 2036, subject to scheduled monthly principal payments as provided in Section 2.01(c) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on the Funding Loan shall be computed on the basis of a 360-day year consisting of the actual number of days elapsed.

(c) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(d) Payment of principal of, premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Funding Lender (unless otherwise directed by the Funding Lender).

(e) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with the Fiscal Agent to pay, and the Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(f) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such court determines the Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, the Funding Lender shall apply, in its sole discretion, and set off such excess interest received by the Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

Section 2.02 Pledged Security. To secure the payment of the principal of, premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by the Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, the Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the "Pledged Security") for the benefit of the Funding Lender:

(a) All right, title and interest of the Governmental Lender in and to all Revenues;

(b) All right, title and interest of the Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Governmental Lender or any other Person is or may become entitled to do under said documents; and

(c) Except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by the Governmental Lender or by anyone on its behalf or with its written consent to the Fiscal Agent, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The foregoing notwithstanding, if the Governmental Lender or its successors or assigns shall pay or cause to be paid to the Funding Lender in full the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if the Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Governmental Lender, cease, terminate and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash held by the Fiscal Agent for the payment of interest on and principal of the Governmental Note; otherwise this Funding Loan Agreement to be and shall remain in full force and effect.

Section 2.03 Limited Obligations. None of the Governmental Lender, any member of the Board of Supervisors of the Governmental Lender or any person executing this Funding Loan Agreement, the Project Loan Agreement or the Governmental Note is liable personally on the Governmental Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and the Governmental Note are limited obligations of the Governmental Lender, payable solely from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to the Project Loan Agreement. None of the Governmental Lender, the State of California, or any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of the Funding Loan or the Governmental Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. The Governmental Note is not secured by a pledge of the faith and credit of the Governmental Lender, the State of California or any of its political subdivisions

nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, prepayment price or interest in respect of the Governmental Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, the Project Loan Agreement, the Governmental Note or any other document, except only to the extent amounts are received for the payment thereof from the Borrower under the Project Loan Agreement.

Section 2.04 Funding Loan Agreement Constitutes Contract. In consideration of the origination and funding of the Funding Loan by the Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of the Governmental Lender with the Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

Section 2.05 Form and Execution. The Governmental Note shall be in substantially the form attached as Exhibit A. The Governmental Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of an Authorized Officer of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of the Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of the Governmental Lender had been impressed on the Governmental Note.

Section 2.06 Authentication. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in Exhibit A, shall have been duly executed by an Authorized Officer of the Fiscal Agent; and such executed certificate of authentication upon the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Governmental Note. In the event the Governmental Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in Exhibit A in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by the Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of the Governmental Lender and the Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with the Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Governmental Lender and the Fiscal Agent with indemnity satisfactory to the Fiscal Agent. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note the Governmental Lender may pay the same without surrender thereof.

Section 2.08 Registration; Transfer of Funding Loan; Transferee Representations Letter.

(a) The Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as the Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be transferable only on the registration books of the Fiscal Agent. The Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein.

The Funding Loan shall initially be registered to the Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) The Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Funding Loan; provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an “accredited investor” as that term is defined in Rule 501 of Regulation D under the Securities Act or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act (such “accredited investor” or “qualified institutional buyer” a “Qualified Transferee”) that delivers a letter to the Fiscal Agent substantially in the form attached hereto as Exhibit C setting forth certain representations with respect to such Qualified Transferee (the “Transferee Representations Letter”). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for the Funding Lender Representative to (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better. In connection with any sale, assignment or transfer of the Funding Loan, the Funding Lender shall give notice of such sale, assignment or transfer to the Fiscal Agent and the Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Funding Loan.

Section 2.09 [Reserved].

Section 2.10 Funding Loan Closing Conditions; Delivery of Governmental Note.

Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and the Governmental Lender shall only execute and deliver to the Fiscal Agent, and the Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to the Initial Funding Lender upon, receipt by the Fiscal Agent of the following:

(a) executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate;

(b) an opinion of Bond Counsel or counsel to the Governmental Lender to the effect that the Governmental Lender is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement and the Tax Regulatory Agreement, and such documents are valid and binding special, limited obligations of the Governmental Lender enforceable in accordance with their terms subject to customary exceptions;

(c) [Reserved];

(d) the executed Project Note and an endorsement of the Project Note by the Governmental Lender in favor of the Fiscal Agent;

(e) a copy of the executed Security Instrument, the Assignment and the Continuing Covenant Agreement;

(f) an opinion of counsel to the Borrower, addressed to the Governmental Lender, the Fiscal Agent, the Initial Funding Lender and Freddie Mac, to the effect that

the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the Financing Documents to which it is a party, that its execution and delivery of and performance of its covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms;

(g) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excluded from gross income for federal income tax purposes and, where applicable, for State income tax purposes;

(h) a certified copy of the Resolution;

(i) the written request and authorization to the Fiscal Agent by the Governmental Lender to authenticate and deliver the Governmental Note to the Initial Funding Lender upon funding to the Fiscal Agent of the full amount of the Funding Loan; and

(j) receipt by the Fiscal Agent of the amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement.

(k) receipt by the Fiscal Agent of a Transferee Representations Letter from the Initial Funding Lender substantially in the form attached hereto as Exhibit C.

Section 2.11 Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.

(a) The Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with the Fiscal Agent a Project Loan Fund and therein a Project Account and a Borrower Equity Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the Funding Loan shall be delivered by the Initial Funding Lender to the Title Company on behalf of the Governmental Lender on the Delivery Date to be disbursed in accordance with the Settlement Sheet. A portion of the proceeds of the Funding Loan in the amount of \$[_____] shall be delivered by the Title Company to the Fiscal Agent. The Fiscal Agent shall deposit such proceeds received from the Title Company to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided in Section 4.02 hereof. Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) The Governmental Lender shall cause the Borrower to deliver from sources other than the Loans, (i) to the Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Cost of Issuance Fund and the Borrower Equity Deposit for deposit to the credit of the Borrower Equity Account, and (ii) to the Servicer the Initial Debt Service Deposit. The Fiscal Agent shall also deposit in the Borrower Equity Account any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein, excluding any proceeds of the Loans.

(d) Upon the making of the initial deposits described above in this Section 2.11, the Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and the Title Company shall disburse the proceeds thereof as provided in the Settlement Sheet. The Fiscal Agent shall make disbursements of amounts in the Project Loan Fund to the Borrower or otherwise as provided in Section 4.02 hereof; provided that, prior to making any such disbursements, \$[] of proceeds of the Project Loan shall be transferred by the Fiscal Agent to the Cost of Issuance Fund without need of a Requisition therefor.

Section 2.12 Direct Loan Payments to Funding Lender; Servicer Disbursement of Fees.

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Servicer is engaged with respect to the Loans, the Governmental Lender and the Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by the Borrower to the Servicer. The Servicer shall remit all payments collected from the Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to the Funding Lender, directly to the Funding Lender (without payment through the Fiscal Agent) per the instructions of the Funding Lender Representative. The Servicer shall be entitled to retain its Servicing Fee collected from the Borrower and shall remit the Governmental Lender Fee to the Governmental Lender and shall remit the Ordinary Fiscal Agent's Fees and Expenses to the Fiscal Agent, together with any other amounts due to the Governmental Lender and the Fiscal Agent collected by the Servicer from the Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section shall be accompanied by sufficient information to identify the source and proper application of such payment.

The Servicer shall promptly notify the Fiscal Agent, the Funding Lender Representative and the Governmental Lender in writing of any failure of the Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and the Fiscal Agent and the Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, the Funding Lender Representative shall notify the Fiscal Agent and the Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to the Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which the Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, the Fiscal Agent shall have no obligations to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of the Funding Lender Representative. Notwithstanding the foregoing, the Funding Lender Representative may elect to have the Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to the Fiscal Agent, the Borrower and the Governmental Lender.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01 Prepayment of the Funding Loan Prior to Maturity.

(a) Optional Prepayment. The Funding Loan, together with accrued interest thereon, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) Mandatory Prepayment. The Funding Loan, together with accrued interest thereon, and together with Prepayment Premium (to the extent payable under the Project Note), is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

(i) in whole or in part, upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 10(b) of the Project Note and receipt by the Fiscal Agent of a written direction by the Funding Lender Representative that the Funding Loan shall be subject to mandatory payment as a result thereof; or

(ii) in part, on the Interest Payment Date next following the completion of the rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) hereof.

Section 3.02 Notice of Prepayment. Notice of the intended prepayment of the Funding Loan shall be given by the Fiscal Agent by first class mail, postage prepaid, or by overnight delivery service, to the Funding Lender. All such prepayment notices shall be given not less than ten (10) days (not less than thirty (30) days in the case of optional prepayment) nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state (i) the prepayment date, (ii) the prepayment amount, and (iii) the place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to the Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event the Fiscal Agent is not collecting and remitting loan payments hereunder, the Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 Pledge of Revenues and Assets; Establishment of Funds. The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by the Fiscal Agent or by any Person authorized by the Fiscal Agent to deliver the Governmental Note. The Pledged Security so

pledged and then or thereafter received by the Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, the Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund;
- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Cost of Issuance Fund; and
- (f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of the Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by the Fiscal Agent. The Fiscal Agent shall, at the written direction of an Authorized Officer of the Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Governmental Lender or the Fiscal Agent may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

Section 4.02 Project Loan Fund.

(a) Deposit. The Fiscal Agent shall deposit the portion of the proceeds of the Funding Loan remitted to it by the Title Company into the Project Account of the Project Loan Fund as provided in Section 2.11(b) hereof. The Fiscal Agent shall deposit the Borrower Equity Deposit into the Borrower Equity Account of the Project Loan Fund, as well as any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein (excluding any proceeds of the Governmental Note), as provided in Section 2.11(c) hereof.

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by the Fiscal Agent for the purpose of paying Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and the Borrower at the times and in the manner provided in subsection (e) of this Section 4.02.

(c) Transfers and Requisitions. The Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b) of this

Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer (signifying the consent to the Requisition by the Servicer). The Fiscal Agent shall have no right or duty to determine whether any requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Continuing Covenant Agreement. The countersignature of the Authorized Officer of the Servicer on a Requisition shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Continuing Covenant Agreement applicable to such disbursement have been fully satisfied or waived. The Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

Notwithstanding anything to the contrary contained herein, no signature of an Authorized Officer of the Borrower shall be required during any period in which a default has occurred and is then continuing under the Loans or any Financing Document (notice of which default has been given in writing by the Funding Lender Representative or the Servicer to the Fiscal Agent and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default).

(d) If a Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer or (as permitted hereunder) solely by an Authorized Officer of the Servicer, is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three (3) Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Loan Fund, including all interest accrued therein, the Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of the Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by the Funding Lender Representative or the Servicer, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless the Fiscal Agent receives an opinion of Bond Counsel (which shall also be addressed to the Funding Lender Representative) to the effect that a use of such money for other than prepayment of the Funding Loan will not adversely affect the tax exempt status of the interest on the Governmental Note; provided, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund. In the event there are funds remaining in the Borrower Equity Account following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement [IF APPLICABLE: and the Stabilization Requirements (as defined in the Continuing Covenant Agreement)] have been satisfied, evidenced by an instrument signed by the Funding Lender Representative, and provided no default by the Borrower exists under this Funding Loan Agreement or any Project Loan Document, such funds shall be paid by the Fiscal Agent to the Borrower at the written direction of the Funding Lender Representative or the Servicer.

(f) Amounts on deposit in the Project Loan Fund shall be invested as provided in Section 4.08 hereof. All Investment Income on amounts on deposit in the Project Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective

account within the Project Loan Fund from which the funds were invested, and shall constitute part of any transfers required by subsection (b) or (e) of this Section 4.02.

Section 4.03 Application of Revenues.

(a) All Revenues received by the Fiscal Agent shall be deposited by the Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except (i) the proceeds of the Funding Loan received by the Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof; (ii) as otherwise specifically provided in subsection (c) of this Section 4.03 with respect to certain deposits into the Loan Prepayment Fund; (iii) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (iv) with respect to amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Interest Payment Date or any other date on which payment of principal of or interest on the Funding Loan becomes due and payable, the Fiscal Agent, out of money in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND: to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other any extraordinary mandatory prepayment as described in Section 4.03(c)(i) or (iii) below).

(c) Promptly upon receipt, the Fiscal Agent shall deposit directly to the Loan Prepayment Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b)(i) hereof; (ii) funds paid to the Fiscal Agent to be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a); and (iii) amounts transferred to the Loan Prepayment Fund from the Project Loan Fund pursuant to Section 4.02(e) hereof.

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Interest Payment Date, the Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (i) the Revenue Fund; and (ii) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

Section 4.04 Application of Loan Payment Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall charge the Loan Payment Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Interest Payment Date as provided in Section 4.03(b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called

for prepayment on such Interest Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose.

Any Investment Income on amounts on deposit in the Loan Payment Fund shall be deposited by the Fiscal Agent upon receipt thereof in the Revenue Fund.

No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 Application of Loan Prepayment Fund. Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Interest Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Servicer (or the Borrower if no Servicer exists for the Loans) designated for deposit into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent and used FIRST, to pay to the Fiscal Agent when due the Ordinary Fiscal Agent's Fees and Expenses; SECOND, to pay to the Governmental Lender when due the Governmental Lender Fee; THIRD, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from the Rebate Analyst; FOURTH, to pay to the Fiscal Agent any Extraordinary Fiscal Agent's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and the Servicer; FIFTH, to pay to the Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to the Fiscal Agent and the Servicer; SIXTH, to pay to the Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by the Funding Lender Representative to the Fiscal Agent; SEVENTH, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and EIGHTH, to transfer any remaining balance after application as aforesaid to the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower and the Servicer (with a copy to the Governmental Lender) of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Fiscal Agent of the amount of such deficiency. Upon payment by the Borrower or the Servicer of such

deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 [Reserved].

Section 4.08 Investment of Funds. The money held by the Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Fiscal Agent, at the written direction of the Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (i) six months from the date of investment and (ii) the date such money is needed; provided, that if the Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. In the absence of written direction from the Borrower, the Fiscal Agent shall invest amounts on deposit in the funds and accounts established under this Funding Loan Agreement in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Fiscal Agent. The Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized. The Fiscal Agent shall be entitled to assume, absent receipt by the Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the Revenue Fund. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Governmental Lender acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Governmental Lender specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.09 [Reserved].

Section 4.10 Accounting Records. The Fiscal Agent shall maintain accurate books and records for all funds and accounts established by the Fiscal Agent hereunder.

Section 4.11 Amounts Remaining in Funds. After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Governmental Lender, the Fiscal Agent, the Rebate Analyst, the Funding Lender and the Servicer and other amounts required to be paid hereunder or under any Project Loan Document, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Funding Lender Representative or the Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement and by the Rebate Analyst with respect to amounts due to the Rebate Analyst), any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower.

Section 4.12 Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established by the Fiscal Agent and held and applied as provided in this Section 4.12. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and none of the Governmental Lender, the Borrower or the Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.12 and by the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Governmental Lender, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Governmental Lender, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). Pursuant to Section 2.04 of the Project Loan Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender. In the event that the Borrower fails to provide such information to the Fiscal Agent and the Governmental Lender within 55 days of the end of each fifth Rebate Year, the Fiscal Agent, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Governmental Lender, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of the Governmental Lender, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Fiscal Agent from amounts provided by the Borrower, if and to the extent

required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Fiscal Agent shall pay, as directed by the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of (A) the fifth Rebate Year, and (B) each applicable fifth Rebate Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Rebate Year; and

(ii) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038 T, which shall be prepared by the Rebate Analyst and provided to the Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.12, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Fiscal Agent, shall be withdrawn and remitted to the Borrower.

The Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.12 as are required under Section 148(f) of the Code to the extent furnished to the Fiscal Agent. The Borrower shall or shall cause the Rebate Analyst to provide to the Governmental Lender and the Fiscal Agent copies of all rebate computations made pursuant to this Section 4.12. The Fiscal Agent shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by the Fiscal Agent as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note, a copy of which shall be provided to the Fiscal Agent and the Funding Lender Representative, at the expense of the Borrower.

Section 4.13 Cost of Issuance Fund. The Fiscal Agent shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with one or more Requisitions in the form of Exhibit D to be given to the Fiscal Agent by the Borrower on the Delivery Date, along with appropriate invoices

for such expenses. Amounts in the Cost of Issuance Fund funded with proceeds of the Funding Loan, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Fiscal Agent shall close the Cost of Issuance Fund.

Section 4.14 Reports From the Fiscal Agent. The Fiscal Agent shall, on or before the fifteenth (15th) day of each month, file with the Funding Lender Representative, the Servicer, the Governmental Lender (at its written request) and the Borrower a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of investment income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (iv) any other information which the Funding Lender Representative or the Governmental Lender may reasonably request and to which the Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of the Funding Lender, the Fiscal Agent, at the cost of the Borrower, shall provide a copy of such statement to Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of the Governmental Lender and the Funding Lender Representative or the Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest. Subject to Section 2.03 hereof, the Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

Section 5.02 Performance of Covenants. Subject to Section 2.03 hereof, the Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

Section 5.03 Instruments of Further Assurance. The Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Fiscal Agent all and singular its interest in the property herein described and

the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Funding Loan, but only at the written request of the Servicer, the Fiscal Agent or the Funding Lender and only if the Governmental Lender has received from the Borrower or the party requesting any such action assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection with taking any such action or executing such instrument and is otherwise indemnified against liability related thereto.

Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Governmental Lender or the Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Governmental Lender under this Section 5.03.

The Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

The Governmental Lender will promptly notify the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any of the following:

- (i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Governmental Lender with respect to the Loans;
- (ii) any change in the location of the Governmental Lender's principal office or any change in the location of the Governmental Lender's books and records relating to the transactions contemplated hereby;
- (iii) the occurrence of any default or Event of Default of which the Governmental Lender has actual knowledge;
- (iv) the commencement of any proceedings or any proceedings instituted by or against the Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes; or
- (v) the commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Governmental Lender or any of its assets relating to the Loans.

Section 5.04 Inspection of Project Books. The Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Fiscal Agent or the Funding Lender Representative may from time to time reasonably designate. The Fiscal Agent shall have no duty to inspect any of such books and documents.

Section 5.05 No Modification of Security; Additional Indebtedness. The Governmental Lender covenants to and for the benefit of the Funding Lender that it will not,

without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) alter, modify or cancel, or agree to consent to alter, modify or cancel this Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment and the Project Note; or
- (ii) create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

Section 5.06 Damage, Destruction or Condemnation. Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 Tax Covenants.

(a) Governmental Lender's Covenants. The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

(i) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds and accounts in any manner which would cause the Governmental Note to be an "arbitrage bond" under Section 148 of the Code and the Regulations issued under Section 148 of the Code (the "Regulations") or which would otherwise cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(ii) to the extent it has received assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection therewith and is otherwise indemnified against liability related thereto, enforce or cause to be enforced all obligations of the Borrower under the Tax Regulatory Agreement in accordance with its terms;

(iii) not take or cause to be taken (to the extent within its power and control) any other action or actions if the same would cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(iv) at the written request of the Servicer, the Fiscal Agent or the Funding Lender and only if the Governmental Lender has received from the party requesting any such action assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection with taking any such action or executing such instrument and is otherwise indemnified against liability related thereto, do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Funding Loan will be excluded from the gross income for federal income tax purposes, of the Funding Lender pursuant to the Code, except in the event where the Funding Lender is a "substantial user" of the facilities financed with the Loans or a "related person" within the meaning of the Code; and

(v) not take any action or permit or suffer any action to be taken (to the extent within its power and control) if the result of the same would be to cause the Governmental Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations.

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full, and by its acceptance of this Funding Loan Agreement the Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to it.

(b) **Fiscal Agent's Covenants.** The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate (this covenant shall extend through the term of the Funding Loan, to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account). The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an "arbitrage bond" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in gross income for federal income tax purposes; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, the Funding Lender Representative, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, the Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, Bond Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Funding Loan would cause the Governmental Note to become an "arbitrage bond," then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower, the Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an "arbitrage bond," and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower, the Funding Lender or the Funding Lender Representative for investments made in accordance with such instructions.

Section 5.08 Representations and Warranties of the Governmental Lender. The Governmental Lender hereby represents and warrants as follows:

(a) The Governmental Lender is a public body, corporate and politic, duly organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to issue the Governmental Note and to execute and deliver this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Revenues and Pledged Security are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Funding Loan Agreement, and all action on the part of the Governmental Lender requested to be taken by the Funding Lender to that end has been duly and validly taken.

(d) This Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment and the endorsement to the Project Note have been validly authorized, executed and delivered by the Governmental Lender, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT, AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE PROJECT LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01 Events of Default. Each of the following shall be an event of default with respect to the Funding Loan (an "Event of Default") under this Funding Loan Agreement:

(a) failure to pay the principal of, premium, if any, or interest on the Funding Loan when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for prepayment thereof, by acceleration or otherwise; or

(b) failure to observe the covenants set forth in Section 5.05 hereof; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Governmental Lender (other than those set forth in Sections 5.01 and 5.05 hereof) set forth in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof to the Governmental Lender from the Fiscal Agent or the Funding Lender Representative specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Governmental Lender commences the required cure within such thirty (30) day period and continues the cure with diligence and the Governmental Lender reasonably anticipates that the default could be cured within sixty (60) days, the Governmental Lender shall have sixty (60) days following receipt of such notice to effect the cure; or

(d) receipt by the Fiscal Agent of written notice from the Funding Lender Representative of the occurrence of an "Event of Default" under the Project Loan Agreement or the Continuing Covenant Agreement.

The Fiscal Agent will promptly notify the Governmental Lender, the Servicer and the Funding Lender Representative after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 Acceleration; Other Remedies Upon Event of Default.

Upon the occurrence of an Event of Default, the Fiscal Agent shall, upon the written request of the Funding Lender Representative, by notice in writing delivered to the Governmental Lender, declare the principal of the Funding Loan and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

At any time after the Funding Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Fiscal Agent may, but only if directed in writing by the Funding Lender Representative, by written notice to the Governmental Lender and the Fiscal Agent, rescind and annul such declaration and its consequences if the Governmental Lender or the Borrower shall pay to or deposit with the Fiscal Agent a sum sufficient to pay all principal on the Funding Loan then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on the Funding Loan then due, with interest at the rate borne by the Funding Loan on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Fiscal Agent (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Financing Documents (collectively, the "Cure Amount") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Funding Lender Representative; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Upon the occurrence and during the continuance of an Event of Default, the Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Funding Lender, may also proceed to protect and enforce any rights of the Fiscal Agent and, to the full extent that the Funding Lender itself might do, the rights of the Funding Lender under the laws of the State or under this Funding Loan Agreement by such of the following remedies as the Fiscal Agent shall deem most effectual to protect and enforce such rights; provided that, the Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of the Funding Lender Representative (which consent may be given in the sole discretion of the Funding Lender Representative):

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Funding Loan and to require the Governmental Lender to carry out any covenants or agreements with or for the benefit of the Funding Lender and to perform its duties under the Act, this Funding Loan Agreement, the Project Loan Agreement or the Tax Regulatory Agreement (as applicable) to the extent permitted under the applicable provisions thereof;
- (ii) by pursuing any available remedies under the Project Loan Agreement, the Tax Regulatory Agreement or any other Financing Document;
- (iii) by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Funding Lender and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Fiscal Agent in order to have the claim of the Funding Lender against the Governmental Lender allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to the Fiscal Agent or to the Funding Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Fiscal Agent or the Funding Lender hereunder or under the Project Loan Agreement, the Tax Regulatory Agreement, the Continuing Covenant Agreement or any other Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Fiscal Agent or the Funding Lender, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

Section 6.03 Funding Lender Representative Control of Proceedings. If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Funding Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Funding Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender (and in connection therewith the Fiscal Agent shall transfer or assign to the Funding Lender Representative all of its interest in the Pledged Security at the request of the Funding Lender Representative other than the rights of the Fiscal Agent to be paid all amounts due to the Fiscal Agent for Extraordinary Fiscal Agent's Fees and Expenses and Ordinary Fiscal Agent's Fees and Expenses). In no event shall the exercise of any of the foregoing rights result in an acceleration of the Funding Loan without the express direction of the Funding Lender Representative.

Section 6.04 Waiver by Governmental Lender. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and prepayment to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 Application of Money After Default. All money collected by the Fiscal Agent at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Fiscal Agent to the Revenue Fund. Such money so credited to the Revenue Fund and all other money from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund, the Loan Payment Fund and the Loan Prepayment Fund available for the payment of interest or principal then due with respect to the Governmental Note shall be insufficient for such payment, such money shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to the Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without limitation, the payment of all reasonable fees and expenses of the Fiscal Agent incurred in exercising any remedies under this Funding Loan Agreement.

(b) To the extent directed in writing by the Funding Lender Representative, to the reimbursement of any unreimbursed advances made by or on behalf of the Funding Lender pursuant to the Continuing Covenant Agreement or the Security Instrument.

(c) Unless the full principal amount of the Funding Loan shall have become or have been declared due and payable:

FIRST: to the Funding Lender, all installments of interest then due on the Funding Loan in the order of the maturity of such installments; and

SECOND: to the Funding Lender, unpaid principal of and premium, if any, on the Funding Loan which shall have become due, whether at maturity or by call for prepayment, in the order in which they became due and payable.

(d) If the full principal amount of the Governmental Note shall have become or have been declared due and payable, to the Funding Lender for the payment of the principal of, premium, if any, and interest then due and unpaid on the Funding Loan without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest.

Section 6.06 Remedies Not Exclusive. No right or remedy conferred upon or reserved to the Fiscal Agent, the Funding Lender or the Funding Lender Representative by the terms of this Funding Loan Agreement is intended to be exclusive of any other right or remedy, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given to the Fiscal Agent, the Funding Lender or the Funding Lender Representative under this Funding Loan Agreement or existing at law or in equity or by statute (including the Act).

Section 6.07 Fiscal Agent May Enforce Rights Without Governmental Note. All rights of action and claims, including the right to file proof of claims, under this Funding Loan Agreement may be prosecuted and enforced by the Fiscal Agent at the written direction of the Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by the Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of the Funding Lender.

Section 6.08 [Reserved].

Section 6.09 Termination of Proceedings. In case the Fiscal Agent (at the direction of the Funding Lender Representative) or the Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any

reason, or shall have been determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower and the Funding Lender shall be restored to their former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of the Fiscal Agent and the Funding Lender Representative shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Fiscal Agent shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Funding Loan upon the written direction of the Funding Lender Representative. In case of any such waiver or rescission, or in case any proceeding taken by the Fiscal Agent on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Borrower, the Servicer, the Funding Lender Representative and the Funding Lender shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Interest on Unpaid Amounts and Default Rate for Nonpayment. In the event that principal of or interest payable on the Funding Loan is not paid when due, there shall be payable on the amount not timely paid, on each Interest Payment Date, interest at the Default Rate, to the extent permitted by law. Interest on the Funding Loan shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

Section 6.12 Assignment of Project Loan; Remedies Under the Project Loan.

(a) The Funding Lender Representative shall have the right, with respect to the Project Loan, in its sole and absolute discretion, without directing the Fiscal Agent to effect an acceleration of the Funding Loan, to instruct the Fiscal Agent in writing to assign the Project Note, the Security Instrument and the other Project Loan Documents to the Funding Lender Representative, in which event the Fiscal Agent shall (a) endorse and deliver the Project Note to the Funding Lender Representative and assign (in recordable form) the Security Instrument, (b) execute and deliver to the Funding Lender Representative all documents prepared by the Funding Lender Representative necessary to assign (in recordable form) all other Project Loan Documents to the Funding Lender Representative and (c) execute all such documents prepared by the Funding Lender Representative as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (a) and (b). The Fiscal Agent's assignments to the Funding Lender Representative pursuant to this Section 6.12 shall be without recourse or warranty except that the Fiscal Agent shall represent and warrant in connection therewith (A) that the Fiscal Agent has not previously endorsed or assigned any such documents or instruments and (B) that the Fiscal Agent has the corporate authority to endorse and assign such documents and instruments and such endorsements and assignments have been duly authorized.

(b) The Funding Lender Representative shall have the right, in its own name or on behalf of the Governmental Lender or the Fiscal Agent, to declare any default and exercise any remedies under the Project Loan Agreement, the Project Note or the Security Instrument, whether or not the Governmental Note has been accelerated or declared due and payable by reason of an Event of Default or the occurrence of a mandatory prepayment.

Section 6.13 Substitution. Upon receipt of written notice from the Funding Lender Representative and the approval of the Governmental Lender in connection with a transfer of ownership of the Project and to the extent permitted under, and subject in any event to the provisions of, Section 12 of the Tax Regulatory Agreement, the Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing a new loan (the "New Project Loan"), which may be executed by a

person other than the Borrower or owner of the Project (the “New Borrower”), provided that if the Fiscal Agent, the Funding Lender or a nominee of the Fiscal Agent or the Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from the Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, the Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the Tax Regulatory Agreement (or executed and recorded an assumption of all of the Borrower’s obligations under the Tax Regulatory Agreement) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, (ii) an opinion of Bond Counsel, to the effect that such exchange and modification, in and of itself, shall not affect the exclusion, from gross income, for federal income tax purposes of the interest payable on the Governmental Note and (iii) written confirmation by the Governmental Lender that any applicable requirements of Section 12 of the Tax Regulatory Agreement have been satisfied.

ARTICLE VII

CONCERNING THE FISCAL AGENT

Section 7.01 Standard of Care. The Fiscal Agent, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement. The Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person’s own affairs.

No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and the Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) in the absence of bad faith on the part of the Fiscal Agent, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Fiscal Agent by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of the Fiscal Agent except for willful misconduct or negligence by the officer or employee of the Fiscal Agent as the case may be; and

(ii) the Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the

Funding Lender Representative relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement.

Section 7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) the Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document of the proper party or parties, including any Electronic Notice as permitted hereunder or under the Project Loan Agreement;

(b) any notice, request, direction, election, order or demand of the Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Governmental Lender may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of the Governmental Lender;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Servicer by an Authorized Officer of the Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Funding Lender Representative by any Authorized Officer of the Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed);

(f) [Intentionally Omitted];

(g) [Intentionally Omitted];

(h) in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, receivers or attorneys, and the Fiscal Agent may consult with counsel (who may be counsel for the Governmental Lender, the Servicer or the Funding Lender Representative) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or permitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(i) whenever in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Governmental Lender or the Borrower and such certificate shall in the absence of bad faith on the part of the Fiscal Agent be full warrant to the Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(j) the recitals herein and in the Governmental Note (except the Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon the Fiscal Agent. The Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of the Governmental Lender or the Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and the Fiscal Agent shall incur no liability or responsibility in respect of any of such matters;

(k) the Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence; and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section 7.02(k);

(l) the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with the Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. The Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent they are collecting loan payments hereunder) unless the Fiscal Agent shall receive from the Governmental Lender or the Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of the Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(l);

(m) the Fiscal Agent shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Funding Lender; and

(n) the Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of the Funding Lender Representative pursuant to Section 6.03 hereof, unless the Funding Lender Representative shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the delivery of the Governmental Note.

The Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Fiscal Agent pursuant to this Section 7.02 shall remain in effect until the Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.17 hereof.

Section 7.03 Use of Proceeds. The Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan except as provided herein.

Section 7.04 [Reserved].

Section 7.05 Trust Imposed. All money received by the Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06 Compensation of Fiscal Agent. The Fiscal Agent shall be entitled to its Ordinary Fiscal Agent's Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Fiscal Agent shall be entitled to Extraordinary Fiscal Agent's Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided the Fiscal Agent shall not incur any Extraordinary Fiscal Agent's Fees and Expenses without the consent of the Funding Lender Representative. If any property, other than cash, shall at any time be held by the Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, the Fiscal Agent, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Fiscal Agent for its services and reimbursement to the Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06, 4.11 and 6.05 hereof. The Governmental Lender shall have no liability for Fiscal Agent's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Fiscal Agent agrees that it shall continue to perform its duties hereunder

and under the Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Ordinary Fiscal Agent's Fees and Expenses or, if applicable, the Extraordinary Fiscal Agent's Fees and Expenses as required by the Project Loan Agreement.

The Borrower shall indemnify and hold harmless the Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against (a) any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the delivery of the Governmental Note or the Loans; and (c) all costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the gross negligence, willful misconduct or unlawful acts of such person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Funding Loan Agreement.

Section 7.07 Qualifications of Fiscal Agent. There shall at all times be a Fiscal Agent hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Fiscal Agent shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.07, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08 Merger of Fiscal Agent. Any association or corporation into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of the Fiscal Agent in the Loans.

Section 7.09 Resignation by the Fiscal Agent. The Fiscal Agent may at any time resign from the trusts hereby created by giving written notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative. Such notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of the Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.10 Removal of the Fiscal Agent. The Fiscal Agent may be removed at any time, either with or without cause, with the consent of the Funding Lender Representative (which consent of the Funding Lender Representative shall not be unreasonably withheld), by a written instrument signed by the Governmental Lender and delivered to the Fiscal Agent, the Servicer and the Borrower. The Fiscal Agent may also be removed by a written instrument signed by the Funding Lender Representative and delivered to the Fiscal Agent, the Servicer, the Governmental Lender and the Borrower. In each case written notice of such removal shall be given to the Servicer, the Borrower and to the Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but the Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.11 Appointment of Successor Fiscal Agent.

(a) In case at any time the Fiscal Agent shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and the Governmental Lender, with the written consent of the Funding Lender Representative, shall promptly appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Governmental Lender. If the Governmental Lender fails to appoint a successor Fiscal Agent within twenty (20) days following the resignation or removal of the Fiscal Agent pursuant to Section 7.09 or Section 7.10 hereunder, as applicable, the Funding Lender Representative may appoint a successor Fiscal Agent and shall provide written notice thereof to the Governmental Lender.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.11 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Fiscal Agent pursuant to Section 7.10 hereof, the retiring Fiscal Agent may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.12 Concerning Any Successor Fiscal Agent. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Governmental Lender, the Borrower or the Funding Lender Representative, or of its successor, and upon

payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from the Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Funding Lender.

Section 7.13 Successor Fiscal Agent . In the event of a change in the office of Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

Section 7.14 Appointment of Co Fiscal Agent or Separate Fiscal Agent. It is the intent of the Governmental Lender and the Fiscal Agent that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent, with the consent of the Governmental Lender and the Funding Lender Representative, appoint an additional individual or institution as a co fiscal agent or separate fiscal agent.

In the event that the Fiscal Agent appoints an additional individual or institution as a co fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of the Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Governmental Lender and the Fiscal Agent.

Should any instrument in writing from the Governmental Lender be required by the co fiscal agent or separate fiscal agent so appointed by the Fiscal Agent for more fully and certainly

vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender, the Fiscal Agent and the Borrower. If the Governmental Lender shall fail to deliver the same within thirty (30) days of such request, the Fiscal Agent is hereby appointed attorney-in-fact for the Governmental Lender to execute, acknowledge and deliver such instruments in the Governmental Lender's name and stead. In case any co fiscal agent or separate fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co fiscal agent or separate fiscal agent.

Every co fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon the Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Fiscal Agent;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Fiscal Agent shall be conferred or imposed upon or exercised or performed by the Fiscal Agent, or by the Fiscal Agent and such co fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co fiscal agent or separate fiscal agent;

(c) any request in writing by the Fiscal Agent to any co fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co fiscal agent or separate fiscal agent;

(d) any co fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to the Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Fiscal Agent at any time by an instrument in writing with the concurrence of the Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co fiscal agent or separate fiscal agent appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Fiscal Agent shall have power to accept the resignation of or remove any such co fiscal agent or separate fiscal agent without the concurrence of the Governmental Lender, and upon the request of the Fiscal Agent, the Governmental Lender shall join with the Fiscal Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co fiscal agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Fiscal Agent or co- fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Funding Lender Representative and delivered to the Fiscal Agent shall be deemed to have been delivered to each such co fiscal agent or separate fiscal agent; and

(h) any money, papers, securities or other items of personal property received by any such co fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to the Fiscal Agent.

The total compensation of the Fiscal Agent and any co fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15 Notice of Certain Events. The Fiscal Agent shall give written notice to the Governmental Lender, the Servicer and the Funding Lender Representative of any failure by the Borrower to comply with the terms of the Tax Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

Section 7.16 [Reserved].

Section 7.17 Filing of Financing Statements. The Fiscal Agent shall, at the expense of the Borrower, file or record or cause to be filed or recorded all UCC continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the UCC. Upon the filing of any such continuation statement the Fiscal Agent shall immediately notify the Governmental Lender, the Borrower, the Funding Lender Representative and the Servicer that the same has been done. If direction is given by the Servicer or the Funding Lender Representative, the Fiscal Agent shall file all continuation statements in accordance with such directions.

Section 7.18 USA Patriot Act Requirements of the Fiscal Agent. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such Person's formation and existence as a legal entity. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Amendments to this Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Fiscal Agent and the Governmental Lender, and with the prior written consent of the Funding Lender Representative.

Section 8.02 Amendments to Financing Documents Require Consent of Funding Lender Representative. Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of the Funding Lender Representative. The Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by the Funding Lender Representative.

Section 8.03 Opinion of Bond Counsel Required. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the Tax Regulatory Agreement shall become effective unless and until (i) the Funding Lender Representative shall have consented to the same in writing in its sole discretion and (ii) the Funding Lender Representative, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, (A) an opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in gross income of the owners thereof for federal income tax purposes, and (B) an opinion of counsel acceptable to the Funding Lender Representative to the effect that any such proposed such amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01 Discharge of Lien. If the Governmental Lender shall pay or cause to be paid to the Funding Lender the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:

- (a) by the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan; or
- (b) prior to the Window Period, by the deposit to the account of the Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or
- (c) by the delivery of the Governmental Note by the Funding Lender to the Fiscal Agent for cancellation;

and shall have paid all amounts due and owing under the other Financing Documents, and shall have paid all fees and expenses of and any other amounts due to the Fiscal Agent, the Servicer and the Rebate Analyst, and if the Governmental Lender shall keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights hereby granted shall cease, determine and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by the Fiscal Agent for the payment of principal of, interest and premium, if any, on the Governmental Note, the payment of any amounts owed to the United States of America pursuant to Section 4.12 hereof.

Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01 based on a deposit of moneys or securities with the Fiscal Agent

pursuant to Section 9.01(b) if, under circumstances which do not cause interest on the Governmental Note to become includable in the holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) there shall be on deposit with the Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by the Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date; (b) the Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to the Fiscal Agent and the Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan; (c) the Fiscal Agent and the Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code (x) payment of such money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (y) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan; (d) the Fiscal Agent and the Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of the Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes; and (e) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the Funding Lender and the Servicer under the Financing Documents have been fully paid.

Section 9.02 Discharge of Liability on Funding Loan. Upon the deposit with the Fiscal Agent, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to their maturity or the prepayment date of the Funding Loan) provided that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article III provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, all liability of the Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter the Funding Lender shall be entitled to payment by the Governmental Lender, and the Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 Payment of Funding Loan After Discharge of Funding Loan Agreement. Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the State, any money deposited with the Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or premium on the Governmental Note remaining unclaimed for two (2) years after the maturity or earlier payment date, to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Governmental Lender and the Fiscal Agent with respect to such money shall cease, and the Funding Lender shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01 Servicing of the Loans. The Funding Lender Representative may appoint a Servicer (which may be the Funding Lender Representative if the Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

Section 11.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, the Funding Lender, the Funding Lender Representative, the Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 11.03 Construction of Conflicts; Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

Section 11.04 Notices.

(a) Whenever in this Funding Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Governmental Lender: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, California 94553
Attention: Affordable Housing Program
Manager
Telephone: (925) 674-7793
Facsimile: (925) 674-7258

The Fiscal Agent: U.S. Bank National Association
One California Street, Suite 1000
Mail Code-SF-CA-SFCT
San Francisco, California 94111
Attention: Francine Rockett, Vice President
Facsimile: (415) 677-3769

The Borrower: Hidden Cove Apartments, LP
c/o Spira Hidden Cove, LP
1015 Fillmore Street, PMB 31735
San Francisco, CA 94115

with a copy to: Hidden Cove Apartments, LP
c/o Foundation for Affordable Housing
384 forest Avenue, Suite 14
Laguna Beach, CA 92651

and a copy to (which copy shall not constitute notice to Borrower): Carle, Mackie, Power & Ross LLP
100 B Street, Suite 400
Santa Rosa, CA 95401
Attention: Jason C. Vargelis, Esq.
Email: jvargelis@cmprlaw.com
Telephone: (707) 526-4200 Ext 148

Funding Lender Representative (as of Freddie Mac Purchase Date): Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan
Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General
Counsel -Multifamily Legal
Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903 2000

Initial Funding Lender and Servicer: Capital One, National Association
2 Bethesda Metro Center, 10th Floor
Bethesda, Maryland 20814
Attention: Servicing Department

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and by any party to the Funding Lender Representative to the Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative and the Servicer for any such information or other communication.

Section 11.05 Funding Lender Representative.

(a) The Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be the Funding Lender Representative. The Funding Lender Representative shall be entitled to all the rights and privileges of the Funding Lender hereunder and under the other Financing Documents.

(b) The Funding Lender Representative may provide written notice to the Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative, and such notice may be amended or rescinded by the Funding Lender Representative at any time by subsequent written notice. The Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by the Funding Lender to the Fiscal Agent, the Governmental Lender, the Servicer and the Borrower. The removal and reappointment shall be effective immediately upon receipt of such notice by the Fiscal Agent. The Funding Lender may appoint any Person to act as Funding Lender Representative, including, without limitation, the Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to the Fiscal Agent, the Funding Lender, the Governmental Lender, the Servicer and the Borrower, all references to Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to the Funding Lender until a successor Funding Lender Representative is appointed by the Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, the Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of the Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of the Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to the Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

Section 11.06 Payments Due on Non Business Days. In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.07 Counterparts. This Funding Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.08 Laws Governing Funding Loan Agreement . The effect and meanings of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the State without regard to conflicts of laws principles.

Section 11.09 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Funding Loan Agreement or in the Governmental Note shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Governmental Lender, either directly or through the Governmental Lender or its governing body or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, or otherwise, of any sum that may be due and unpaid by the Governmental Lender or its governing body upon the Governmental Note. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Funding Lender or otherwise of any sum that may remain due and unpaid with respect to the Funding Loan hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Note.

Section 11.10 Successors and Assigns. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Governmental Lender, the Initial Funding Lender and the Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

COUNTY OF CONTRA COSTA, CALIFORNIA

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

03007.50:J16617

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO
HIDDEN COVE FUNDING LOAN AGREEMENT]

CAPITAL ONE, NATIONAL ASSOCIATION,
a national banking association

By: _____
Randal S. Hering,
Vice President

03007.50:J16617

[INITIAL FUNDING LENDER'S SIGNATURE PAGE TO
HIDDEN COVE FUNDING LOAN AGREEMENT]

U.S. BANK NATIONAL ASSOCIATION

By: _____
Francine Rockett,
Vice President

03007.50:J16617

[FISCAL AGENT'S SIGNATURE PAGE TO HIDDEN COVE
FUNDING LOAN AGREEMENT]

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

**COUNTY OF CONTRA COSTA, CALIFORNIA
MULTIFAMILY HOUSING REVENUE NOTE
(HIDDEN COVE APARTMENTS),
2020 SERIES A**

US \$[AMOUNT]

January __, 2020

FOR VALUE RECEIVED, the undersigned, COUNTY OF CONTRA COSTA, CALIFORNIA (the "Obligor"), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of CAPITAL ONE, NATIONAL ASSOCIATION (the "Funding Lender"), and its assigns, the principal sum of [AMOUNT OF FUNDING LOAN] (US \$[AMOUNT]), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (this "Note") is being delivered pursuant to that certain Funding Loan Agreement dated as of January 1, 2020 (together with any and all amendments, modifications, supplements and restatements, the "Funding Loan Agreement"), among the Funding Lender, the Obligor and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), pursuant to which the Obligor has incurred a loan in the original principal amount of \$[AMOUNT] (the "Funding Loan"), and this Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Hidden Cove Apartments, LP, a California limited partnership (the "Borrower") pursuant to the Project Loan Agreement dated as of January 1, 2020 (the "Project Loan Agreement"), among the Obligor, the Borrower and the Fiscal Agent.

1. Defined Terms. As used in this Note, (i) the term "Funding Lender" means the owner of this Note, and (ii) the term "Indebtedness" means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note or the Funding Loan Agreement. "Event of Default" and other capitalized terms used but not defined in this Note shall have the meanings given to such term in the Funding Loan Agreement.

2. Payments of Principal and Interest. The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing February 1, 2020, interest on this Note at the rate of [_____] % per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the "Interest Rate") on the outstanding principal balance of this Note, and shall also pay interest on this Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Note subject to prepayment (each such date for payment an "Interest Payment Date"). Interest on this Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Note in full on [February] 1, 2036 (the "Maturity Date") and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in

the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. Manner of Payment. All payments under this Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. Application of Payments. If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender's discretion. Neither the Funding Lender's acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. Security. The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. Prepayment; Prepayment Premium. This Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. Forbearance. Any forbearance by the Funding Lender in exercising any right or remedy under this Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Note and all other third party obligors.

10. Loan Charges. Neither this Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "Maximum Interest Rate"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for

in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

11. Governing Law. This Note shall be governed by the laws of the State of California, without regard to conflicts of laws principles (the "Property Jurisdiction").

12. Captions. The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

13. Address for Payment. All payments due under this Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Servicer.

14. Default Rate. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the "Default Rate") equal to the lesser of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. Limited Obligation. None of the Governmental Lender or any person executing the Funding Loan Agreement, the Project Loan Agreement or this Note is liable personally on this Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and this Note are limited obligations of the Governmental Lender, payable solely from and secured by the pledge of the Revenues. Neither the Governmental Lender, nor the State of California or any of its political subdivisions, shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of this Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. This Note is not a pledge of the faith and credit of the Governmental Lender or the State of California or any of its political subdivisions nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, prepayment price or interest in respect of this Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, the Project Loan Agreement, this Note or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Project Loan Agreement.

16. Transfer. This Note may only be transferred in accordance with the requirements of Section 2.08(b) of the Funding Loan Agreement.

IN WITNESS WHEREOF, the Obligor has caused this Note to be duly executed by the manual or facsimile signature of its authorized representative.

COUNTY OF CONTRA COSTA,
CALIFORNIA

By: _____
John Gioia,
(Chair of the Board of Supervisors)

CERTIFICATE OF AUTHENTICATION

This Note is issued under the provisions of and described in the within mentioned Funding Loan Agreement.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE

EXHIBIT B

**FORM OF NOTICE OF APPOINTMENT
OF FUNDING LENDER REPRESENTATIVE**

U.S. Bank National Association
San Francisco, California

Hidden Cove Apartments, LP
San Francisco, California

County of Contra Costa, California
Martinez, California

Capital One, National Association
Bethesda, Maryland

Re: Hidden Cove Apartments

Ladies and Gentlemen:

The undersigned is the owner (the "Funding Lender") of the Multifamily Note dated [_____] (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of [DATE] (the "Funding Loan Agreement"), among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"). Pursuant to Section 11.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by the Fiscal Agent, the Funding Lender Representative appointed under Section 11.05 of the Funding Loan Agreement shall be _____. [The person or entity previously appointed as Funding Lender Representative shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.]

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____

Additional individuals may be given such authority by written notice to you from the Funding Lender Representative or from the Funding Lender.

This notice is dated as of the _____ day of _____, _____.

CAPTIAL ONE, NATIONAL ASSOCIATION

By: _____
Randal S. Hering,
Vice President

EXHIBIT C

FORM OF TRANSFEREE REPRESENTATIONS LETTER

[To be prepared on letterhead of transferee]

[Date]

County of Contra Costa, California
Martinez, California

U.S. Bank National Association, as Fiscal Agent
San Francisco, California

Re: Hidden Cove Apartments

Ladies and Gentlemen:

The undersigned (the "Funding Lender") hereby acknowledges receipt of the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of January 1, 2020 (the "Funding Loan Agreement"), among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination/purchase] of the Funding Loan by the Funding Lender, the Funding Lender hereby makes the following representations upon which you may rely:

1. The Funding Lender has authority to [originate/purchase] the Funding Loan and to execute this letter and any other instruments and documents required to be executed by the Funding Lender in connection with the [origination/purchase] of the Funding Loan.

2. The Funding Lender is an "accredited investor" under Regulation D of the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" under Rule 144(a) of said Act (such "accredited investor" or "qualified institutional buyer", a "Qualified Transferee"), and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Funding Loan.

3. The Funding Lender acknowledges that it is [originating/purchasing] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan (except as set forth below); provided, however, that the Funding Lender may, notwithstanding the foregoing and the terms of Paragraph 4 below, (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at

least “A” or better from a Rating Agency; provided, further, however, the Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) pursuant to the commitment dated [_____] (the “Freddie Mac Commitment”).

4. In addition to the right to sell or transfer the Funding Loan as set forth in Paragraph 3 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan, subject, as required under the Funding Loan Agreement, to the delivery to the Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender. Failure to comply with the transfer restrictions set forth in the Funding Loan Agreement shall cause the purported transfer to be null and void.

5. The Funding Lender understands that the Governmental Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. The Funding Lender understands that (a) the Funding Loan is not secured by any pledge of any moneys received or to be received from taxation by the State or any political subdivision thereof, (b) the Funding Loan does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender, the State or any political subdivision thereof; and (c) the liability of the Governmental Lender with respect to the Funding Loan is limited to the Pledged Security as set forth in the Funding Loan Agreement.

7. The Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, which it considers necessary to make an informed decision in connection with the [origination/purchase] of the Funding Loan. The Funding Lender has not relied upon the Governmental Lender for any information in connection with its purchase of the Funding Loan.

8. The Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the security therefor, and other material factors affecting the security and payment of the Funding Loan. The Funding Lender is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan. In entering into this transaction, the Funding Lender has not relied upon any representations or opinions of the Governmental Lender or the Fiscal Agent relating to the legal consequences or other aspects of its investment in the Funding Loan, nor has it looked to, nor expected, the Governmental Lender or the Fiscal Agent to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Financing Documents, or the adequacy of the funds pledged to the repayment of the Funding Loan.

9. The Funding Lender is not now and has never been controlled by, or under common control with, the Borrower. The Borrower has never been and is not now controlled by the Funding Lender. The Funding Lender has entered into no arrangements with the Borrower or with any affiliate in connection with the Governmental Note or the Funding Loan, other than as disclosed to the Governmental Lender.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

[SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT D

**COSTS OF ISSUANCE REQUISITION
(Cost of Issuance Fund)**

U.S. Bank National Association, as Fiscal Agent

Re: Hidden Cove Apartments

Fiscal Agent:

You are requested to disburse funds from the Cost of Issuance Fund pursuant to Section 4.13 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the "Requisition"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "Funding Loan Agreement"), dated as of January 1, 2020, by and among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California and U.S. Bank National Association, as Fiscal Agent, securing the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note").

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (the "Borrower"), certifies that:

(a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Cost of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and

(b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited partnership, its Administrative General Partner

By: Spira Hidden Cove, LLC, a California limited liability company, its General Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California limited liability company, its Manager General Partner

By: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

EXHIBIT E

**PROJECT LOAN FUND REQUISITION
(Project Loan Fund)**

U.S. Bank National Association, as Fiscal Agent

Re: Hidden Cove Apartments

You are requested to disburse funds from the Project Loan Fund pursuant to Section 4.02 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the "Requisition"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "Funding Loan Agreement"), dated as of January 1, 2020, by and among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"), securing the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note").

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT(S) TO BE DISBURSED: \$ _____ from the Project Account
\$ _____ from the Borrower Equity Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Servicer to submit this Requisition to the Fiscal Agent on behalf of Borrower:

1. Purposes for which disbursement is requested are specified in the attached Schedule.
2. Party or parties to whom the disbursements shall be made are specified in the attached Schedule (may be the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, that no reimbursement shall be made for advances and payments made prior to _____, 2019).
3. The undersigned certifies that:
 - a. the conditions precedent to disbursement set forth in the Continuing Covenant Agreement have been satisfied;
 - b. the disbursement requested pursuant to this Requisition will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Continuing Covenant Agreement;
 - c. none of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on the Schedule attached hereto, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items;

d. all labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project;

e. the materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest;

f. all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

g. with respect to amounts from the Project Account of the Project Loan Fund, not less than 95% of the sum of:

(A) the amounts requisitioned by this Requisition; plus

(B) all amounts previously requisitioned and disbursed from the Project Account of the Project Loan Fund;

have been or will be applied by Borrower to pay the Costs of the Project;

h. Borrower is not in default under the Project Loan Agreement, the Continuing Covenant Agreement or any other Project Loan Document to which it is a party and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents;

i. no amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or pay debt service with respect to the Loans; and

j. Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.

[Following items may not be required for Initial Disbursement]

4. Estimated costs of completing the uncompleted Repairs (as defined in the Continuing Covenant Agreement) as of the date of this Requisition: _____.

5. Percent of the Repairs completed as of the date this request: _____%

6. The Borrower certifies that monthly occupancy for the month preceding this Requisition was _____, as indicated by the attached rent roll which is true, correct and complete.

7. The Borrower certifies that net operating income for the month preceding this Requisition was _____, as indicated by the attached operating statement.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date first above written.

Date: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited partnership, its Administrative General Partner

By: Spira Hidden Cove, LLC, a California limited liability company, its General Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California limited liability company, its Manager General Partner

By: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

APPROVED:

CAPITAL ONE, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

PROJECT LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

among

**COUNTY OF CONTRA COSTA, CALIFORNIA
as Governmental Lender**

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

and

**HIDDEN VALLEY COVE, LP,
a California limited partnership,
as Borrower**

**Relating to:
Hidden Cove Apartments
2901 Mary Ann Lane, Baypoint, California
Original Project Loan Principal Amount: \$[AMOUNT]**

Dated as of January 1, 2020

All of the right, title and interest of the County of Contra Costa, California (except for its Unassigned Rights) in and to this Project Loan Agreement are being assigned to U.S. Bank National Association, as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of January 1, 2020 by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

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PROJECT LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

THIS PROJECT LOAN AGREEMENT (this “Project Loan Agreement”) is made and entered into as of January 1, 2020, by and among the County of Contra Costa, California (the “Governmental Lender”), a public body, corporate and politic, duly organized and existing under the laws of the State of California (the “State”), U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the “Fiscal Agent”), and Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (together with its successors and assigns permitted hereunder, the “Borrower”).

RECITALS

A. Pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code (the “Act”) and this Project Loan Agreement, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[AMOUNT] (the “Project Loan”) to provide for the financing of a multifamily rental housing development located at 2901 Mary Ann Lane, in the unincorporated area of the Governmental Lender known as Bay Point (the “Project”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the loan in the original principal amount of \$[AMOUNT] (the “Funding Loan” and together with the Project Loan, the “Loans”) made to the Governmental Lender pursuant to the Funding Loan Agreement (the “Funding Loan Agreement”), by and among Capital One, National Association, in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the Governmental Lender and the Fiscal Agent. The Funding Loan is being originated and funded by the Initial Funding Lender and is evidenced by the Governmental Lender’s County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A dated January __, 2020 (together with all riders and addenda thereto, the “Governmental Note”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”), has entered into a commitment with the Initial Funding Lender dated [_____] (the “Freddie Mac Commitment”) whereby Freddie Mac has agreed to purchase the Funding Loan upon the satisfaction of the conditions set forth in the Freddie Mac Commitment (the “Freddie Mac Purchase Date”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project and to pay certain closing costs with respect to the Loans.

E. The Borrower’s repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated January __, 2019 (together with all riders and modifications thereto, the “Project Note”) delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the "Security Instrument") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "Funding Lender Representative"). Capital One, National Association (the "Servicer") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "Continuing Covenant Agreement"), which sets forth various other requirements with respect to the Project, and which agreement is being assigned to Freddie Mac on the Freddie Mac Purchase Date.

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All words and phrases (except for Event of Default) defined in the Funding Loan Agreement and the Continuing Covenant Agreement shall have the same meanings for the purposes of this Project Loan Agreement. In addition to the words and phrases defined in the Funding Loan Agreement and elsewhere herein, the following words and phrases shall have the following meanings:

"Event of Default" means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

"Fee Component" means the regular, ongoing fees due from time to time to the Governmental Lender, the Fiscal Agent and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

[IF APPLICABLE: "Loan Equalization Payment" means a mandatory prepayment of the Project Loan at the discretion of the Funding Lender Representative in an amount not to exceed \$_____ if the Project does not meet the achievement standards set forth in the Continuing Covenant Agreement.

"Project Loan Agreement" means this Project Loan Agreement, together with any amendments hereto.

"Project Loan Amortization Schedule" means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

"Project Loan Payment" means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

“Project Loan Payment Date” means (A) the first day of each calendar month, commencing February 1, 2020, or (B) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date.

“Servicing Fee” means the ordinary fee payable to the Servicer in connection with the servicing of the Project Loan and the Funding Loan payable monthly in an amount equal to one twelfth of [_____] % of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

“Taxes” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.02 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Project Loan Agreement are the Articles, sections and other subdivisions of this Project Loan Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Project Loan Agreement; the term “heretofore” means before the date of execution of this Project Loan Agreement; and the term “hereafter” means after the date of execution of this Project Loan Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 Representations, Warranties and Covenants of the Governmental Lender. The Governmental Lender makes the following representations, warranties and covenants for the benefit of the Funding Lender and the Servicer:

(a) The Governmental Lender is a public body, corporate and politic, duly organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the Tax Regulatory Agreement, the Assignment and its endorsement to the Project Note and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note as provided in the Funding Loan Agreement and make the Project Loan from the proceeds thereof as provided in this

Project Loan Agreement and for the sale, execution and delivery of the Governmental Note.

(d) Each of the Financing Documents to which the Governmental Lender is a party has been duly and validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Governmental Lender, enforceable against the Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) The Governmental Lender has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which the Governmental Lender is a party, the consummation of the transactions on the part of the Governmental Lender contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Governmental Lender of, and performance by the Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending with respect to which the Governmental Lender has been served with process by or before any court, governmental agency or public board or body, nor, to the Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the Board of Supervisors of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement; (iv) questions the tax exempt status of the interest on the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under the Governmental Note or this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement, or to carry out the transactions on its part contemplated by the Governmental Note, this Project Loan Agreement, the Funding Loan Agreement and the Tax Regulatory Agreement.

(h) No officer or other official of the Governmental Lender has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) To the extent it has received assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection therewith and is otherwise indemnified against liability related thereto, enforce or cause to be enforced all obligations of the Borrower under the Tax Regulatory Agreement in accordance with its terms.

It is expressly acknowledged that the Governmental Lender makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale, execution and delivery of the Governmental Note and any of the Financing Documents, or as to the correctness, completeness or accuracy of such statements. Also, it is expressly acknowledged that the Governmental Lender is making no representations as to the necessity of registering the Governmental Note pursuant to any securities laws or complying with any other requirements of securities laws.

Section 2.02 Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Project Loan Agreement, are relied upon by the Governmental Lender, the Funding Lender, the Servicer and the Fiscal Agent and serve as a basis for the undertakings of the Governmental Lender, the Servicer and the Fiscal Agent contained in this Project Loan Agreement:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State of California and is duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents. All partnership general partners are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority to (i) own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) execute and deliver, carry out its obligations under, and close the transactions provided for in, the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of

rehabilitation of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) [intentionally omitted]

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note.

(h) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform and[, following completion of the rehabilitation of the Project,] will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of the Borrower or the enforceability of the Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) All of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Tax Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Governmental Lender, the Servicer and the Funding Lender Representative by the Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no member of the Board of Supervisors, officer or employee of the Governmental Lender has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project.

(q) The Project is located wholly within the boundaries of the County of Contra Costa, California.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Governmental Note. The Borrower shall operate the Project as required by the Tax Regulatory Agreement.

(s) The Funding Loan Agreement has been submitted to the Borrower for examination, and the Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(t) The Borrower will have a fee simple interest in the land and improvements on the Project, subject only to liens permitted under the Security Instrument.

(u) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer in any manner.

Section 2.03 Representations and Warranties of the Fiscal Agent. The Fiscal Agent makes the following representations and warranties for the benefit of the Governmental Lender, the Borrower, the Funding Lender and the Servicer:

(a) The Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States. The Fiscal Agent is duly authorized to act as a fiduciary and to execute the trust created by the Funding Loan Agreement, and meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(b) The Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) The Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of the Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which the Fiscal Agent is a party has been duly executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Fiscal Agent meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(f) The Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Fiscal Agent described or contemplated in the Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party. The Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.04 Arbitrage and Rebate Fund Calculations. The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Funding Loan Agreement, and (b) if required to do so under Section 4.12 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Governmental Lender for the purpose of making any and all calculations required under Section 4.12 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.05 Tax Covenants of the Borrower. The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the Tax Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Governmental Note to be included in gross income of the owner of the Governmental Note for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Tax Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Governmental Note;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Funding Loan and the Project Loan and will not make any use of the proceeds of the Funding Loan or the Project Loan,

or of any other funds which may be deemed to be proceeds of the Governmental Note under the Code and the related regulations of the United States Treasury, which would cause the Governmental Note to be “arbitrage bonds” within the meaning of Section 148 of the Code; and

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Governmental Note becoming includable in gross income of the Funding Lender for purposes of federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer.

(f) The full amount of each disbursement of proceeds of the Project Loan will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Governmental Note (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Governmental Note will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Governmental Note (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Tax Regulatory Agreement;

(h) All leases for rental units in the Project will comply with all applicable laws and the Tax Regulatory Agreement;

(i) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not to use that portion of the Project in any manner which would violate the covenants set forth in this Project Loan Agreement or the Tax Regulatory Agreement;

(j) No proceeds of the Funding Loan shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(k) From the proceeds of the Funding Loan and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Funding Loan will be used for Costs of Issuance of the Governmental Note, all within the meaning of Section 147(g)(1) of the Code; and

(l) No proceeds of the Funding Loan shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used

for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III

THE PROJECT LOAN

Section 3.01 Conditions to Funding the Project Loan. On the Delivery Date, the Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Title Company in accordance with Section 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The proceeds of the Funding Loan shall be disbursed by the Title Company pursuant to the Settlement Statement to make the Project Loan on behalf of the Governmental Lender, provided that no authorization for the disbursements of proceeds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Governmental Lender the Project Note and the Governmental Lender shall have endorsed the Project Note to the Fiscal Agent;

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by Funding Lender Representative, shall have been executed and delivered by the Borrower and the Governmental Lender, respectively, and delivered to the Title Company for recording in the Contra Costa County Recorder's Office (the "Recorder's Office");

(c) The Tax Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the title company for recording in the Recorder's Office, and the Fiscal Agent shall have received evidence satisfactory to it of such delivery;

(d) All other Financing Documents not listed above shall have been executed and delivered by all parties thereto and delivered to the Fiscal Agent; and

(e) The Borrower shall have delivered to the Fiscal Agent, the Governmental Lender, the Funding Lender Representative and the Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to the Fiscal Agent, the Governmental Lender, Bond Counsel, the Funding Lender Representative, Freddie Mac and the Servicer.

Section 3.02 Terms of the Project Loan; Servicing.

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of \$[AMOUNT]; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) The Funding Lender Representative may appoint a Servicer to service the Loans for all or a portion of the term of the Loans. The initial Servicer of the Loans is Capital One,

National Association, who shall service the Loans pursuant to the terms of the Commitment and the Guide. The Funding Lender Representative may remove a Servicer or appoint a replacement Servicer, in its discretion, by written notice provided to the Governmental Lender, the Fiscal Agent and the Borrower. Any successor Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to the Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that the Servicer services the Loans, the Borrower shall make all payments in connection with the Project Loan to the Servicer, and the Servicer will (i) retain the allocable portion of the monthly Servicing Fee for its own account, (ii) remit to the Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan, together, with any other amounts due to the Funding Lender, (iii) remit to the Fiscal Agent the Ordinary Fiscal Agent's Fees and Expenses, together with any other amounts due to the Fiscal Agent, and (iv) remit to the Governmental Lender the Governmental Lender Fee, together with any other amounts due to the Governmental Lender. During a period in which there is no Servicer, all notices to be sent to the Servicer shall be sent to the Funding Lender Representative (to the extent not already provided) and all amounts to be paid to the Servicer by the Borrower shall be paid directly to the Fiscal Agent (unless otherwise directed by the Funding Lender Representative).

(d) The Governmental Lender, the Fiscal Agent and the Borrower hereby acknowledge and agree that (i) the Funding Lender Representative has appointed the Servicer to service and administer the Project Loan, (ii) the selection or removal of any Servicer is in the sole and absolute discretion of the Funding Lender Representative; (iii) none of the Governmental Lender, the Fiscal Agent or the Borrower shall terminate or attempt to terminate any Servicer as the servicer for the Project Loan or appoint or attempt to appoint a substitute servicer for the Project Loan, (iv) the Guide is subject to amendment without the consent of the Fiscal Agent, the Governmental Lender or the Borrower; and (v) none of the Fiscal Agent, the Governmental Lender or the Borrower shall have any rights under, or be a third party beneficiary of, the Guide.

Section 3.03 Initial Deposits. On the Delivery Date, proceeds of the Funding Loan in the amount of \$[_____] shall be deposited with the Title Company to be disbursed pursuant to the Settlement Statement. A portion of the proceeds of the Funding Loan in the amount of \$[_____] shall be delivered by the Title Company to the Fiscal Agent. The Fiscal Agent shall deposit such proceeds received from the Title Company to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided herein and in Section 4.02 of the Funding Loan Agreement. The Borrower will cause to be deposited with the Fiscal Agent the amount of \$[_____] for credit to the Borrower Equity Account of the Project Loan Fund. The Borrower will deposit with the Servicer the sum of \$[_____] as the Initial Debt Service Deposit. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan Fund are to be disbursed to the Borrower or otherwise as provided in Section 4.02 of the Funding Loan Agreement.

The Borrower shall pay all costs of closing the Loans through the Title Company and to the extent such amounts deposited with the Title Company are insufficient to pay all costs of closing the Loans, shall cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.

Section 3.04 Pledge and Assignment to Fiscal Agent. The parties hereto acknowledge, and the Borrower consents to, the pledge and assignment by the Governmental Lender to the Fiscal Agent pursuant to the Funding Loan Agreement of all of the Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project

Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

Section 3.05 Investment of Funds. Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan Agreement shall be invested or reinvested by the Fiscal Agent in Qualified Investments in accordance with Section 4.08 of the Funding Loan Agreement.

Section 3.06 Damage; Destruction and Eminent Domain. If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Governmental Lender, the Borrower, the Fiscal Agent or the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

Section 3.07 Enforcement of Financing Documents. The Fiscal Agent or the Funding Lender Representative may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

ARTICLE IV

LOAN PAYMENTS

Section 4.01 Payments Under the Project Note; Independent Obligation of Borrower.

(a) Payment Obligations. The Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable the Fiscal Agent, on behalf of the Governmental Lender, or the Servicer, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with premium, if applicable), acceleration or otherwise. To ensure such timely payment, the Servicer shall collect from the Borrower, and the Borrower shall provide to the Servicer the foregoing payments not less than two (2) Business Days prior to each respective Project Loan Payment Date.

The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent obligation of the Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by the Borrower under and pursuant to the Project Note shall be credited against the Borrower's obligations hereunder on a dollar for dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of the Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) Obligations Unconditional; No Set-Off. The obligation of the Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project Loan

Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender or the Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) Payments from Borrower to Fiscal Agent or Servicer. Each payment by the Borrower hereunder or under the Project Note shall be made in immediately available funds to the Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to the Fiscal Agent if there is no Servicer or if the Borrower is so directed in writing by the Funding Lender Representative. Each such payment shall be made to the Fiscal Agent or the Servicer, as applicable, by deposit to such account as the Fiscal Agent or the Servicer may designate by written notice to the Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

Section 4.02 Additional Payments Under the Project Note and this Project Loan Agreement.

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by the Borrower under the Project Note include certain money to be paid in respect of, among others, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of the Borrower described in Section 3.03, the Borrower shall pay (or cause to be paid by the Servicer or the Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Cost of Issuance Fund, as applicable)), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, all third party and out of pocket expenses of Freddie Mac

(including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(ii) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Governmental Lender, the Governmental Lender Issuance Fee and the first years' Governmental Lender Annual Fee (as such terms are defined in the Tax Regulatory Agreement).

(iii) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Servicer (including but not limited to the fees and expenses of counsel to the Servicer, if any) in connection with the Loans.

(iv) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Fiscal Agent, an acceptance fee in an amount equal to \$[_____] and reimbursement for legal expenses of \$_____, together with all third party and out of pocket expenses of the Fiscal Agent (including but not limited to the fees and expenses of counsel to the Fiscal Agent) in connection with the Loans and the issuance of the Governmental Note.

(v) To the Fiscal Agent, the Ordinary Fiscal Agent's Fees and Expenses and the Extraordinary Fiscal Agent's Fees and Expenses when due from time to time.

(vi) To the Governmental Lender, the Governmental Lender Fee when due and any extraordinary expenses not covered by the Governmental Lender Fee the Governmental Lender may incur in connection with the Financing Documents or the Project from time to time.

(vii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(viii) To the Funding Lender Representative, any amount due and owing the Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(ix) To the Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of the Servicer as provided in the Continuing Covenant Agreement.

(x) To the Servicer, the amounts required to be deposited in respect of reserves and impounds required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xi) If the Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to the Fiscal Agent, within two (2) Business Days of receipt from the Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

Section 4.03 Payments to Rebate Fund. The Borrower shall pay when due to the Fiscal Agent at the Principal Office of the Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Funding Loan Agreement.

Section 4.04 Prepayment.

(a) Optional Prepayment of the Project Loan. The Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) Mandatory Prepayment of the Project Loan. The Borrower shall be required to pay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) Defeasance of the Funding Loan. In addition, prior to the Window Period, the Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, the Borrower will give written notice (a "Defeasance Notice") to the Funding Lender Representative, the Servicer, the Governmental Lender and the Fiscal Agent of the date the Borrower desires to defease the Funding Loan (the "Defeasance Date"). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, the Borrower shall cause to be paid to the Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, the Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and the Borrower shall be entitled to the release of the Security Instrument, the Pledged Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

Section 4.05 Borrower's Obligations Upon Prepayment. In the event of any prepayment, the Borrower will timely pay, or cause to be paid through the Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and premium, if any. In addition, the Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

Section 4.06 Limits on Personal Liability.

(a) Except as otherwise set forth in Section 9 of the Project Note and subsection 4.06(b) below, the obligations of the Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of the Borrower which shall be enforced only against the Project and other property of the Borrower encumbered by the Financing Documents and not personally against the Borrower or any partner of the Borrower or any successor or assign of the Borrower. However, nothing in this Section 4.06 shall limit the right of the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan

Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that the Servicer or the Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and each of the Borrower's general partners: (i) the Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(iv), (b)(v), and (b)(vi) of Section 4.02 hereof; (ii) the Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04 and 4.03 of this Project Loan Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.01 Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Section 5.02 Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.03 Funding Loan Agreement Provisions. The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by the Borrower. Whenever the Funding Loan Agreement by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Funding Loan Agreement, and the Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if the Borrower were a party to the Funding Loan Agreement.

Section 5.04 Reserved.

Section 5.05 Borrower to Maintain Its Existence; Certification of No Default.

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Fiscal Agent a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

Section 5.06 Borrower to Remain Qualified in State and Appoint Agent. The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.07 Sale or Other Transfer of Project. The Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and upon receipt of the prior written consent of the Governmental Lender and the Funding Lender Representative.

Section 5.08 Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Project Loan Agreement, the Governmental Lender, the Fiscal Agent, the Servicer and/or the Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

Section 5.09 Notice of Certain Events. The Borrower shall promptly advise the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10 Survival of Covenants. The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to the Fiscal Agent, the resignation or removal of the Fiscal Agent.

Section 5.11 Access to Project; Records. Subject to reasonable notice and the rights of tenants at the Project, the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours: (a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; (b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; and (c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, as the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

Section 5.12 Tax Regulatory Agreement. The covenants of the Borrower in the Tax Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the Governmental Lender and the Funding

Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the Tax Regulatory Agreement. The Borrower covenants to file of record the Tax Regulatory Agreement and such other documents, and to take such other steps as are necessary in order to assure that the restrictions contained in the Tax Regulatory Agreement will, subject to the terms of the Tax Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the Tax Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, the Governmental Lender shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the Tax Regulatory Agreement.

Section 5.13 Damage, Destruction and Condemnation. If prior to full payment of the Funding Loan (or provision for payment of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

Section 5.14 Obligation of the Borrower To Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch (and in no event later than required under the Financing Documents) to complete the rehabilitation, development and equipping of the Project as required by the Financing Documents. If amounts on deposit in the Project Loan Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, rehabilitation, development and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender Representative or the Funding Lender in respect of any such additional costs or to any diminution or abatement in the repayment of the Project Loan. None of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Project Loan Fund or otherwise made available to the Borrower will be sufficient to complete the Project, and none of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer shall be liable to the Borrower or any other person if for any reason the Project is not completed.

Section 5.15 Filing of Financing Statements. The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of the Governmental Lender, the Fiscal Agent and the Funding Lender in connection with such security interests. The Borrower shall cooperate with the Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

ARTICLE VI

INDEMNIFICATION

Section 6.01 Indemnification.

(a) Indemnified Losses. To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and each of their respective officers, Supervisors, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages (including, but not limited to, consequential and punitive damages), claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise (collectively, "Losses"), to the extent arising, directly or indirectly, out of or based upon or in any way relating to:

(i) any breach by the Borrower of its obligations under the Financing Documents or the execution, amendment, restructuring or enforcement thereof, or in connection with transactions contemplated thereby, including the issuance, sale, transfer or resale of the Governmental Note;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, construction or equipping of, the Project or any part thereof;

(iii) any accident, injury to, or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof;

(iv) any lien (other than liens permitted under the Continuing Covenant Agreement) or charge upon payments by the Borrower to the Governmental Lender, the Fiscal Agent or the Servicer hereunder, or any Taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Fiscal Agent in respect of any portion of the Project (other than income and similar taxes on fees received or earned in connection therewith);

(v) any violation of any environmental law, rule or regulation with respect to, or the release of any hazardous materials from, the Project or any part thereof;

(vi) [Reserved];

(vii) the enforcement of, or any action taken by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative related to remedies under this Project Loan Agreement, the Funding Loan Agreement or any other Financing Document;

(viii) any untrue statement of a material fact or alleged untrue statement of a material fact by the Borrower contained in any offering statement or document for the Governmental Note or any of the Financing Documents to which the Borrower is a party, or any omission or alleged omission by the Borrower of a material fact from any offering

statement or document for the Governmental Note necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading;

(ix) any declaration of taxability of interest on the Governmental Note or allegations (or regulatory inquiry) that interest on the Governmental Note is includable in gross income for federal income tax purposes (including any Determination of Taxability);

(x) any audit or inquiry by the Internal Revenue Service with respect to the Project and/or the tax-exempt status of the Governmental Note; or

(xi) the Fiscal Agent's acceptance or administration of the trust of the Funding Loan Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Governmental Note to which it is a party;

except (A) in the case of the foregoing indemnification of the Fiscal Agent, or any of its respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the negligence, unlawful acts or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Servicer, the Funding Lender or the Governmental Lender or any of their respective officers, commissioners, Supervisors, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the willful misconduct of such Indemnified Party.

(b) Procedures. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from such Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected or approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that such Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may employ separate counsel at the expense of the Borrower only if, in such Indemnified Party's good faith judgment, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) Borrower to Remain Obligated. Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Project Loan Agreement, the Security Instrument and the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer unless (i) such subsequent owner assumed in writing at the time of such transfer all obligations of the Borrower under this Section 6.01 (including obligations under this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer) and (ii) any such transfer is in compliance with the requirements of the Financing Documents.

(d) Survival. The provisions of this Section 6.01 shall survive the termination of this Project Loan Agreement.

(e) No Limitation on Other Indemnification Rights. The provisions of this Section 6.01 shall not operate to limit any other rights of the Governmental Lender to be held harmless,

defended or indemnified by the Borrower under any other instrument or agreement, including, without limitation, the Tax Regulatory Agreement

Section 6.02 Limitation With Respect to the Funding Lender. Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that the Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, the Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that the Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to the Funding Lender (or its nominee), the Funding Lender's (or its nominee's) obligations under this Article VI shall be limited to acts and omissions of the Funding Lender (or its nominee) occurring during the period of the Funding Lender's (or its nominee's) ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. The following shall be "Events of Default" under this Project Loan Agreement, and the term "Event of Default" shall mean, whenever it is used in this Project Loan Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Project Loan Agreement, the Project Note or the Security Instrument at the times and in the amounts required by this Project Loan Agreement, the Project Note and the Security Instrument, as applicable;

(c) The Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of 30 days after notice of such failure by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in the Funding Lender Representative's sole discretion, adversely affect the Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in the Funding Lender Representative's judgment, absent immediate exercise by the Funding Lender Representative of a right or remedy under this Project Loan Agreement, result in harm to the Funding Lender, impairment of this Project Loan Agreement or any other Financing Document;

(d) The occurrence of a default under the Continuing Covenant Agreement or the Security Instrument (after taking into account any applicable cure period thereunder) shall at the discretion of the Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if the Fiscal Agent is provided written notice by the Funding Lender Representative that an Event of Default has occurred under such Financing Document and the Fiscal Agent is instructed by the Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

Section 7.02 Remedies on Default. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), may take any one or more of the following remedial steps:

(a) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may, without being required to give any notice (other than to the Governmental Lender or the Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(c) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, the Governmental Lender and the Fiscal Agent may pursue remedies with respect to the Unassigned Rights.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

Section 7.03 No Remedy Exclusive. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against the Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), at any time and from time to time, whether or not the Funding Lender has accelerated the Project Loan, and whether or not the Funding Lender shall have commenced any foreclosure proceeding

or other action for the enforcement of its rights and remedies under any of the Financing Documents. No remedy conferred upon or reserved to the Funding Lender or the Fiscal Agent by this Project Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Project Loan Agreement.

Section 7.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower shall default under any of the provisions of this Project Loan Agreement and the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Project Loan Agreement or in the Project Note, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.05 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06 Control of Proceedings.

(a) If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of the Funding Lender Representative.

(b) The Governmental Lender and the Fiscal Agent covenant that they will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) prosecute any action with respect to a lien on the Project; or
- (ii) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Project Loan; or
- (iii) interfere with or attempt to influence the exercise by the Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any event of default by the Borrower under the Financing Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender or the Fiscal Agent may:

(i) specifically enforce the tax covenants of the Borrower specified in Section 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof;

(ii) specifically enforce the Tax Regulatory Agreement or seek injunctive relief against acts which may be in violation of the Tax Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Code and State law, including the Act (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may the Governmental Lender or the Fiscal Agent seek any form of monetary damages from the Borrower in connection with such enforcement).

In addition, notwithstanding Section 7.06(a) and 7.06(b) hereof, the Governmental Lender and the Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of the Governmental Lender, the Fiscal Agent or any Indemnified Party related to the Governmental Lender or the Fiscal Agent under Section 6.01 (each a "Related Indemnified Party") to enforce their respective rights against the Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of the Borrower to the Governmental Lender, the Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for the Fiscal Agent's right to receive payment of reasonable fees and expenses pursuant to Section 6.05(a) of the Funding Loan Agreement after an event of default with respect to the Funding Loan, which reasonable fees and expenses of the Fiscal Agent shall be payable as provided thereunder). Accordingly, none of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

Section 7.07 Assumption of Obligations. In the event that the Fiscal Agent or the Funding Lender or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Project Loan Agreement, the Project Note, the Tax Regulatory Agreement, and any other Financing Documents to which the Borrower is a party or with respect to which it is a third-party beneficiary. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices.

(a) Whenever in this Project Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to the Funding Lender Representative shall be given to the Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Project Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative for any such information or other communication.

Section 8.02 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and the Funding Lender Representative, as applicable.

Section 8.03 Governing Law. This Project Loan Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws of the State without regard to conflicts of laws principles and, where applicable, the laws of the United States of America.

Section 8.04 Modifications in Writing. Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.05 Further Assurances and Corrective Instruments. The Governmental Lender, the Fiscal Agent and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by the Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

Section 8.06 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

Section 8.07 Severability. The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.08 Counterparts. This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.09 Amounts Remaining in Loan Payment Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

Section 8.10 Effective Date and Term. This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

Section 8.11 Cross References. Any reference in this Project Loan Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

Section 8.12 Funding Lender Representative and Servicer as Third Party Beneficiaries. The parties hereto agree and acknowledge that the Funding Lender Representative and the Servicer are third party beneficiaries of this Project Loan Agreement.

Section 8.13 Reserved.

Section 8.14 Non-Liability of Governmental Lender. None of the Governmental Lender, any member of the Board of Supervisors of the Governmental Lender or any person executing the Funding Loan Agreement, this Project Loan Agreement or the Governmental Note is liable personally on the Governmental Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and the Governmental Note are limited obligations of the Governmental Lender, payable solely from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to this Project Loan Agreement. Neither the Governmental Lender nor the State of California or any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of the Governmental Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. The Governmental Note is not a pledge of the faith and credit of the Governmental Lender or the State of California or any of its political subdivisions nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, Prepayment Premium or interest in respect of the Governmental Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, this Project Loan Agreement, the Governmental Note or any other Financing Document, except only to the extent amounts are received for the payment thereof from the Borrower under this Project Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender's sole source of money to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Project Loan Agreement, together with investment income on certain funds and accounts held by the Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Prepayment Premium) and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Fiscal Agent, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Fiscal Agent, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Fiscal Agent, the Governmental Lender or any such third party, as the case may be, therefor but solely, in the case of the Governmental Lender, from the Revenues, other than with respect to any deficiency caused by the willful misconduct of the Governmental Lender.

Section 8.15 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any Supervisor, director, employee, agent or officer, as such, past, present, or future, of the Governmental Lender, either directly or through the Governmental Lender, or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such Supervisor, director, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan,

is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

Section 8.16 Capacity of the Fiscal Agent. The Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as Fiscal Agent and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Fiscal Agent under the Funding Loan Agreement. The Fiscal Agent shall be responsible only for the duties of the Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

Section 8.17 Reliance. The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by the Governmental Lender, the Fiscal Agent, Bond Counsel, the Servicer, the Funding Lender and the Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Governmental Lender and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender or the Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than the Governmental Lender) that:

(a) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Funding Lender or the Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by the Governmental Lender;

(b) the Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender Representative, the Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Project Loan Agreement shall require the Governmental Lender or the Fiscal Agent to expend or risk its own funds (apart from the proceeds of Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Project Loan Agreement all as of the date first set forth above.

COUNTY OF CONTRA COSTA,
CALIFORNIA

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

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Francine Rockett,
Vice President

[FISCAL AGENT'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited
partnership, its Administrative General
Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

[BORROWER'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Paul J. Thimmig, Esq.

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

by and between the

COUNTY OF CONTRA COSTA, CALIFORNIA

and

**HIDDEN COVE APARTMENTS, LP,
a California limited partnership**

dated as of January 1, 2020

relating to:

**\$ _____
County of Contra Costa, California
Multifamily Housing Revenue Note
(Hidden Cove Apartments) 2020 Series A**

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement"), dated as of January 1, 2020, is by and between the COUNTY OF CONTRA COSTA, CALIFORNIA, a public body, corporate and politic, duly organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Governmental Lender"), and HIDDEN COVE APARTMENTS, LP, a limited partnership duly organized, validly existing and in good standing under the laws of the State of California (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower").

R E C I T A L S :

WHEREAS, on May 7, 2003, the Governmental Lender issued its County of Contra Costa Multifamily Housing Revenue Bonds (Hidden Cove Apartments Project) 2003 Series A (the "2003 Bonds") the proceeds of which were used to make a loan (the "Prior Loan") to Steadfast Hidden Cove, L.P., a California limited partnership (the "Prior Owner") to finance costs of an 88-unit multifamily residential rental facility known as Hidden Cove Apartments (the "Project") located in the Bay Point unincorporated area of the County on the site described in Exhibit A hereto; and

WHEREAS, at the time of the issuance of the 2003 Bonds, the Governmental Lender, the Prior Owner and Wells Fargo Bank, National Association, as trustee for the 2003 Bonds, entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003 (the "Prior Regulatory Agreement"), imposing various requirements on the Project in order to satisfy requirements of the Internal Revenue Code of 1986, as amended (the "Code") and provisions of the California Health and Safety Code applicable to the Project by reason of the issuance of the 2003 Bonds and the use of proceeds of the 2003 Bonds to finance the Project; and

WHEREAS, the Governmental Lender now proposes to enter into a Funding Loan Agreement, dated as of January 1, 2020 (as supplemented and amended from time to time, the "Funding Loan Agreement"), among the Governmental Lender, Capital One, National Association, as Initial Funding Lender (the "Initial Funding Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"), pursuant to which the Initial Funding Lender will make a loan to the Governmental Lender (the "Funding Loan"), to be evidenced by a County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (the "Governmental Note") issued by the Governmental Lender pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 34200) of the California Health and Safety Code (the "Act"); and

WHEREAS, the proceeds of the Funding Loan will be used by the Governmental Lender to fund a loan (the "Project Loan") to the Borrower pursuant to a Loan Agreement, dated as of January 1, 2020, among the Fiscal Agent, the Governmental Lender and the Borrower (as supplemented and amended from time to time, the "Project Loan Agreement"), to provide financing for the acquisition and rehabilitation of the Project; and

WHEREAS, the Prior Owner has repaid the Prior Loan and the 2003 Bonds have been legally defeased; and

WHEREAS, despite the defeasance of the 2003 Bonds, the “Qualified Project Period,” as defined in the Prior Regulatory Agreement, will continue due to the term of the Prior Regulatory Agreement; and

WHEREAS, the Governmental Lender has agreed that compliance by the Borrower with the provisions of this Regulatory Agreement will fully satisfy compliance with the applicable provisions of the Prior Regulatory Agreement that would otherwise survive the defeasance of the 2003 Bonds, such that the Governmental Lender has agreed to the termination of the Prior Regulatory Agreement so long as the owners of the 2003 Bonds are intended third party beneficiaries of this Regulatory Agreement and thereby entitled to enforce the provisions of this Regulatory Agreement and Section 27 of this Regulatory Agreement contains such provisions; and

WHEREAS, the Prior Owner, the Borrower and the Governmental Lender have entered into an Assignment and Assumption of Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 15, 2019, pursuant to which the Borrower has assumed the obligations of the Prior Owner under the Prior Regulatory Agreement, and the Governmental Lender has consented to the transfer of the Project to the Borrower pursuant to the terms of Section 12 of the Prior Regulatory Agreement; and

WHEREAS, in order to assure the Governmental Lender and the Funding Lender (as defined in the Funding Loan Agreement) that interest on the Governmental Note will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), to assure the owners of the 2003 Bonds that the interest on the 2003 Bonds will continue to be excluded from the gross income of the owners of the 2003 Bonds for federal income tax purposes under the Code, and to satisfy the public purposes for which the 2003 Bonds were issued and the Funding Loan is authorized to be incurred under the Act, and to satisfy the purposes of the Governmental Lender in determining to incur the Funding Loan, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the issuance of the Governmental Note by the Governmental Lender and the mutual covenants and undertakings set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Governmental Lender and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Funding Loan Agreement.

“Administrator” means the Governmental Lender or any administrator or program monitor appointed by the Governmental Lender to administer this Regulatory Agreement and any successor administrator appointed by the Governmental Lender.

“Affiliated Party” means (a) a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, (b) a person who together with the Borrower are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein), (c) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (d) an S corporation and

each of its shareholders (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code.

“Affordable Rents” means thirty percent (30%) of an amount equal to sixty percent (60%) of the median gross income for the Area, adjusted for household size (as described in the definition of “Low Income Unit” in this Section 1), less a utility allowance calculated as set forth in U.S. Treasury Regulation Section 1.42-10.

“Area” means the Metropolitan Statistical Area or County, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Development.

“Available Units” means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Governmental Note is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

“CDLAC” means the California Debt Limit Allocation Committee or its successors.

“CDLAC Conditions” has the meaning given such term in Section 29(a).

“CDLAC Resolution” means CDLAC Resolution No. 19-134 attached hereto as Exhibit E, adopted on October 16, 2019 and relating to the Project, as such resolution may be modified or amended from time to time.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Borrower with the Governmental Lender pursuant to Section 4(f) hereof, which shall be substantially in the form attached as Exhibit C hereto or in such other comparable form as may be provided by the Governmental Lender to the Borrower, or as otherwise approved by the Governmental Lender.

“Closing Date” has the meaning given to the term “Delivery Date” in the Funding Loan Agreement.

“Completion Certificate” means the certificate of completion of the rehabilitation of the Project required to be delivered to the Governmental Lender by the Borrower pursuant to Section 2(i) of this Regulatory Agreement, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit D.

“Completion Date” means the date of completion of the rehabilitation of the Project, as that date shall be certified as provided in Section 2(i) of this Regulatory Agreement.

“Compliance Period” means the period beginning on the first day of the Qualified Project Period and ending on the later of (a) the end of the Qualified Project Period or (b) such later date as set forth in Section 6(f)(3) or 29(c) of this Regulatory Agreement.

“County” means the County of Contra Costa, California.

“FOCUS Program” means (a) the FOCUS Compliance Verification Program (user’s guide located at focus.housingcompliance.org) utilized by the Governmental Lender to verify the Borrower’s compliance with various requirements of this Regulatory Agreement; or (b) any similar program used by the Governmental Lender, in the substitution for the program described in the preceding clause (a), to verify the Borrower’s compliance with various requirements of this Regulatory Agreement.

“Governmental Lender Annual Fee” means: for the period from the Closing Date to but not including January 1, 2021, \$_____ (which is an amount equal to one 1/8 of 1% of the principal amount of the Governmental Note as of the Closing Date); and, thereafter, on each January 1 during the remainder of the Compliance Period commencing January 1, 2021, the greater of an amount equal to 1/8 of 1% of the then outstanding principal amount of the Governmental Note, or \$5,000.00.

“Governmental Lender Issuance Fee” means an amount equal to \$_____ (which is an amount equal to one 1/8 of 1% of the maximum principal amount of the Governmental Note as of the Closing Date).

“Gross Income” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed in under section 8 of the Housing Act.

“Housing Act” or “Housing Law” means the United States Housing Act of 1937, as amended, or its successor.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as Exhibit B hereto or in such other comparable form as may be provided by the Governmental Lender to the Borrower, or as otherwise approved by the Governmental Lender.

“Inducement Date” means August 6, 2019, being the date on which the Board of Supervisors of the Governmental Lender adopted Resolution No. 2019/508, expressing its intent to incur debt obligations to provide financing for the Project.

“Low Income Tenant” means a tenant occupying a Low Income Unit.

“Low Income Unit” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. A unit occupied by one or more students shall only constitute a Low Income Unit if such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit’s status as a Low Income Unit shall be made by the Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Manager” means a property manager meeting the requirements of Section 28 hereof. Aperto Property Management, Inc. is the initial Manager.

“Project” means the 88-unit multifamily rental housing development (including a manager’s unit) located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane in the unincorporated Bay Point area of the County on the real property site described in Exhibit A hereto, consisting

of those facilities, including a fee interest in the real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition and rehabilitation of which facilities is to be financed, in whole or in part, from the proceeds of the Project Loan, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

“Project Costs” means, to the extent authorized by the Act, any and all costs and expenses incurred by the Borrower with respect to the acquisition, financing, rehabilitation and/or operation of the Project, whether paid or incurred prior to or after the Closing Date, including, without limitation, costs for the acquisition of property, the cost of consultant, accounting and legal services, appraisal costs, other expenses necessary or incident to the acquisition and rehabilitation of the Project, and administrative expenses, and interest on the Project Loan.

“Qualified Project Costs” means Project Costs that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during the rehabilitation of the Project shall be eligible to be a Qualified Project Cost as is so capitalizable and as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing after the date of completion of the rehabilitation of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being rehabilitated by an Affiliated Party (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such Affiliated Party in rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the Affiliated Party, and (C) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation of the Project or payments received by such Affiliated Party due to early completion of the Project; (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the Inducement Date or the Closing Date, and (iv) if the Project Costs were previously paid and are to be reimbursed with proceeds of the Project Loan, such costs were (A) costs of issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.139-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of the rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid).

“Qualified Project Period” means the period beginning on the Closing Date, and ending on the later of the following: (a) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied following the Completion Date; (b) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding; or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates. For purposes of the foregoing clause (b), the term “private activity bond” has the meaning contemplated in Section 142(d)(2)(A)(ii) of the Code.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Rental Payments” means the rental payments paid by the occupant of a unit, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the occupant by the Borrower as a condition of occupancy of the unit.

“Tax Counsel” has the meaning given to the term “Bond Counsel” in the Funding Loan Agreement.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Governmental Note, that such interest is excluded from gross income for federal income tax purposes of the respective owners of the Governmental Note; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Transfer” means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (a) an installment sales agreement wherein Borrower agrees to sell the Project or any part thereof for a price to be paid in installments; and (b) an agreement by the Borrower leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Borrower.

(a) The statements made in the various certificates delivered by the Borrower to the Governmental Lender, the Servicer or the Initial Funding Lender on the Closing Date are true and correct.

(b) The Borrower (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds of the Project Loan to be applied in a manner contrary to the applicable requirements of the Project Loan Agreement and this Regulatory Agreement.

(c) The Borrower will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Governmental Note, or the exemption from California personal income taxation of the interest on the Governmental Note and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(d) The Borrower will take such action or actions as may be necessary, in the written opinion of Tax Counsel filed with the Governmental Lender and the Servicer, to comply fully with the Act, the Code and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service to the extent necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Governmental Note.

(e) The acquisition by the Borrower of the Project and the commencement of the rehabilitation of the Project occurred after the date which was 60 days prior to the Inducement Date. The Borrower has incurred a substantial binding obligation to expend proceeds of the Project Loan pursuant to which the Borrower is obligated to expend an amount at least equal to five percent (5%) of the \$ _____ maximum principal amount of the Project Loan.

(f) The Borrower will proceed with due diligence to complete the rehabilitation of the Project and the full expenditure of the proceeds of the Project Loan. The Borrower reasonably expects to complete the acquisition and rehabilitation of the Project and to expend the full maximum \$ _____ principal amount of the Project Loan by _____, ____.

(g) The Borrower's reasonable expectations respecting the total expenditure of the proceeds of the Project Loan have been accurately set forth in a certificate of the Borrower delivered to the Governmental Lender on the Closing Date. At all times, the aggregate disbursements of the proceeds of the Project Loan will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to ninety-seven percent (97%) or more of such disbursements, and less than twenty-five percent (25%) of such disbursements shall have been used to pay for the acquisition of land or an interest therein.

(h) Notwithstanding the provisions of Section 2.04 of the Project Loan Agreement, and in addition thereto, the Borrower agrees to obtain a written report from an independent firm with experience in calculating excess investment earnings for purposes of Section 148(f) of the Code, not less than once on or about each five year anniversary of the Closing Date and within thirty (30) days of the date the Governmental Note has been paid in full, determining that either (i) no excess investment earnings subject to rebate to the federal government under Section 148(f) of the Code have arisen with respect to the Governmental Note in the prior five-year period (or, with respect to the final such report following the repayment of the Governmental Note, have arisen since the last five-year report); or (ii) excess investment earnings have so arisen during the prior five-year period (or, with respect to the final such report following the repayment of the Governmental Note, have arisen since the last five-year report), and specifying the amount thereof that needs to be rebated to the federal government and the date by which such amount needs to be so rebated. The Borrower shall provide a copy of each report prepared in accordance with the preceding sentence to the Governmental Lender, each time

within one week of its receipt of the same from the independent firm that prepared the respective report.

(i) As soon as practicable after the Completion Date, the Borrower shall deliver to the Governmental Lender a duly executed Completion Certificate.

(j) The Borrower acknowledges that the Governmental Lender has appointed the Administrator to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. The Borrower shall comply with any reasonable request by the Governmental Lender, the Administrator or the Servicer to deliver to the Administrator or the Servicer, as applicable, in addition to the Governmental Lender, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Governmental Lender and the Servicer upon its respective written request.

(k) The Borrower agrees to expend towards the rehabilitation of the Project (such expenditures to constitute "rehabilitation expenditures" as defined in Section 147(d) of the Code), within two (2) years of the Closing Date, an amount at least equal to fifteen percent (15%) of the proceeds of the Project Loan used to acquire the buildings (and equipment) comprising the Project.

(l) Money on deposit in any fund or account in connection with the Project Loan or the Funding Loan, whether or not such money was derived from other sources, shall not be used by or under the direction of the Borrower, in a manner which would cause the Governmental Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, and the Borrower specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Governmental Note from being an "arbitrage bond" under the Code.

(m) All of the proceeds of the Project Loan and earnings from the investment of such proceeds will be used to pay Project Costs; and no more than two percent (2%) of the proceeds of the Project Loan will be used to pay issuance costs of the Governmental Note, within the meaning of Section 147(g) of the Code.

(n) No portion of the proceeds of the Project 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. No portion of the proceeds of the Project Loan shall be used for an office unless the office is located on the premises of the facilities constituting the Project and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(o) In accordance with Section 147(b) of the Code, the average maturity of the Governmental Note does not exceed 120% of the average reasonably expected remaining economic life of the facilities being financed by the Project Loan.

(p) The Borrower shall comply with all applicable requirements of Section 65863.10 of the California Government Code pertaining to the Project, including the requirements for providing notices in Sections (b), (c), (d) and (e) thereof, and with all applicable requirements of Section 65863.11 of the California Government Code pertaining to the Project.

(q) The Borrower shall pay all of the Costs of Issuance.

(r) The Borrower hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Borrower contained in the Tax Certificate and the Project Loan Agreement relating to the Project.

(s) The Borrower hereby represents and warrants that the Project is located entirely within the unincorporated area of the County.

(t) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the Project Loan Documents to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Governmental Lender for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Governmental Lender in any manner except to issue the Governmental Note in order to provide funds to assist the Borrower in acquiring and constructing the Project.

Section 3. Qualified Residential Rental Project. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “residential rental project” within the meaning of Section 142(d) of the Code for a term equal to the Compliance Period. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than one unit set aside for a resident manager or other administrative use) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time during the Compliance Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Compliance Period (except that the Borrower may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the County).

(e) All of the Available Units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Compliance Period on a continuous, "first-come, first-served" basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except (i) not more than one unit may be set aside for a resident manager or other administrative use, or (ii) to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units or otherwise as necessary to comply with Section 6(a), (b) and (c), (iii) to the extent required under any "extended low-income housing commitment" (an "Extended Use Agreement") applicable to the Project, or (iv) to the extent required by the provisions of any documents related to the provision of State or federal low income housing tax credits for the Project.

(f) The Project site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) The Borrower shall not discriminate on the basis of race, creed, color, sex, source of income (e.g. AFDC, SSI), physical disability, age, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(h) No dwelling unit in the Project shall be occupied by the Borrower. Notwithstanding the foregoing, if the Project contains five or more dwelling units, this paragraph shall not be construed to prohibit occupancy of dwelling units by one or more resident managers or maintenance personnel any of whom may be the Borrower; provided that the number of such managers or maintenance personnel is not unreasonable given industry standards in the area for the number of dwelling units in the Project.

(i) The Borrower will not sell dwelling units within the Project.

(j) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Governmental Lender from enforcing the requirements of the Code and the Regulations as applicable to the Project, or condemnation or similar event, the Borrower covenants that, within a "reasonable period" determined in accordance with the applicable Regulations, it will either prepay the Project Loan or, if permitted under the provisions of the Project Loan Agreement, apply any proceeds received as a result of any of the preceding events to rehabilitate the Project to meet the requirements of Section 142(d) of the Code and the applicable Regulations.

(k) During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

The Governmental Lender hereby elects to have the Project meet the requirements of Section 142(d)(1)(B) of the Code.

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Borrower hereby represents, warrants and covenants as follows:

(a) During the Compliance Period, no less than forty percent (40%) of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

In addition to the foregoing, the Borrower shall comply with the "Other Restricted Units" requirements of Section 15 b. of the CDLAC Resolution, as required by Section 29(a), including the tenant income restrictions referenced after Section 8 of the CDLAC Resolution.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of Section 4(a) hereof unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Compliance Period, the Borrower will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit and a second Income Certification dated one year after the Low-Income Tenant's initial move-in date, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. In lieu of obtaining the annual Income Certifications required by clause (ii) of the preceding sentence, the Borrower may, with respect to any particular twelve-month period ending each January 1, deliver to the Administrator no later than fifteen days after such date a certification that as of each January 1, no residential unit in the Project was occupied within the preceding twelve months by a new resident whose income exceeded the limit applicable to Low Income Tenants upon admission to the Project. The Administrator may at any time and in its sole and absolute discretion notify the Borrower in writing that it will no longer accept certifications of the Borrower made pursuant to the preceding sentence and that the Borrower will thereafter be required to obtain annual Income Certifications for tenants. The Borrower will also provide such additional information as may be required in the future by the Code, the State or the Governmental Lender, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Governmental Lender, copies of Income Certifications for Low

Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator or the Governmental Lender, as requested.

(d) The Borrower shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Administrator.

(e) The Borrower will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Administrator, the Governmental Lender, the Servicer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit to the Administrator, on behalf of the Governmental Lender, not less than semi-annually, commencing not less than six months after the Closing Date, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached hereto as Exhibit C.

(g) For the Compliance Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Governmental Lender or the Administrator on behalf of the Governmental Lender, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under Section 4(b), the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

For purposes of this Section 4, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Section 5. Tax-Exempt Status of the Governmental Note. The Borrower and the Governmental Lender, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Borrower and the Governmental Lender will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Governmental Note and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Borrower and the Governmental Lender will file of record such documents and take such other steps as are necessary, in the written opinion of Tax Counsel filed with the Governmental Lender (with a copy to the Borrower), in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 6. Requirements of the Act. In addition to the other requirements set forth herein, the Borrower hereby agrees that it shall comply with each of the requirements of the Act, including the following:

(a) As provided in Section 52080(a)(1)(B) of the Act, forty percent (40%) or more of the completed residential units in the Project shall be occupied by, or held vacant and available for occupancy by, individuals whose income is 60 percent or less of area median income, within the meaning of Section 52080(a)(1) of the Act (it being acknowledged that units required to be set aside for Low Income Tenants pursuant to Section 4(a) may be counted for purposes of satisfying the requirements of this Section 6(a) if the related Low Income Tenants otherwise satisfy the requirements of this Section 6(a)).

(b) The rental payments paid by the occupants of the units described in paragraph (a) of this Section (excluding any supplemental rental assistance from the state, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed thirty percent of sixty percent of area median income, within the meaning of Section 52080(a)(1) of the Act.

(c) The Borrower shall accept as tenants, on the same basis as all other prospective tenants, Low Income Tenants who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Law. The selection criteria applied to certificate holders under Section 8 of the Housing Law shall not be more burdensome than the criteria applied to all other prospective tenants.

(d) The Borrower shall ensure that units occupied as required by paragraph (a) of this Section are of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants.

(e) As provided in Section 52080(e) of the Act, the Project may be syndicated after prior written approval of the Governmental Lender. The Governmental Lender shall grant that approval only after it determines that the terms and conditions of the syndication (1) shall not reduce or limit any of the requirements of the Act or regulations adopted or documents executed pursuant to the Act, (2) shall not cause any of the requirements in this Regulatory Agreement to be subordinated to the syndication

agreement, or (3) shall not result in the provision of fewer assisted units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement. The Governmental Lender hereby acknowledges that this Section 6(e) does not apply to any syndication of federal tax credits for the Project.

(f) Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure and redemption of the Governmental Note, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units required to be reserved for occupancy pursuant to Section 6(a) shall remain available to any eligible household occupying a reserved unit at the date of such expiration or termination, at a rent not greater than the amount required by Section 6(b), until the earliest of any of the following occur:

(1) The household's income exceeds 140 percent of the maximum eligible income specified in Section 6(a).

(2) The household voluntarily moves or is evicted for "good cause." "Good cause" for the purposes of this section means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health, safety, occupancy or quiet enjoyment of other persons or the structure, the fiscal integrity of the Project or the purposes or special programs of the Project.

(3) Thirty years after the date of commencement of the Qualified Project Period.

(4) The Borrower pays the relocation assistance and benefits to tenants as provided in subdivision (b) of Section 7264 of the California Government Code.

(g) Except in the event of foreclosure and repayment of the Governmental Note, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, during the three years prior to expiration of the Qualified Project Period, the Borrower shall continue to make available to eligible households reserved units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(h) This Section shall not be construed to require the Governmental Lender to monitor the Borrower's compliance with the provisions of paragraph (f), or that the Governmental Lender shall have any liability whatsoever in the event of the failure by the Borrower to comply with any of the provisions of this Regulatory Agreement.

(i) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Borrower.

(j) This Regulatory Agreement shall be recorded in the office of the County Recorder of the County, and shall be recorded in the grantor-grantee index to the names of the Borrower as grantor and to the name of the Governmental Lender as grantee.

Section 7. Requirements of the Governmental Lender. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4

through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of the Governmental Lender set forth in this Section 7, as follows:

(a) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the Governmental Lender, in a reasonable condition for proper audit and subject to examination upon reasonable notice (which need not be in excess of three Business Days) and during business hours by representatives of the Governmental Lender.

(b) The Borrower shall not discriminate on the basis of race, creed, color, religion, sex, sexual orientation, marital status, national origin, source of income (e.g. AFDC and SSI), ancestry or handicap in the lease, use or occupancy of the Project (except as required to comply with Section 3(e)(iii), (iv) or (v)), or in connection with the employment or application for employment of persons for the rehabilitation, operation, or management of the Project.

(c) The Borrower shall not, at initial occupancy, permit occupancy in any unit in the Project by more than (i) two persons per bedroom in the unit, plus (ii) one person; and the Borrower shall at all times offer for rent the largest unit then available for the applicable household size (being one bedroom units for 2-3 person households, and two bedroom units for 4-5 person households). The foregoing, however, shall not apply to one unit in the Project occupied by a resident manager.

(d) The Borrower shall pay directly to the Governmental Lender (i) on the Closing Date the Governmental Lender Issuance Fee and the Governmental Lender Annual Fee for the period from the Closing Date to but not including January 1, 2021, and (ii) on each January 1, on and after January 1, 2021, the Governmental Lender Annual Fee; without in either case any requirement for notice or billing of the amount due. In addition, the Borrower shall pay to the Governmental Lender promptly following receipt of an invoice that reasonably identifies the relevant expenses and the amounts thereof, any out of pocket expenses incurred by the Governmental Lender in connection with the Governmental Note, the Project Note, the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement or any of the other Financing Documents, including but not limited to any costs related to the FOCUS Program.

(e) The rent limits set forth in Sections 6(b) and 6(f) shall apply to all Low Income Units. In addition, the rental payments paid by Low Income Tenants for the Low Income Units shall not exceed Affordable Rents.

(f) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the Act, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Borrower apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of units by such prospective tenants.

(g) The Borrower shall submit to the Governmental Lender: (i) rent rolls and other information required by the FOCUS Program on a quarterly basis, and (ii) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the Governmental Lender in order to comply with reporting requirements of the Internal Revenue Service or the State.

(h) The Borrower shall indemnify the Governmental Lender as provided in Section 9 hereof and in Section 6.01 of the Project Loan Agreement.

(i) The Governmental Lender may, at its option and at its expense, at any time appoint an Administrator to administer this Agreement or any provision hereof and to monitor performance by the Borrower of all or of any of the terms, provisions and requirements hereof. Following any such appointment, the Borrower shall comply with any request by the Governmental Lender to deliver to such Administrator, in addition to or instead of the Governmental Lender, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by such administrator as an agent of the Governmental Lender.

(j) The Borrower shall submit its written management policies with respect to the Project, if any, to the Governmental Lender for its review, and shall amend such policies in any way necessary to insure that such policies comply with the provisions of this Regulatory Agreement and the requirements of the existing program under Section 8 of the Housing Law, or its successors. The Borrower shall not promulgate management policies which conflict with the provisions of the addendum to the form of lease for the Project prepared by the Housing Authority of Contra Costa County, and shall attach such addendum to leases for tenants which are holders of Section 8 certificates.

(k) The Borrower shall screen and select tenants for desirability and creditworthiness at its discretion; provided, however, that the Borrower shall consider a prospective tenant's rent history for at least the one year period prior to application as evidence of the tenant's ability to pay the applicable rent.

(l) At least six months prior to the expiration of the Qualified Project Period the Borrower shall provide by first-class mail, postage prepaid, a notice to all tenants in the Low Income Units containing (i) the anticipated date of the expiration of the Qualified Project Period, (ii) any anticipated rent increase upon the expiration of the Qualified Project Period, (iii) a statement that a copy of such notice will be sent to the Governmental Lender, and (iv) a statement that a public hearing may be held by the Governmental Lender on the issue and that the tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. The Borrower shall also file a copy of the above-described notice with the Community Development Bond Program Manager of the Department of Conservation and Development of the Governmental Lender.

(m) Notwithstanding Section 1461 of the Civil Code, the provisions of this Section shall run with land and may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Borrower's failure to comply with the provisions of this Section.

(n) The Borrower shall not participate in any refunding of the Governmental Note or the Project Loan by means of the issuance of bonds or other obligations by any governmental body other than the Governmental Lender.

(o) Each of the requirements of Sections 3, 4 and 6 hereof is hereby incorporated as a specific requirement of the Governmental Lender, whether or not required by California or federal law.

(p) The requirements of Section 6 and this Section 7 shall be in effect for the Compliance Period.

Any of the foregoing requirements of the Governmental Lender contained in this Section 7 may be expressly waived by the Governmental Lender in writing, but (i) no waiver by the Governmental Lender of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Governmental Lender has received an opinion of Tax Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Governmental Note for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the Governmental Lender and the Borrower receive a written opinion of Tax Counsel to the effect that compliance with any such requirement would cause interest on the Governmental Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act or any other State or federal law.

Section 8. Modification of Covenants. The Borrower and the Governmental Lender hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Borrower (with a copy to the Servicer), retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Governmental Note, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Borrower (with a copy to the Servicer), impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Governmental Lender, at its sole discretion, and the Borrower, and only upon receipt by the Governmental Lender (with a copy to the Servicer) of the written opinion of Tax Counsel to the effect that such amendment is permitted by the Project Loan Agreement and will not affect the Tax-Exempt status of interest on the Governmental Note or violate the requirements of the Act, and otherwise is in accordance with Section 22 hereof.

(c) The Borrower and the Governmental Lender shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8.

Section 9. Indemnification; Other Payments. To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender and each of its officers, Supervisors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement or any of the other Financing Documents and all documents related thereto, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale, resale or remarketing of the Funding Loan;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the acquisition, rehabilitation or operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition and rehabilitation of the Project or any part thereof;

(iii) any lien or charge upon payments by the Borrower to the Governmental Lender or the Servicer or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Servicer in respect of any portion of the Project;

(iv) any violation of the Project Loan Agreement or any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof;

(v) the defeasance and/or prepayment, in whole or in part, of the Funding Loan or the Project Loan;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure document for the Funding Loan or any of the documents relating to the Funding Loan, or any omission or alleged omission from any offering statement or disclosure document for the Funding Loan of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(vii) any declaration of taxability of interest on the Governmental Note, or allegations (or regulatory inquiry) that interest on the Governmental Note is taxable for federal tax purposes;

except to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with

respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

In addition thereto, the Borrower will pay upon demand all of the fees and expenses paid or incurred by the Governmental Lender in enforcing the provisions hereof.

The provisions of this Section 9 shall survive the final payment or defeasance of the Funding Loan and the Project Loan, and the termination of this Regulatory Agreement; provided, however, the provisions of this Section shall, in the case of the Governmental Lender, survive the term of this Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

Nothing contained in this Section 9 shall cause the obligation of the Borrower to pay principal and interest on the Project Loan to be a recourse obligation of the Borrower.

The obligations of the Borrower under this Section are independent of any other contractual obligation of the Borrower to provide indemnity to the Indemnified Parties, and the obligation of the Borrower to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Borrower. The Indemnified Party shall be entitled simultaneously to seek indemnity under this Section and any other provision under which it is entitled to indemnity.

Section 10. Consideration. The Governmental Lender has agreed to incur the Funding Loan to provide funds to lend to the Borrower to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, rehabilitate and operate the Project. In consideration of the issuance of the Governmental Note by the Governmental Lender, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The Governmental Lender and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Governmental Note, in the exemption from California personal income taxation of interest on the Governmental Note and in the Tax-Exempt status of the interest on the Governmental Note. In performing their duties and obligations hereunder, the Governmental Lender and the Administrator may rely upon statements and certificates of the Low Income Tenants, and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Governmental Lender may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Governmental Lender shall not be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate

delivered to the Governmental Lender by the Borrower with respect to the occurrence or absence of a default.

Section 12. Transfer of the Project. For the Compliance Period, the Borrower shall not Transfer the Project, in whole or in part, without the prior written consent of the Governmental Lender, which consent shall not be unreasonably withheld or delayed, if the following conditions are satisfied: (A) the receipt by the Governmental Lender of evidence acceptable to the Governmental Lender that (1) the Borrower shall not be in default hereunder or under any of the other Project Loan Documents in effect, or the transferee undertakes to cure any defaults of the Borrower to the reasonable satisfaction of the Governmental Lender; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (3) either (a) the transferee or its Manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a Manager with the experience and record described in subclause (a) above, or (c) the transferring Borrower or its management company will continue to manage the Project, or another management company reasonably acceptable to the Governmental Lender will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Borrower or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of a document reasonably acceptable to the Governmental Lender with respect to the assumption of the Borrower's obligations under this Regulatory Agreement and the other Project Loan Documents in effect, including without limitation an instrument of assumption hereof and thereof, and delivery to the Governmental Lender of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Governmental Lender of an opinion of Tax Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Governmental Note; (D) receipt by the Governmental Lender of all fees and/or expenses then currently due and payable to the Governmental Lender by the Borrower under any of the Project Loan Documents; and (E) receipt by the Governmental Lender of evidence of satisfaction of compliance with the provisions of Section 29(d)(i) related to notice to CDLAC of transfer of the Project.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. The written consent of the Governmental Lender to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this Section 12. Nothing in this Section shall affect any provision of any other document or instrument between the Borrower and any other party which requires the Borrower to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder, but only to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under any deed of trust without the consent of the Governmental Lender or compliance with the provisions of this Section 12. The Governmental Lender hereby approves the transfer of limited partnership interests in the Borrower to affiliates of the investor limited partner of the Borrower, including, without limitation, the transfer of membership interests in the Borrower from the investor limited partner and non-managing membership interests in the limited partner of Borrower.

For the Compliance Period, the Borrower shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) encumbrances permitted under the Continuing Covenant Agreement and the Project Loan Agreement, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Governmental Lender of an opinion of Tax Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Governmental Note (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Project Loan Agreement; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Section 13. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Compliance Period, it being expressly agreed and understood that the provisions hereof are intended to survive the repayment of the Governmental Note and of the Project Loan and the termination of the Project Loan Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Governmental Lender from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either (a) the Funding Loan is fully repaid, fully cancelled or fully forgiven, or (b) amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Governmental Lender and the Borrower, with the consent of CDLAC, upon receipt by the Governmental Lender of an opinion of Tax

Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Governmental Note for federal income tax purposes and is otherwise permitted under the Act. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 14. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Governmental Lender and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 15. Burden and Benefit. The Governmental Lender and the Borrower hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Governmental Lender and the Borrower hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Governmental Note was issued.

Section 16. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 17. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Governmental Lender to the Borrower, or for a period of 60 days from the date the Borrower should, with reasonable diligence, have discovered such default, then the Governmental Lender may declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Tax Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Governmental Note. The Governmental Lender shall have the right to enforce the obligations of the Borrower under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Act or the Code.

Following the declaration of an Event of Default hereunder, the Governmental Lender may at its option and subject to the provisions of Section 7.06 of the Project Loan Agreement, take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Governmental Lender hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder; and

(iv) order and direct the Borrower in writing to terminate the Manager and to select a replacement Manager meeting the requirements hereof within 60 days of such written direction, and to notify the Governmental Lender in writing of the identity of the replacement Manager and certify that such replacement Manager satisfies the requirements hereof.

The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the Governmental Lender may fully obtain the benefits of this Regulatory Agreement made by the Borrower herein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower hereunder.

It is acknowledged and agreed by the Borrower and the Governmental Lender that one of the primary purposes of this Regulatory Agreement is to preserve the exclusion from gross income for federal income tax purposes of interest on the Governmental Note. The Funding Lender and the Servicer are hereby declared intended third party beneficiaries of this Regulatory Agreement and shall be entitled to enforce the provisions hereof in the event of any default hereunder.

The Governmental Lender hereby agrees that cure of any Event of Default made or tendered by any partner of the Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 18. [intentionally omitted]

Section 19. Recording and Filing. (a) The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County, and in such other places as the Governmental Lender may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

(b) The Borrower and the Governmental Lender will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Tax Counsel, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Borrower hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure or comparable involuntary conversion

of the Security Instrument), whereby the Funding Lender becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 20. Payment of Fees. Notwithstanding any prepayment of the Project Loan and discharge of the Project Loan Agreement, the Borrower shall continue to pay (or, to the extent allowed under the Code, shall prepay the present value at such time of) the fees of the Governmental Lender as provided in this Section 20, unless such prepayment is made in connection with a refunding of the Governmental Note.

The Borrower agrees to pay to the Governmental Lender (i) the Governmental Lender Issuance Fee, which shall be paid on or before the Closing Date, (ii) the Governmental Lender Annual Fee, which shall be payable commencing on the Closing Date and annually on each January 1 thereafter, and continuing throughout the Compliance Period, and (iii) within 30 days after receipt of request for payment thereof, all reasonable out-of-pocket expenses of the Governmental Lender (not including salaries and wages of Governmental Lender employees) related to the Governmental Note, the Project Loan, the other Financing Documents and the Project and the financing thereof, including, without limitation, legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project, the Governmental Note, the Project Loan or any of the other Financing Documents.

In the event that the Qualified Project Period terminates prior to the termination of the Compliance Period (other than by reason of the issuance of refunding bonds), and provided that the conditions of this Section are satisfied, the Borrower shall thereafter and for the remainder of the Compliance Period pay to the Governmental Lender annually in advance an amount equal to \$5,000.00. The full Governmental Lender Annual Fee shall continue to be payable unless and until the Governmental Lender has confirmed receipt of all amounts then due and payable in arrears by the Borrower to the Governmental Lender in connection with the Project Loan, at which point the Governmental Lender Annual Fee shall become effective.

If the Borrower fails to make payment of the Governmental Lender Annual Fee for a period of two consecutive years or more, the Governmental Lender may, in its sole discretion, declare the total amount of the Governmental Lender Annual Fee through the end of the Compliance Period immediately due and payable, such amount to be discounted at a rate equal to the then current market rate for U.S. Treasury obligations of a maturity equal to the remaining term of the Compliance Period.

Section 21. Governing Law; Venue. This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. This Regulatory Agreement shall be enforceable in the State, and any action arising hereunder shall (unless waived by the Governmental Lender in writing) be filed and maintained in the Superior Court of California, County of Contra Costa.

Section 22. Amendments; Waivers. (a) Except as provided in Section 8(a) and 29(e) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the Governmental Lender of an opinion from Tax Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Governmental Note and is not contrary to the provisions of the Act.

(b) Anything to the contrary contained herein notwithstanding, the Governmental Lender and the Borrower hereby agree to amend this Regulatory Agreement to the extent

required, in the opinion of Tax Counsel, in order that interest on the Governmental Note remains Tax-Exempt. The party requesting such amendment shall notify the other party to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Tax Counsel and a request that Tax Counsel render to the Governmental Lender an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Governmental Note. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in Section 11.04 of the Funding Loan Agreement, or at such other addresses as may be specified in writing by the parties hereto. Unless otherwise specified by the Administrator, the address of the Administrator is the same as the address of the Governmental Lender.

Unless otherwise specified by CDLAC, the address of CDLAC is:

California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814
Attention: Executive Director

The Governmental Lender, the Administrator, CDLAC and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

The Borrower shall notify the Governmental Lender and the Administrator in writing of any change to the name of the Project or any change of name or address for the Borrower or the Manager. The Borrower shall further notify CDLAC in writing of any event provided in Section 29(d) hereof.

Section 24. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Borrower under this Regulatory Agreement to any person or entity, including, but not limited to, the Governmental Lender and its successors and assigns, is limited to the Borrower's interest in the Project and the amounts held in the funds and accounts created under the Funding Loan Agreement or the Project Loan Agreement, or any rights of the Borrower under

any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Borrower under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Borrower's obligations under this Regulatory Agreement), shall be rendered against the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Project Loan Agreement and the other Project Loan Documents, any rights of the Borrower under the Project Loan Agreement and the other Project Loan Documents or any other documents relating to the Project Loan or or any rights of the Borrower under any guarantees relating to the Project), its partners, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement, the Project Loan Agreement and the other Project Loan Documents or any agreement securing the obligations of the Borrower under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Project Loan Agreement.

Section 27. Third-Party Beneficiaries. The Administrator, the Funding Lender, the Servicer, the former owners of the 2003 Bonds and CDLAC are intended to be and shall each be a third-party beneficiary of this Regulatory Agreement. The Administrator shall have the right (but not the obligation) to enforce, separately or jointly with the Governmental Lender, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof. Any former owner of the 2003 Bonds shall have the right (but not the obligation) to enforce, separately or jointly with the Governmental Lender or to cause the Governmental Lender (at their expense) to enforce, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof. CDLAC shall have the right (but not the obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the owner of the Governmental Note. Pursuant to Section 52080(k) of the Act, the requirements of Section 6 may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Borrower's failure to comply with the requirements of that Section.

Section 28. Property Management. The Borrower agrees that at all times the Project shall be managed by a property manager (i) approved by the Governmental Lender in its reasonable discretion and (ii) who has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects (the "Manager"). The Borrower shall submit to the Governmental Lender from time to time such information about the background, experience and financial condition of any existing or proposed Manager as the Governmental Lender may reasonably require to determine whether such Manager meets the requirements for a Manager set forth herein. The Governmental Lender reserves the right to conduct periodic reviews of the management practices and of the Manager to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. The Borrower agrees to cooperate with the Governmental Lender in such reviews.

If the Governmental Lender determines in its reasonable judgment that the Project is not being operated and managed in accordance with one or more of the material requirements or standards of this Regulatory Agreement, the Governmental Lender may, subject to any applicable provisions of the Project Loan Agreement, deliver notice to the Borrower (with a copy to the Servicer) requesting replacement of the Manager, which notice shall state clearly the reasons for such request. The Borrower agrees that, upon receipt of such notice, it shall within 60 days submit to the Governmental Lender a proposal to engage a new Manager meeting the requirements of this Section 28. The Governmental Lender shall respond within 30 days to such proposal or such approval shall be deemed given. Upon receipt of such consent or deemed consent, the Borrower shall within 60 days terminate the existing Manager's engagement and engage the new Manager. If such proposal is denied by the Governmental Lender, the Borrower agrees that upon receipt of notice of such denial, it shall within 60 days submit to the Governmental Lender, a proposal to engage another new Manager meeting the requirements of this Section 28, subject to the Governmental Lender's consent pursuant to the terms hereof.

Section 29. Requirements of CDLAC. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 29, as follows:

(a) The Borrower shall comply with the CDLAC Resolution attached hereto as Exhibit E and the CDLAC Conditions set forth in Exhibit A thereto (collectively, the "CDLAC Conditions"), which conditions are incorporated herein by reference and made a part hereof. The CDLAC Conditions include those referred to in Section 8 of the Exhibit A to the CDLAC Resolution relating to "AMI" as used therein, tenant's incomes and unit occupancy assumptions.

The Borrower will prepare and submit to the Governmental Lender, not later than February 1 of each year, until the Project is completed, and on February 1 every three years thereafter until the end of the Compliance Period, a Certificate of Compliance II for Qualified Residential Rental Projects, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Borrower. The Certificate of Compliance II for Qualified Residential Rental Projects shall be prepared pursuant to the terms of the CDLAC Conditions. Additionally, the Borrower will prepare and submit to the Governmental Lender, a Certificate of Completion, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Borrower certifying among other things to the substantial completion of the rehabilitation of the Project. Following the submission of the Certificate of Completion, the Borrower will prepare and submit to the Governmental Lender, not later than February 1 every three years thereafter until the end of the Compliance Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time. Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions are the responsibility of the Borrower to report to the Governmental Lender.

(b) The Borrower acknowledges that the Governmental Lender and the Administrator will monitor or cause to be monitored the Borrower's compliance with the terms of the CDLAC Conditions. The Borrower acknowledges that the Governmental Lender will prepare and submit to CDLAC, not later than March 1 of each year until the rehabilitation of the Project is completed, and on March 1 of every

three years thereafter until the end of the Compliance Period, a Self-Certification Certificate in the form provided by CDLAC. The Borrower will cooperate fully with the Governmental Lender in connection with such monitoring and reporting requirements.

(c) Except as otherwise provided in Section 13 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after (i) the date on which at least fifty percent (50%) of the units in the Project are first occupied, or (ii) the date on which the Project is otherwise placed in service.

(d) The Borrower shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the Governmental Lender, (iii) any change in the name of the Project or the Manager; (iv) any material default under the Funding Loan Agreement, the Project Loan Agreement or this Regulatory Agreement, including, but not limited to, such defaults associated with the Tax-Exempt status of the Governmental Note, and the income and rental requirements as provided in Sections 4 and 6 hereof and the CDLAC Conditions; or (v) termination of this Regulatory Agreement.

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Borrower after the Closing Date at any time that are not more restrictive than the original CDLAC conditions; provided however, that: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between the Borrower and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Borrower or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Borrower and approved by CDLAC. The Governmental Lender may, in its sole and absolute discretion, require that the Borrower enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County. The Borrower shall pay any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Any of the foregoing requirements of the CDLAC contained in this Section 29 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 29 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Governmental Lender has received an opinion of Tax Counsel that any such provision is not required by the Act or the Code and may be waived without adversely affecting the exclusion from gross income of interest on the Governmental Note for federal income tax purposes; and (ii) any requirement of this Section 29 shall be void and of no force and effect if the Governmental Lender and the Borrower receive a written opinion of Tax Counsel to the effect that compliance with any such requirement would cause interest on the Governmental Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Code or any other State or federal law.

Section 30. Limited Liability of Governmental Lender. All obligations of the Governmental Lender under this Regulatory Agreement are limited obligations, payable solely

and only from Project Loan proceeds and other amounts derived by the Governmental Lender from the Project Loan or otherwise under the Project Loan Agreement.

Section 31. Conflict With Other Affordability Agreements. Notwithstanding any provision in this Regulatory Agreement to the contrary, in the event of any conflict between the provisions of this Regulatory Agreement and any other agreement that imposes affordability requirements on the Project, including those referenced in Section 3(e) hereof, the provisions providing for the most affordable units, with the most affordability, in the Project shall prevail, so long as at all times the requirements of Section 2, 3, 4, 6, 7 and 29 of this Regulatory Agreement are in any event satisfied. Notwithstanding the foregoing, a breach or default under any agreement referenced in Section 3(e) hereof shall not, in itself, constitute a breach or a default under this Regulatory Agreement.

Section 32. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, 2021), the Borrower, on behalf of the Governmental Lender, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Governmental Lender, the annual report information required by section 8855(k)(1) of the California Government Code with respect to the Governmental Note. This covenant shall remain in effect until the later of the date (a) the Governmental Note is no longer outstanding or (b) the proceeds of the Governmental Note have been fully spent.

IN WITNESS WHEREOF, the Governmental Lender and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

COUNTY OF CONTRA COSTA, CALIFORNIA

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

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

03007.50:J16630

[Signature page to Regulatory Agreement and Declaration of
Restrictive Covenants – Hidden Cove Apartments]

NOTARY ACKNOWLEDGMENT

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

State of California
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Real property in the unincorporated area of the County of Contra Costa, State of California, described as follows:

[to come]

APN Nos. 097-090-026-2, 097-091-024-6, 097-091-025-3 and 097-091-026-1

EXHIBIT B

FORM OF INCOME CERTIFICATION

TENANT INCOME CERTIFICATION

Initial Certification 1st Recertification Other:

Effective Date: Move-in Date: (YYYY-MM-DD)
--

PART I - DEVELOPMENT DATA

Property Name: Hidden Cove Apartments	County:	BIN #:
Address: ___ Mary Ann Lane, Bay Point, California	Unit Number:	# Bedrooms:

PART II. HOUSEHOLD COMPOSITION

Vacant

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (YYYY/MM/DD)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D), above				TOTAL INCOME (E):
				\$

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total If over \$5000 \$		Passbook Rate X 2.00%	= (J) Imputed Income	\$
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$

Effective Date of Move-in Income Certification:
Household Size at Move-in Certification:

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$ _____	Unit Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size:	\$ _____		
Household Income at Move-in:	\$ _____	Household Size at Move-in:	_____

PART VI. RENT

Tenant Paid Rent \$ _____ Utility Allowance \$ _____	Rent Assistance: \$ _____ Other non-optional charges: \$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$ _____
Maximum Rent Limit for this unit:	\$ _____
	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation)	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent / Dependent Child 4 Married / Joint Return 5 Former Foster Care
	Enter 1-5	

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
---	--	--	---	---

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Project Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

- | | |
|-----------------|---|
| *Move-in Date | Enter the date the tenant has or will take occupancy of the unit. (YYYY-MM-DD) |
| *Effective Date | Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification. (YYYY-MM-DD) |
| Property Name | Enter the name of the development. |
| County | Enter the county (or equivalent) in which the building is located. |
| BIN # | Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609). |
| Address | Enter the address of the building. |
| Unit Number | Enter the unit number. |
| # Bedrooms | Enter the number of bedrooms in the unit. |
| *Vacant Unit | Check if unit was vacant on December 31 of requesting year. |

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

- | | |
|-------------------|----------------------------|
| Head of Household | Spouse |
| Adult co-tenant | Other family member |
| Child | Foster child(ren)/adult(s) |
| Live-in caretaker | None of the above |

Enter the date of birth, student status, and last four digits of social security number or alien registration number for each occupant. If tenant does not have a Social Security Number (SSN) or alien registration number, please enter the numerical birth month and last two digits of birth year (e.g. birthday January 1, 1970, enter "0170"). If tenant has no SSN number or date of birth, please enter the last 4 digits of the BIN.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total
- *Effective Date of Income Certification Enter the effective date of the income certification corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the effective date listed in Part I.
- *Household Size at Certification Enter the number of tenants corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the number of tenants listed in Part II.

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size.
Household income at move-in Household size at move-in	For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
Current Income Limit x 140%	For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.
*Units Meets Income Restriction at	Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Full time is determined by the school the student attends.

Part VIII – Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Tenant Demographic Profile	Complete for each member of the household, including minors, for move-in. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.
Resident/Applicant Initials	All tenants who wish not to furnish supplemental information should initial this section. Parent/guardian may complete and initial for minor child(ren).

** Please note areas with asterisks are new or have been modified. Please ensure to note the changes or formats now being requested.*

TENANT INCOME CERTIFICATION QUESTIONNAIRE

Name: _____

Telephone Number:
()

<input type="checkbox"/> Initial Certification	BIN #
<input type="checkbox"/> Re-certification	
<input type="checkbox"/> Other	Unit #

INCOME INFORMATION

Yes	No		MONTHLY GROSS INCOME
<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment)	(use <u>net</u> income from business) \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <u>Name of Employer</u> 1) _____ 2) _____ 3) _____	\$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC)	\$
<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	\$
<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$
<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received	\$

Asset information

YES	NO		INTEREST RATE	CASH VALUE
<input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s) If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s) If yes, list bank(s) 1)	 %	 \$
<input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description:		\$
<input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills If yes, list sources / bank names 1) 2) 3)	 % % %	 \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources / bank names 1) 2) 3)	 % % %	 \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have an IRA / Lump Sum Pension / Keogh Account / 401K. If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies		\$
<input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand.		\$
<input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. gave away money / assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) 2)		 \$ \$

STUDENT STATUS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: College/University, trade school, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student in the previous 5 months?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all full-time student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you:
<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> • Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI) • Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program • Married and filing (or are entitled to file) a joint tax return • Single parent with a dependent child or children and neither you nor your child(ren) are dependent of another individual • Previously enrolled in the Foster Care program (age 18-24)
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT

SIGNATURE OF APPLICANT/TENANT

DATE

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE)

DATE

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

HIDDEN COVE APARTMENTS

Witnesseth that on this ____ day of _____, 20__, the undersigned, having borrowed certain funds from the County of Contra Costa, California (the "Governmental Lender") for the purpose of financing the above-listed multifamily rental housing development (the "Project"), does hereby certify that:

A. Have there been any changes to the ownership entity, principals or property management of the Project since the Project Loan was first incurred, or since the last certification was provided?

B. During the preceding twelve-months (i) the Project was continually in compliance with the Regulatory Agreement executed in connection with such loan from the Governmental Lender, and (ii) ____% of the units in the Project were occupied by Low Income Tenants (minimum of 40%). In addition, the Project was in compliance with the requirements of Section 6 of the Regulatory Agreement (defined below).

C. Set forth below is certain information regarding occupancy of the Project as of the date hereof.

- 1. Total Units: _____
- 2. Total Units Occupied: _____
- 3. Total Units Held Vacant and Available for Rent to Low Income Tenants _____
- 4. Total Low Income Units Occupied: _____
- 5. % of Low Income Units to Total Units % _____%
(equals the Total of Lines 3 and 4, divided by the lesser of Line 1 or Line 2)

D. The units occupied by Low Income Tenants are of similar size and quality to other units and are dispersed throughout the Project.

E. Select appropriate certification: [No unremedied default has occurred under the Regulatory Agreement, the Funding Loan Agreement, the Project Loan Agreement, the Security Instrument or any of the other Financing Documents.] [A default has occurred under the _____. The nature of the default and the measures being taken to remedy such default are as follows: _____.]

F. Has there been a change of use for the Project? (If so, please describe)

G. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees to provide to the Governmental Lender such documentation or evidence, in support of the foregoing certifications, as the Governmental Lender may request.

Capitalized terms used in this Certificate and not otherwise defined herein have the meanings given to such terms in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2020, between the Governmental Lender and Hidden Cove Apartments, LP, a California limited partnership.

Date: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V. Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit
corporation, its Sole Member

By: _____
Deborrah A. Willard, President

EXHIBIT D

FORM OF COMPLETION CERTIFICATE

**CERTIFICATE of COMPLETION
for QUALIFIED RESIDENTIAL RENTAL PROJECTS**

County of Contra Costa, California
Multifamily Housing Revenue Note
(Hidden Cove Apartments) 2020 Series A

- 1) Project Name: Hidden Cove Apartments
(If project name has changed since the award of allocation please note the original project name as well as the new project name.)
- 2) CDLAC Application No.: 19-527
- 3) Name of Issuer: County of Contra Costa, California
- 4) Name of Borrower: Hidden Cove Apartments, LP, a California limited partnership
(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower.)
- 5) The undersigned hereby certifies that all work on the Project was substantially completed as of _____, 20__

The undersigned hereby further certifies that:

- (a) the aggregate amount disbursed on the Project Loan to date is \$_____
- (b) all amounts disbursed from proceeds of the Project Loan have been applied to pay or reimburse the undersigned for the payment of Project Costs and none of the amounts disbursed from the proceeds of the Project Loan have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and
- (c) at least 95 percent of the amounts disbursed from the proceeds of the Project Loan have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25 percent of the amounts disbursed from the proceeds of the Project Loan, exclusive of amounts applied to pay the costs of issuing the Governmental Note, have been applied to pay or reimburse the Borrower for the cost of acquiring land.
- (d) the cost of the issuance of the Governmental Note was equal to or less than 2% of the note proceeds issued.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No____ Yes____

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Notes were first occupied on _____, 20__ and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Notes were first occupied on _____, 20__ .

7) If no to 6) the undersigned hereby certifies the Project meets the special federal rule for a Qualified Project Period.

No____ Yes____

(Project qualifies if it is an acquisition/ construction where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the Project acquisition or the Note Closing Date.)

(a) Governmental Note was issued on _____, 2020

(b) Property was acquired on _____, 20__

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or Governmental Note issuance) _____, 20__

Signature of Officer

Printed Name of Officer

Title of Officer

Phone Number

EXHIBIT E

CDLAC RESOLUTION

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

RESOLUTION NO. 19-134

A RESOLUTION TRANSFERRING A PORTION OF THE 2019 STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS AND AUTHORIZING THE MAKING OF A CARRYFORWARD ELECTION FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT

WHEREAS, the California Debt Limit Allocation Committee ("Committee") has received an application ("Application") from the County of Contra Costa ("Applicant") for the transfer to the Applicant of a portion of the 2019 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations ("Bonds") for a Project as specifically described in Exhibit A ("Project") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the Committee implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds); and

WHEREAS, the Project Sponsor has represented and the Applicant has confirmed in the Application certain facts and information concerning the Project; and

WHEREAS, in evaluating the Project and allocating a portion of the State Ceiling on Qualified Private Activity Bonds to the Applicant for the benefit of the Project, the Committee has relied upon the written facts and information represented in the Application by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Committee to make a transfer of a portion of the 2019 State Ceiling On Qualified Private Activity Bonds ("Allocation") in order to benefit such Project described in the Application; and

WHEREAS, the Committee has determined that it is appropriate to authorize the Applicant to make an election to carryforward Allocation to calendar year 2019 with respect to the Project described in the Application.

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. There is hereby transferred to the Applicant authorization to use **\$16,350,000** of the 2019 State Ceiling on Qualified Private Activity Bonds. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor and the Applicant, and all their respective successors and assignees, will be bound by such terms and conditions. The Applicant shall monitor the Project for compliance with the terms and conditions of this Resolution. In addition, the Project shall be subject to the monitoring provisions of California Code of Regulations, Title 4, Section 10337(c) and Section 5220 of the Committee's Regulations.

Section 3. Any modification to the Project made prior to the issuance of the Bonds that impacts the resolution must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Committee's Regulations, shall require reconsideration by the Committee before the Allocation may be used for the Project. After Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy. In addition, after bonds are issued, changes to Items #1, #6, #7, #10 thru #12, #14 thru #16, #18 thru #26, and #37 of the Exhibit A require Committee or Executive Director approval for the term of commitment; changes to item #2, #13, #17, #27, and #39 thru #41 of the Exhibit A cannot be altered; changes to Items #3 thru #5 of the Exhibit A require no Committee or Executive Director approval but any alterations must be reported to CDLAC staff for the affordability period; changes to Items #8 and #9 of the Exhibit A require no CDLAC notification; and changes to Items #28 thru #36 and #38 of the Exhibit A require Committee or Executive Director approval only prior to the Project being Placed in Service by the CA Tax Credit Allocation Committee (TCAC).

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Section 4. Any material changes in the structure of the bond sale prior to the issuance of the Bonds and not previously approved by the Committee shall require approval of the Committee Chair or the Executive Director.

Section 5. The transfer of proceeds from the sale of bonds to a project other than the Project subject to this Resolution is allowable only with the prior approval of the Executive Director in consultation with the Chair, except when the Project is unable to utilize any of its allocation and the Applicant is requesting the transfer of the entire Allocation to different project(s). In such case, prior approval of the Committee must be obtained. Any transfer made pursuant to this section may only be made to another/other project(s) of the same issuer that has been previously approved by the Committee.

Section 6. The Applicant is authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Carryforward Allocation to any governmental unit in the State other than the Committee.

Section 7. The Allocation transferred herein to the Applicant shall automatically revert to this Committee unless the Applicant has issued Bonds for the Project by the close of business on **04/13/2020**. Upon the discretion of the Executive Director, the expiration may be extended pursuant to the provisions in Chapter 1, Article 8 of the Committee's Regulations.

Section 8. Prior to being submitted to the IRS, draft Carryforward Elections must be emailed to CDLAC at cdlac@treasurer.ca.gov no later than February 1, 2020 for CDLAC approval of election amounts.

Section 9. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds, the Applicant shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of Allocation used.

Section 10. Within fifteen (15) calendar days of the Bond closing, the Applicant or its counsel shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 11. Any differences between the amount of Bonds issued and the amount of the Carryforward Allocation granted in Section 1 of this Resolution shall be retained by the Applicant for the period allowed by Section 146(f)(3)(A) of the Internal Revenue Code regarding carryforward elections. Use of any unused Carryforward Allocation shall be in accordance with Section 5132 of the Committee's Regulations regarding carryforward elections.

Section 12. The staff of the Committee is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds under this Carryforward Allocation or the term of the income and rental restrictions whichever is longer. The Committee staff is further directed to retain a copy of this Resolution in the files of the Committee (or any successor thereto) for the same period of time.

Section 13. In consideration of the Allocation transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Committee through an action for specific performance or any other available remedy, provided however, that the Committee agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution.

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Section 14. The Certification of Compliance II or equivalent form is to be submitted by the Project Sponsor to the Applicant by the Applicant's specified deadline, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Applicant. Following the submission of the Certificate of Completion or equivalent form to the Applicant, the Certification of Compliance II is to be submitted March 1st every three years thereafter. In addition, an Annual Applicant Public Benefits and On-going Compliance Self-Certification (Self Certification) form must be submitted by the Applicant online every year until the Certificate of Completion has been submitted to the Applicant. After the completion of the project has been reported, the Self Certification will be required to be submitted March 1st every three years thereafter pursuant to Section 5144 of the CDLAC Regulations. Verification to CDLAC of income and rental information is not required in advance of the submission of the Certificate of Completion. A copy of the Certification of Compliance II and the Certificate of Completion forms may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

Section 15. This Resolution shall take effect immediately upon its adoption.

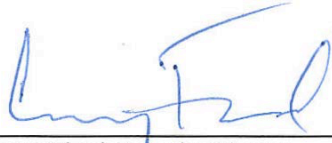
* * *

CERTIFICATION

I, Larry Flood, Executive Director of the California Debt Limit Allocation Committee, hereby certify that the above is a full, true, and correct copy of the Resolution adopted at a meeting of the Committee held in the State Personnel Board Building, 801 Capitol Mall, Room 150, Sacramento, California 95814, on October 16, 2019 at 10:11 a.m. with the following votes recorded:

AYES: Jovan Agee for State Treasurer Fiona Ma, CPA
Gayle Miller for Governor Gavin Newsom
Anthony Sertich for State Controller Betty T. Yee

NOES: None
ABSTENTIONS: None
ABSENCES: None



Larry Flood, Executive Director

Date: October 16, 2019

RESOLUTION NO. 19-134
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: County of Contra Costa
2. Application No.: 19-527
3. Project Sponsor: Hidden Cove Apartments, LP (Spira Hidden Cove, LP; Foundation for Affordable Housing V, Inc)
4. Project Management Co.: Aperto Property Management, Inc.
5. Project Name: Hidden Cove Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Bay Point, CA
8. Private Placement Purchaser: **Capital One, N.A.**
Cash Flow Bond: **Not Applicable**

All units identified in the CDLAC resolution, including both the Federally Bond-Restricted Units and the Other Restricted Units, will be incorporated into the Bond Regulatory Agreement. Assumptions to be included in the Bond Regulatory Agreement regarding the Other Restricted Units will include the AMI as outlined in the CDLAC resolution, a limitation that tenants pay no more than 30% of their income and 1.5 persons per bedroom occupancy standard to determine the applicable rent.

Applicable

9. Public Sale: **Not Applicable**
Credit Enhancement Provider: **Not Applicable**
10. Total Number of Units: 87 plus 1 unrestricted manager unit(s)
11. Total Number of Restricted Rental Units: 87
12. The term of the income and rental restrictions for the Project will be at least 55 years from the date 50% occupancy is achieved or when the project is otherwise placed in service.
13. The Regulatory Agreement shall not terminate prior to the end of the CDLAC Resolution affordability term in the event of foreclosure, exercise of power of sale, and/or transfer of title by deed in lieu of foreclosure in connection with a deed of trust directly or indirectly securing the repayment of Cash Flow Permanent Bonds.
14. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
15. Income and Rental Restrictions:
 - a. Federally Bond-Restricted Set-aside Units:
At least **40%** of the total units will be restricted at 60% of the Area Median Income.
 - b. Other Restricted Units
For the entire term of the income and rental restrictions, the Project will have:

At least **18** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 50% of the Area Median Income.

At least **69** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 60% of the Area Median Income.

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Exhibit A

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16. 10% of the units will be restricted to households with incomes no greater than 50% of the Area Median Income in accordance with Section 5191 of the Committee's Regulations. These units will be distributed as follows:

Not Applicable: Preservation Project

Studios:	0
One-bedroom:	3
Two-bedroom:	6
Three-bedroom:	0
Four-bedroom:	0
Five-bedroom	0

17. For substantial renovation projects, a minimum of \$35,000 in hard construction costs, including overhead, profit, and general conditions, will be expended for each Project unit.

Applicable

18. A minimum of \$0,000 of public funds will be expended for the Project.

Not Applicable

19. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000.

Taxable debt may only be utilized for Project related expenses, not for the cost of issuance for which the Project Sponsor could otherwise have used tax-exempt financing.

Not Applicable

20. If the Project received points for having large family units for the entire term of the income and rental restrictions, the Project will have at least 0 three-bedroom or larger units.

Not Applicable

21. For a period of fifteen (15) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

Not Applicable

22. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents an after school program of an ongoing nature on-site, or there must be an after school program available to Project residents within 1/2 mile of the Project except where the Project will provide no cost round trip transportation. The program shall include, but is not limited to: tutoring, mentoring, homework club, art, and recreation activities to be provided weekdays throughout the school year for at least ten (10) hours per week.

Not Applicable

23. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation & preparation, and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/2 mile of the Project or except where Project will provide no cost round trip transportation.

Not Applicable

24. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/2 mile of the Project except where Project will provide no cost round trip transportation.

Not Applicable

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Exhibit A

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25. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/2 mile of the Project or except where the Project will provide no cost round trip transportation. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

Not Applicable

26. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants with access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.).

Not Applicable

27. Minimum sustainable specifications will be incorporated into the project design per Section 5205 of the CDLAC Regulations.

Applicable

Section Waived:

- Energy Efficiency
- Landscaping
- Roofs
- Exterior Doors
- Appliances (ENERGY STAR)
- Window Coverings
- Water Heater
- Floor Coverings
- Insulation (Greengard Emission Criteria)

28. The Project commits to becoming certified under any one of the following programs upon completion:
- a. Leadership in Energy & Environmental Design (LEED for Homes) **Not Applicable**
 - b. Green Communities **Not Applicable**
 - c. Passive House Institute US (PHIUS) **Not Applicable**
 - d. Passive House **Not Applicable**
 - e. Living Building Challenge **Not Applicable**
 - f. National Green Building Standard ICC / ASRAE – 700 silver or higher rating **Not Applicable**
 - g. Green Point Rated Multifamily Guidelines **Not Applicable**
 - h. WELL **Not Applicable**

29. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency (including heating, cooling, fan energy, and water heating but not the following end uses: lighting, plug load, appliances, or process energy) beyond the requirements in Title 24, Part 6 of California Building Code (Percentage Better than the 2016 Standards):

- a. 7% **Not Applicable**
- b. 12% **Not Applicable**

RESOLUTION NO. 19-134

Exhibit A

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30. The Project is a New construction or Adaptive Reuse Project that commits to Energy Efficiency. The local building department has determined that building permit applications submitted on or before December 31, 2016 are complete and energy efficiency beyond the requirements in the 2013 Title 24, Part 6, of the California Building Code (the 2013 Standards) for the project as a whole shall be awarded.
- a. 9% **Not Applicable**
 - b. 15% **Not Applicable**
31. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency with renewable energy that provides the following percentages of project tenants' energy loads (Offset of Tenants' Load):
- a. 20% **Not Applicable**
 - b. 30% **Not Applicable**
 - c. 40% **Not Applicable**
32. The Project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the project as a whole by:
- a. 15% **Not Applicable**
 - b. 20% **Not Applicable**
33. The Project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
 - b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
 - c. Solar hot water for all tenants who have individual water meters **Not Applicable**
34. The Project is a Rehabilitation Project and will implement sustainable building management practices that include: 1) development of a project-specific maintenance manual including replacement specifications and operating information on all energy and green building features; and 2) undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required).
Not Applicable
35. The Project is a Rehabilitation project that individually meters or sub-meters currently master-metered gas, electricity or central hot water systems for all tenants.
Not Applicable
36. The project will commit to use no irrigation at all, irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens) or irrigate with reclaimed water, greywater or rainwater in an amount that annually equals 10,000 gallons or 150 gallons per unit whichever is less.
Not Applicable
37. The Project will commit to having at least one (1) nonsmoking building. If the Project only has one (1) building, it will be subject to a policy developed by the Sponsor that prohibits smoking in contiguous designated units. These restrictions will be incorporated into the lease agreements for the appropriate units.
Not Applicable
38. The Project will commit to having a parking ratio equivalent to or less than one (1) parking stall per single room occupancy or one-bedroom restricted rental unit and 1.5 parking stalls per two-bedroom or larger restricted rental unit.
Not Applicable

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Exhibit A

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39. As specified in Section 5144(b) of the Committee's Regulations, sponsors will be required to utilize TCAC's Compliance Manual specifically Section VI: Qualify Tenants for Low Income Housing Tax Credit Units, to verify tenant income in conjunction with initial occupancy. No less than every three (3) years after the project is completed, the Sponsor must collect and retain the following income and verification documentation related to all the Federally Bond-Restricted units identified in the Committee Resolution: TCAC Tax Income Calculation (TIC) or equivalent documentation, all associated source income documentation, evidence of the verifying income computation and unit lease.

Applicable

40. As specified in Section 5144(c) of the Committee's Regulations, compliance with the income and rental requirements of the Federally Bond-Restricted Units identified in the Committee Resolution and the Bond Regulatory Agreement must be demonstrated by the Applicants initial review of 20% of all management files associated with the Federally Bond-Restricted units and subsequent review every three (3) years of 20% of all management files associated with the Federally Bond-Restricted units.

Applicable

41. As specified in Section 5144(d) of the Committee's Regulations, applicants are required to ensure an onsite inspection as well as an on-site review of the 20% Federally Bond-Restricted units is performed every three (3) years after the Qualified Project Period has commenced.

The following entity will conduct the site and file inspections:

Not Applicable

EXHIBIT F

FREDDIE MAC RIDER

This Freddie Mac Rider (the “Rider”) is attached to and forms a part of the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), dated as of January 1, 2020, by and between the County of Contra Costa, California (the “Governmental Lender”), and Hidden Cove Apartments, LP, a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “Borrower”).

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Funding Loan Agreement. In addition, the following terms shall have the following meanings:

“Fiscal Agent” means U.S. Bank National Association, in its capacity as the Fiscal Agent under the Funding Loan Agreement and the Project Loan Agreement.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States.

“Funding Lender” means the holder of the Governmental Note, initially Capital One, National Association and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

“Funding Loan Agreement” means the Funding Loan Agreement dated as of January 1, 2020 by and among the Governmental Lender, the Initial Funding Lender set forth therein and the Fiscal Agent, as such Funding Loan Agreement may from time to time be amended or supplemented.

“Governmental Note” means the Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments) 2020 Series A, dated January __, 2020 delivered by the Governmental Lender pursuant to the Funding Loan Agreement.

“Project Loan” means the loan to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent.

“Project Loan Agreement” means the Project Loan Agreement dated as of January 1, 2020, among the Borrower, the Governmental Lender and the Fiscal Agent, as such Project Loan Agreement may from time to time be amended or supplemented.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Note” means the Project Note, including applicable addenda, to be executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower’s financial obligations under the Project Loan, and to be endorsed by the Governmental Lender, without recourse, to the order of the Fiscal Agent, as the same may be amended, modified, supplemented or restated from time to time.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of January 1, 2020, together with all riders thereto, securing the Project Note, to be executed by the Borrower with respect to the Project, as it may be amended, modified, supplemented or restated from time to time.

“Servicer” means Capital One, National Association, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither the Funding Lender nor any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender’s liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Governmental Lender and/or Fiscal Agent consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement to the contrary: (i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents; and (ii) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument. No person other than the Funding Lender shall have the right to (a) declare the principal balance of the Project Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon receiving written notification at its notice address provided for in Section 11.04 of the Funding Loan Agreement that an Event of Default has occurred under and as defined in Section 17 of the Regulatory Agreement, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Servicer and the Funding Lender, inform the Borrower, the Servicer and the Funding Lender that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note or to foreclose on the Security Instrument.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 through 7, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender, or to cause the Governmental Lender to enforce, the terms of the Regulatory Agreement, subject to the provisions of Section 5.07 of the Funding Loan Agreement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Capital One, National Association
2 Bethesda Metro Center, 10th Floor
Bethesda, Maryland 20814
Attention: Servicing Department

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903 2000

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Paul J. Thimmig
Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, California 94920-1726

TERMINATION AGREEMENT

by and between the

COUNTY OF CONTRA COSTA

and

**HIDDEN COVE APARTMENTS, LP,
a California limited partnership**

dated as of January 1, 2020

relating to:

**Regulatory Agreement and Declaration of Restrictive Covenants,
dated as of May 1, 2003, originally among the
County of Contra Costa,
Steadfast Hidden Cove, L.P. and
Wells Fargo Bank, National Association**

TERMINATION AGREEMENT

This TERMINATION AGREEMENT, dated as of January 1, 2020 (the "Agreement"), is by and between the COUNTY OF CONTRA COSTA (the "County") and HIDDEN COVE APARTMENTS, LP, a California limited partnership (the "Owner").

RECITALS:

WHEREAS, pursuant to a Trust Indenture, dated as of May 1, 2003 (the "Indenture"), between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the County issued its County of Contra Costa Multifamily Housing Revenue Bonds (Hidden Cove Apartments Project), 2003 Series A (the "Bonds"); and

WHEREAS, the proceeds of the Bonds were loaned (the "Loan") by the County to Steadfast Hidden Cove, L.P., a California limited partnership (the "Original Borrower"), pursuant to a Loan Agreement, dated as of May 1, 2003 (the "Loan Agreement"), between the County and the Original Borrower, and the Original Borrower used proceeds of the Loan to finance an 88 unit multifamily rental housing facility known as Hidden Cove Apartments located in the Bay Point unincorporated area of the County (the "Project"); and

WHEREAS, in connection with the issuance of the Bonds, the County, the Trustee and the Original Borrower entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003 (the "Regulatory Agreement") and recorded on May 7, 2003 in the official records of the County of Contra Costa, State of California, as Instrument No. DOC-2003-0211557-00, which Regulatory Agreement sets forth certain terms and conditions relating to the operation of the Project; and

WHEREAS, the Owner has sold the Project to Hidden Cove Apartments, LP, a California limited partnership (the "New Owner"), the Loan has been fully prepaid and the Bonds have been legally defeased as provided in Section 14.01 of the Indenture; and

WHEREAS, Section 18 of the Regulatory Agreement provides that, after the date on which no Bonds remain Outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all references to the Trustee in the Regulatory Agreement shall be deemed references to the County; and

WHEREAS, in connection with the sale of the Project by the Original Borrower to the New Owner, the Original Borrower, the New Owner and the County have entered into an Assignment and Assumption of Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 15, 2019, whereby the New Owner assumed all of the obligations of the Original Borrower under the Regulatory Agreement arising from and after August 15, 2019; and

WHEREAS, the New Owner is now obtaining a loan (the "2020 Borrower Loan") from the County which is issuing its County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (the "2020 Bonds") and using the proceeds of the 2020 Bonds to make the 2020 Borrower Loan; and

WHEREAS, in connection with the issuance of the 2020 Bonds and the 2020 Borrower Loan, the County and the New Owner are entering into a Regulatory Agreement and Declaration of Restrictive Covenants (the "New Regulatory Agreement"), which New Regulatory Agreement sets forth terms and conditions relating to the operation of the Project,

including provisions substantially the same as those in Sections 2, 3 and 4 of the Regulatory Agreement, and is for a term at least as long as the remaining term of the Regulatory Agreement; and

WHEREAS, the County and the New Owner have agreed to make the owners of the Bonds beneficiaries of the New Regulatory Agreement, so that the New Regulatory Agreement can supplant the Regulatory Agreement upon its execution; and

WHEREAS, the County has received the opinion of Bond Counsel (as defined in the Loan Agreement) to the effect that the execution and delivery of this Agreement and the New Regulatory Agreement, and the termination of the Regulatory Agreement as provided herein, will not adversely affect the exclusion of the interest on the Bonds from the gross incomes of the owners of the Bonds; and

WHEREAS, the County and the Owner now desire to provide for the termination of the Regulatory Agreement as provided herein.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Termination.

(a) The County and the New Owner hereby agree that the Regulatory Agreement shall cease and terminate.

(b) In accordance with the foregoing, the Regulatory Agreement recorded May 7, 2003, as Instrument No. DOC-2003-0211557-00 in the Official Records of Contra Costa County, State of California, is hereby terminated and is of no further force and effect.

(c) From and after the date hereof, neither the County nor the New Owner shall have any further rights or obligations under the Regulatory Agreement.

Section 2. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

COUNTY OF CONTRA COSTA, CALIFORNIA

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

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit pcorporation, its Sole Member

By: _____
Deborrah A. Willard, President

03007.50:J16632

[Signature page to Termination Agreement for Hidden Cove Apartments]

NOTARY ACKNOWLEDGMENT

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

State of California
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

EXHIBIT A

[to come-legal description of Project site]



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 7, 2020

Subject: Multifamily Housing Revenue Note - Marina Heights in Pittsburg

RECOMMENDATION(S):

ADOPT Resolution No. 2020/7 authorizing the issuance of a multifamily housing revenue note (the "Note") designated as "County of Contra Costa, California, Multifamily Housing Revenue Note (Marina Heights Apartments), 2020 Series B" in an amount not to exceed \$40,000,000 to finance the acquisition and rehabilitation of a 200-unit multifamily rental housing project located at 2 Marina Boulevard in the City of Pittsburg (the "Development"), which is commonly known as Marina Heights Apartments.

1. FIND and DECLARE that the recitals contained in Resolution No. 2020/7 are true and correct.
2. APPROVE the form of, and authorize the County to execute, the Funding Loan Agreement among the County, Capital One, National Association (the "Funding Lender") and U.S. Bank National Association (the "Fiscal Agent") regarding the County sale of the Note to the Initial Funding Lender for the purpose of loaning the proceeds to Marina Heights Apartments, LP (the "Borrower").
3. APPROVE the form of, and authorize the County to execute, the Project Loan Agreement among the County, the Fiscal Agent and the Borrower regarding the County loan of Note proceeds to the Borrower.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Kristen Lackey, (925) 674-7793

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

RECOMMENDATION(S): (CONT'D)

4. APPROVE the form of, and authorize the County to execute, the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower.
5. AUTHORIZE the delivery of the Note by the County to the Funding Lender as the initial purchaser of the Note.
6. APPROVE the form of, and authorize the County to execute, the Termination Agreement related to the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2004, between the County and FFAH Marina Heights, LLC.
7. APPOINT Quint & Thimmig, LLP as bond counsel for the transaction.
8. AUTHORIZE and DIRECT the Designated Officers of the County, as defined in Resolution 2020/7, to do any and all things and take any all actions, and execute and deliver any and all certificates, agreements, and other documents which the officer may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with the Resolution.

FISCAL IMPACT:

No impact to the General Fund. At the closing for the Note, the County is reimbursed for costs incurred in the issuance process. Annual expenses for monitoring of Regulatory Agreement provisions ensuring units in the Development will be rented to low income households will be reimbursed through issuer fees established in the documents for the Note. The Note will be solely secured by and payable from revenues (e.g. Development rents, reserves, etc.) pledged under the Note documents. No County funds are pledged to secure the repayment of the Note.

BACKGROUND:

The recommended action is the adoption of Resolution 2020/7 by the Board of Supervisors, as the legislative body of the County, authorizing the issuance of a multifamily housing revenue note, the proceeds of which will be used to finance the acquisition and rehabilitation of Marina Heights Apartments, a 200-unit residential housing development located at 2 Marina Boulevard in the City of Pittsburg (the "Development"). The ownership entity for the development is Marina Heights Apartments, LP (the "Borrower"), a California limited partnership that consists of an entity related to Foundation for Affordable Housing as the managing general partner and an entity related to CREA as the tax credit equity investor. On March 26, 2019, the Board of Supervisors approved the transfer of ownership of Marina Heights Apartments to an entity related to the Foundation for Affordable Housing (Resolution No. 2019/94), which will transfer the Development to the Borrower at the closing for the Note.

Conservation and Development staff held a noticed public hearing on July 15, 2019 to permit interested parties to comment on the proposed financing and the Development. No comments were received from the public. The Board adopted Resolution No. 2019/509 on July 30, 2019 to authorize proceeding with the issuance of the Note for the Development pursuant to Section 147(f) of the Internal Revenue Code and the submittal of an application by the County for tax-exempt private activity bond authority from the California Debt Limit Allocation Committee. On October 16, 2019, the California Debt Limit Allocation Committee awarded the County authority to issue the Note in a maximum principal amount of \$40,000,000 through its Resolution No. 19-133.

The structure of the financing will be one note (the term "note" is interchangeable with "bond" as they both evidence a borrowing). The County of Contra Costa, California Multifamily Housing Revenue

Note (Marina Heights Apartments) Series 2020 B (the “Note”) will be purchased by Capital One, National Association (the “Funding Lender”) and the proceeds of the sale will be loaned by the County to the Borrower to finance the acquisition and rehabilitation of the Development. The loan will be assigned to Freddie Mac. In addition to the proceeds of the Note, the Development will be funded with low income housing tax credits. The transaction is expected to close on or about January 31, 2020.

The Development will be one hundred percent affordable with 20 units affordable to households earning at or below 50% area median income and 178 units at or below 60% area median income plus two managers units. A Regulatory Agreement governing these affordability restrictions will be recorded against the property and the current Regulatory Agreement (entered in 2004) will be terminated. Pittsburg City Council approved the County's application for and issuance of the Note at its August 19, 2019 meeting.

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from issuing the Multifamily Housing Revenue Note in order to provide a loan to Marina Heights Apartments, LP to finance the acquisition and rehabilitation of Marina Heights Apartments.

CHILDREN'S IMPACT STATEMENT:

The recommendation supports one or more of the following children's outcomes:

- (1) Children Ready for and Succeeding in School;
- (2) Children and Youth Healthy and Preparing for Productive Adulthood;
- (3) Families that are Economically Self Sufficient;
- (4) Families that are Safe, Stable and Nurturing; and
- (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.

ATTACHMENTS

Resolution 2020/7

Marina Heights Funding Loan Agreement

Marina Heights Project Loan Agreement

Marina Heights Regulatory Agreement

Marina Heights Termination Agreement

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 01/07/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/7

RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY HOUSING REVENUE NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING PROJECT FOR MARINA HEIGHTS APARTMENTS, LP, AND OTHER MATTERS RELATING THERETO

WHEREAS, the County of Contra Costa (the "County") is authorized pursuant to Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to issue bonds and notes for the purpose of financing multifamily rental housing facilities; and

WHEREAS, Marina Heights Apartments, LP, a California limited partnership (the "Borrower") has requested that the County issue a multifamily housing revenue note (the "Note") and loan the proceeds of the Note to the Borrower to finance the acquisition and rehabilitation by the Borrower of 200 units of residential rental housing located at 2 Marina Boulevard in the Pittsburg, California (the "Development"); and

WHEREAS, on July 15, 2019, the Community Development Bond Program Manager of the County held a public hearing on the proposed issuance of the Note by the County for, and the financing, ownership and operation of, the Development, as required under the provisions of the Internal Revenue Code (the "Code") applicable to tax-exempt obligations, following published notice of such hearing, and communicated to the Board of Supervisors of the County all written and oral testimony received at the hearing; and

WHEREAS, on July 30, 2019, the Board of Supervisors of the County adopted Resolution No. 2019/509 authorizing the issuance of the Note to finance the Development in satisfaction of public approval requirements of the Code; and

WHEREAS, the California Debt Limit Allocation Committee adopted its Resolution No. 19-133 on October 16, 2019 allocating \$40,000,000 of the State of California ceiling on private activity bonds for 2019 to the County for the purpose of financing the Development; and

WHEREAS, in order to assist in the financing of the Development, the County has determined to issue the Note, as authorized by the Act, and sell the Note to Capital One, N.A., as initial funding lender (the "Funding Lender") pursuant to a funding loan agreement (the "Funding Loan Agreement") among the County, U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the Funding Lender, and to use the proceeds of the sale of the Note to the Funding Lender to make a loan to the Borrower pursuant to a project loan agreement (the "Project Loan Agreement") among the Fiscal Agent, the County and the Borrower, with amounts due from the County to the Funding Lender under the Note and the Funding Loan Agreement to be payable solely from amounts paid by the Borrower under the Project Loan Agreement; and

WHEREAS, there have been prepared various documents with respect to the issuance by the County of the Note, copies of which are on file with the Clerk of the Board, and the Board of Supervisors now desires to approve the issuance of the Note and the execution and delivery of such documents by the County; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Note as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Contra Costa, as follows:

Section 1. The Board of Supervisors hereby finds and declares that the foregoing recitals are true and correct.

Section 2. Pursuant to the Act and the Funding Loan Agreement, the Note designated as “County of Contra Costa, California, Multifamily Housing Revenue Note (Marina Heights Apartments), 2020 Series B” in an aggregate principal amount of not to exceed \$40,000,000, is hereby authorized to be issued. The Note shall be executed by the manual or facsimile signature of the Chair of the Board of Supervisors (the “Chair”), in the form set forth in and otherwise in accordance with the Funding Loan Agreement.

Section 3. The Funding Loan Agreement between the County and the Funding Lender, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, the County Administrator, the Director of the Department of Conservation and Development, the Assistant Deputy Director of the Department of Conservation and Development and the Community Development Bond Program Manager (collectively, the “Designated Officers”) is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Funding Loan Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Funding Loan Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof, provided that no additions or changes shall authorize an aggregate principal amount of the Note in excess of the amount set forth in Section 2 above), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Funding Loan Agreement by the County. The date, maturity date, interest rate or rates, privileges, manner of execution, place of payment, terms of redemption and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Project Loan Agreement among the Fiscal Agent, the County and the Borrower, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized to execute and deliver the Project Loan Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Project Loan Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such changes to be conclusively evidenced by the execution and delivery of the Project Loan Agreement by the County.

Section 5. The regulatory agreement and declaration of restrictive covenants between the County and the Borrower (the “Regulatory Agreement”), in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Regulatory Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Regulatory Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Regulatory Agreement by the County.

Section 6. The Note, when executed, shall be delivered by the Fiscal Agent to the Funding Lender (as the initial purchaser of the Note), in accordance with written instructions executed on behalf of the County by any one of the Designated Officers of the County, which instructions said officers are hereby authorized, for and in the name and behalf of the County, to execute and deliver. Such instructions shall provide for the delivery of the Note by the Fiscal Agent to the Funding Lender upon the funding by the Funding Lender of the purchase price of the Note as described in the Funding Loan Agreement.

Section 7. It is recognized that the Regulatory Agreement contains restrictions on the operations of the Development that are substantially the same as those set forth in an existing Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2004 (the “2004 Regulatory Agreement”) recorded against the Development. In light of the foregoing, the County and the current owner of the Development intend to enter into a Termination Agreement (the “Termination Agreement”) terminating the 2004 Regulatory Agreement upon the conveyance of the Development to the Borrower and the recordation of the Regulatory Agreement. Accordingly, the Termination Agreement, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Termination Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Termination Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 9 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Termination Agreement by the County.

Section 8. The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the County for the Note. The fees and expenses of such firm for matters related to the Note shall be payable solely from the proceeds of the Note or contributions by the Borrower.

Section 9. All actions heretofore taken by the officers and agents of the County with respect to the issuance of the Note are hereby approved, confirmed and ratified, and the proper officers of the County, including the Designated Officers, are hereby

authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution, including but not limited to any certificates, agreements and other documents described in the Funding Loan Agreement, the Project Loan Agreement or the Regulatory Agreement, or otherwise necessary to issue the Note and consummate the transactions contemplated by the documents approved by this Resolution.

Section 10. This Resolution shall take effect upon its adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Kristen Lackey, (925) 674-7793

ATTESTED: January 7, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

FUNDING LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

among

**CAPITAL ONE, NATIONAL ASSOCIATION,
as Initial Funding Lender**

**COUNTY OF CONTRA COSTA, CALIFORNIA,
as Governmental Lender**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

**Relating to:
Hidden Cove Apartments
2901 Mary Ann Lane, Baypoint, California
Original Funding Loan Principal Amount: \$[AMOUNT]**

Dated as of January 1, 2020

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[TO BE UPDATED]

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FUNDING LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

THIS FUNDING LOAN AGREEMENT (this “Funding Loan Agreement”), is made and entered into as of January 1, 2020, by and among CAPITAL ONE, NATIONAL ASSOCIATION, a national banking association in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the COUNTY OF CONTRA COSTA, CALIFORNIA (the “Governmental Lender”), a public body, corporate and politic, duly organized and existing under the laws of the State of California (the “State”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, organized and operating under the laws of the United States of America, having a corporate trust office in San Francisco, California, as Fiscal Agent (the “Fiscal Agent”). Capitalized terms are defined in Section 1.01 of this Funding Loan Agreement.

RECITALS

A. Pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code (the “Act”) and the Project Loan Agreement dated as of January 1, 2020 (the “Project Loan Agreement”) by and among the Governmental Lender, the Fiscal Agent and Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (the “Borrower”), the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[AMOUNT] (the “Project Loan”) to provide for the financing of a multifamily rental housing development located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane, Baypoint, California known as Hidden Cove Apartments (the “Project”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan made to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$[AMOUNT] (the “Funding Loan” and together with the Project Loan, the “Loans”). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A dated January __, 2020 in the form attached hereto as Exhibit A (together with all riders and addenda thereto, the “Governmental Note”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”), has entered into a commitment with the Initial Funding Lender dated January __, 2020 (the “Freddie Mac Commitment”) whereby Freddie Mac has agreed to purchase the Funding Loan upon the date of satisfaction of the conditions set forth in the Freddie Mac Commitment (the “Freddie Mac Purchase Date”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project [and to pay certain closing costs with respect to the Loans].

E. The Borrower’s repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated January __, 2020 (together with all riders and modifications

thereto, the "Project Note") delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the "Security Instrument") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "Funding Lender Representative"). Capital One, National Association (the "Servicer") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "Continuing Covenant Agreement"), which sets forth various other requirements with respect to the Project, and which agreement will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

J. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by the Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement.

"Act" means Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code.

“Administration Fund” means the Administration Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Assignment” means the Assignment of Security Instrument dated as of the date hereof by the Governmental Lender assigning its interest in the Security Instrument to the Fiscal Agent.

“Authorized Officer” means (a) when used with respect to the Governmental Lender, the Governmental Lender’s Chair, Vice Chair, County Administrator, Director of the Department of Conservation and Development, Assistant Deputy Director of the Department of Conservation and Development or Community Development Bond Program Manager and such additional Person or Persons, if any, duly designated by the Governmental Lender in writing to act on its behalf, (b) when used with respect to the Borrower, any [_____] of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Fiscal Agent, any authorized signatory of the Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of the Fiscal Agent, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, and (e) when used with respect to the Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of the Funding Lender Representative.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor federal statute.

“Bond Counsel” means (a) Quint & Thimmig LLP, or (b) any other firm of attorneys selected by the Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer’s Municipal Marketplace and is acceptable to the Funding Lender Representative.

“Borrower” means Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California, or any of its permitted successors or assigns, as owner of the Project.

“Borrower Equity Account” means the Borrower Equity Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Borrower Equity Deposit” means \$[_____], which shall be comprised of sources other than the proceeds of the Project Loan.

“Business Day” means any day other than (a) a Saturday or a Sunday, or (b) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

“Certificate of the Governmental Lender” and “Request of the Governmental Lender” mean, respectively, a written certificate or request signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender or such other Person as may be designated and authorized to sign for the Governmental Lender. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

“Continuing Covenant Agreement” means the Continuing Covenant Agreement dated as of the date hereof by and between the Borrower and the Initial Funding Lender, as the same may be amended, modified or supplemented from time to time.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of (A) 60 days prior to the date of a resolution of the Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (B) the Delivery Date, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Loans such costs were (A) Costs of Issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being rehabilitated or developed by the Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such affiliate in rehabilitating or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, rehabilitation or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

“Costs of Issuance” means, as applicable, (i) the fees (excluding ongoing fees), costs and expenses of (a) the Governmental Lender and the Governmental Lender’s counsel (b) Bond Counsel, (c) the Fiscal Agent and the Fiscal Agent’s counsel, (d) the Servicer and the Servicer’s counsel, (e) the Funding Lender and the Funding Lender’s counsel (including both the Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), and (f) Borrower’s counsel attributable to the funding of the Loans and the Borrower’s financial advisor, if any, and (ii) all other fees, costs and expenses directly associated with the Funding Loan and the Project Loan, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Fiscal Agent on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Project Loan.

“Cost of Issuance Fund” means the Cost of Issuance Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Default Rate” means the lower of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the maximum rate allowed by law.

“Delivery Date” means January __, 2020, the date of initial funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“Determination of Taxability” shall mean, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by Fiscal Agent or Funding Lender Representative, at the request of Governmental Lender, Borrower, Fiscal Agent or Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in gross income for federal income tax purposes of the Funding Lender or any former Funding Lender other than a Funding Lender who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (a) or (c) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (iii) one year from the date of initial determination.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.04 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.04 hereof.

“Event of Default” or “event of default” means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

“Extraordinary Services” means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys’ or agents’ fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by the Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

“Extraordinary Fiscal Agent’s Fees and Expenses” means all those fees, expenses and reimbursements earned or incurred by the Fiscal Agent as described under Section 7.06 hereof during any Rebate Year for Extraordinary Services, as set forth in a detailed invoice to the Borrower, the Servicer and the Funding Lender Representative.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in

accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Financing Documents” means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means U.S. Bank National Association and its successors hereunder.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Commitment” means the commitment from Freddie Mac to the Initial Funding Lender pursuant to which Freddie Mac has agreed to purchase the Funding Loan, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

“Freddie Mac Purchase Date” means the date Freddie Mac purchases the Funding Loan from the Initial Funding Lender upon satisfaction of the conditions set forth in the Freddie Mac Commitment.

“Funding Lender” means any Person who is the owner of the Governmental Note.

“Funding Lender Representative” means the Funding Lender or any Person designated by the Funding Lender to act on behalf of the Funding Lender as provided in Section 11.05, or an assignee of such Person as provided in Section 11.05. The initial Funding Lender Representative shall be the Initial Funding Lender, and Freddie Mac shall become the Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

“Funding Loan” means the loan in the original principal amount of \$[AMOUNT] made to the Governmental Lender pursuant to this Funding Loan Agreement by the Initial Funding Lender.

“Funding Loan Amortization Schedule” means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

“Government Obligations” means investments meeting the requirements of clause (a) or (b) of the definition of “Qualified Investments” herein.

“Governmental Lender” means County of Contra Costa, California, a public body, corporate and politic, duly organized and existing under the laws of the State.

“Governmental Lender Fee” has the meaning given to the term Governmental Lender Annual Fee in the Tax Regulatory Agreement.

“Governmental Note” means the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated the Delivery Date, executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, in the form attached hereto as Exhibit A, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any mortgage note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“Guide” means the Freddie Mac Multifamily Seller/ Servicer Guide, as the same may be amended, modified or supplemented from time to time.

“Initial Debt Service Deposit” means an amount equal to the sum of (i) the interest payable on the Funding Loan, and (ii) the ongoing fees payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to but not including the first day of the calendar month immediately succeeding the Delivery Date.

“Initial Funding Lender” means Capital One, National Association, a national banking association, as initial owner of the Governmental Note.

“Interest Payment Date” means (i) the first day of each calendar month, commencing February 1, 2020, (ii) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (iii) the Maturity Date.

“Interest Rate” means the interest rate of ___% per annum; provided during the continuance of any Event of Default hereunder, the Interest Rate shall be the Default Rate.

“Investment Income” means the earnings and profits derived from the investment of money pursuant to Section 4.08 hereof.

“Loans” means, together, the Project Loan and the Funding Loan.

“Loan Payment Fund” means the Loan Payment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Loan Prepayment Fund” means the Loan Prepayment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Maturity Date” means the maturity date of the Funding Loan set forth in Section 2.01(b) hereof.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“Notes” means, together, the Project Note and the Governmental Note.

“Ordinary Fiscal Agent’s Fees and Expenses” means the annual administration fee for the Fiscal Agent’s ordinary fees and expenses in rendering its services under this Funding Loan

Agreement during each twelve month period, which fee is equal to (and shall not exceed) \$[_____] and shall be payable in advance on the Delivery Date and each January 1, commencing January 1, 2021, thereafter.

“Paying Agent” means the Person designated to make payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan, to the Funding Lender pursuant to Section 2.12 hereof. The initial Paying Agent shall be the Servicer.

“Person” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

“Pledged Security” shall have the meaning given to that term in Section 2.02 hereof.

“Prepayment Premium” shall mean any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by the Borrower under Section 10 of the Project Note in connection with a prepayment of the Project Loan.

“Principal Office of the Fiscal Agent” means the office of the Fiscal Agent referenced in Section 11.04(a) hereof, or such other office or offices as the Fiscal Agent may designate in writing from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

“Project” means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as Hidden Cove Apartments located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane, Baypoint, California in the unincorporated area of the Governmental Lender, including the real estate described in the Security Instrument.

“Project Account” means the Project Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Project Loan” means the loan made by the Governmental Lender to the Borrower pursuant to the Project Loan Agreement in the original principal amount of \$[AMOUNT], as evidenced by the Project Note.

“Project Loan Agreement” means the Project Loan Agreement dated as of the date hereof among the Borrower, the Governmental Lender and the Fiscal Agent, as amended, supplemented or restated from time to time.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Loan Fund” means the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“Project Note” means the Project Note dated the Delivery Date from the Borrower, including all riders and addenda thereto, evidencing the Borrower’s obligation to repay the

Project Loan, which Project Note will be delivered to the Governmental Lender and endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time.

“Qualified Investments” means any of the following if and to the extent permitted by law: (a) direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America; (c) senior debt obligations of Freddie Mac; (d) senior debt obligations of Fannie Mae; (e) demand deposits or time deposits with, or certificates of deposit issued by, the Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; provided that the Fiscal Agent or such other institution has been rated at least “VMIG 1”/“A 1+” by Moody’s or S&P which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (f) investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by Moody’s or S&P to its outstanding long term unsecured debt which is the highest rating (as defined below) for long term unsecured debt obligations assigned by Moody’s or S&P, and which are approved by the Funding Lender Representative; (g) shares or units in any money market mutual fund rated “Aaa”/“AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Fiscal Agent or its affiliates or for which the Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations; (h)(i) tax exempt obligations rated in the highest short term rating category by Moody’s or S&P, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by Moody’s or S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund; or (i) any other investments approved in writing by the Funding Lender Representative. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG 1”/“A 1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG 1”/“AAA”/“A 1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

“Rating Agency” means Moody’s or S&P, as applicable, or any successor rating service thereof.

“Rebate Analyst” means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of

the Code, selected and retained by the Borrower at the expense of the Borrower to make the rebate computations required under this Funding Loan Agreement, the Project Loan Agreement and the Tax Regulatory Agreement.

“Rebate Fund” means the Rebate Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Rebate Year” means each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by Borrower before the earlier of the Maturity Date or the date that is five years after the Delivery Date, each Rebate Year ends on each anniversary of the Delivery Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

“Requisition” means, with respect to the Project Loan Fund, the requisition in the form of Exhibit E to this Funding Loan Agreement required to be submitted in connection with disbursements from the Project Account and /or the Borrower Equity Account of the Project Loan Fund, and with respect to the Cost of Issuance Fund, the requisition in the form of Exhibit D to this Funding Loan Agreement required to be submitted in connection with disbursements from the Cost of Issuance Fund.

“Resolution” means Resolution No. _____ adopted by the Board of Supervisors of the Governmental Lender on January 17, 2020, authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

“Responsible Officer” means any officer of the Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of the Fiscal Agent and the trusts created hereunder.

“Revenue Fund” means the Revenue Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Revenues” means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof, by the Borrower, granting a first priority mortgage and security interest in the Project to the Governmental Lender to secure the repayment of the Project Loan and related obligations, which Security Instrument has been assigned by the Governmental Lender to the Fiscal Agent pursuant to the Assignment as security for the Funding Loan, as the same may be amended, supplemented or restated.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

“Servicer” means any entity appointed by the Funding Lender Representative to service the Loans and any successor in such capacity as appointed by the Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, the Servicer shall be Capital One, National Association.

“Settlement Sheet” means the settlement sheet prepared by the Title Company and executed by the Borrower setting forth the various funds to be collected and disbursed by the Title Company on the Delivery Date.

“State” means the State of California.

“Subordination Agreement” means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

“Tax Certificate” means the Tax Certificate and Agreement executed by the Governmental Lender and the Borrower on the Delivery Date.

“Tax Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2020, between the Governmental Lender and the Borrower.

“Title Company” means Fidelity National Title Company, the title company for purposes of the Loans.

“Transferee Representations Letter” has the meaning set forth in Section 2.08 hereof.

“Unassigned Rights” means all of the rights of the Governmental Lender and its supervisors, officers, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, and of the Governmental Lender to be paid its fees and expenses, to enforce the representations, warranties, covenants and agreements of the Borrower pertaining to the requirements of the Act or the Code as applicable to the Project and the use of proceeds of the Project Loan (subject to the applicable provisions of Section 7.06 of the Project Loan Agreement), to give or withhold consent to waivers, amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

“Window Period” means the three (3) consecutive month period prior to the Maturity Date.

Section 1.02 Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. References to Articles, Sections, and other subdivisions of this Funding Loan Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE FUNDING LOAN

Section 2.01 Terms.

(a) The Funding Loan shall be originated and funded on the Delivery Date in the original principal amount of \$[AMOUNT] with funds provided to the Governmental Lender by the Initial Funding Lender. The proceeds of the Funding Loan shall be deposited by the Initial Funding Lender with the Title Company on the Delivery Date on behalf of the Governmental Lender and shall be disbursed in accordance with the Settlement Sheet. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) The Funding Loan shall bear interest payable on each Interest Payment Date at the Interest Rate and shall mature on [February] 1, 2036, subject to scheduled monthly principal payments as provided in Section 2.01(c) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on the Funding Loan shall be computed on the basis of a 360-day year consisting of the actual number of days elapsed.

(c) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(d) Payment of principal of, premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Funding Lender (unless otherwise directed by the Funding Lender).

(e) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with the Fiscal Agent to pay, and the Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(f) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such court determines the Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, the Funding Lender shall apply, in its sole discretion, and set off such excess interest received by the Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

Section 2.02 Pledged Security. To secure the payment of the principal of, premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by the Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, the Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the "Pledged Security") for the benefit of the Funding Lender:

(a) All right, title and interest of the Governmental Lender in and to all Revenues;

(b) All right, title and interest of the Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Governmental Lender or any other Person is or may become entitled to do under said documents; and

(c) Except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by the Governmental Lender or by anyone on its behalf or with its written consent to the Fiscal Agent, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The foregoing notwithstanding, if the Governmental Lender or its successors or assigns shall pay or cause to be paid to the Funding Lender in full the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if the Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Governmental Lender, cease, terminate and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash held by the Fiscal Agent for the payment of interest on and principal of the Governmental Note; otherwise this Funding Loan Agreement to be and shall remain in full force and effect.

Section 2.03 Limited Obligations. None of the Governmental Lender, any member of the Board of Supervisors of the Governmental Lender or any person executing this Funding Loan Agreement, the Project Loan Agreement or the Governmental Note is liable personally on the Governmental Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and the Governmental Note are limited obligations of the Governmental Lender, payable solely from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to the Project Loan Agreement. None of the Governmental Lender, the State of California, or any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of the Funding Loan or the Governmental Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. The Governmental Note is not secured by a pledge of the faith and credit of the Governmental Lender, the State of California or any of its political subdivisions

nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, prepayment price or interest in respect of the Governmental Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, the Project Loan Agreement, the Governmental Note or any other document, except only to the extent amounts are received for the payment thereof from the Borrower under the Project Loan Agreement.

Section 2.04 Funding Loan Agreement Constitutes Contract. In consideration of the origination and funding of the Funding Loan by the Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of the Governmental Lender with the Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

Section 2.05 Form and Execution. The Governmental Note shall be in substantially the form attached as Exhibit A. The Governmental Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of an Authorized Officer of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of the Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of the Governmental Lender had been impressed on the Governmental Note.

Section 2.06 Authentication. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in Exhibit A, shall have been duly executed by an Authorized Officer of the Fiscal Agent; and such executed certificate of authentication upon the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Governmental Note. In the event the Governmental Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in Exhibit A in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by the Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of the Governmental Lender and the Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with the Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Governmental Lender and the Fiscal Agent with indemnity satisfactory to the Fiscal Agent. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note the Governmental Lender may pay the same without surrender thereof.

Section 2.08 Registration; Transfer of Funding Loan; Transferee Representations Letter.

(a) The Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as the Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be transferable only on the registration books of the Fiscal Agent. The Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein.

The Funding Loan shall initially be registered to the Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) The Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Funding Loan; provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an “accredited investor” as that term is defined in Rule 501 of Regulation D under the Securities Act or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act (such “accredited investor” or “qualified institutional buyer” a “Qualified Transferee”) that delivers a letter to the Fiscal Agent substantially in the form attached hereto as Exhibit C setting forth certain representations with respect to such Qualified Transferee (the “Transferee Representations Letter”). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for the Funding Lender Representative to (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better. In connection with any sale, assignment or transfer of the Funding Loan, the Funding Lender shall give notice of such sale, assignment or transfer to the Fiscal Agent and the Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Funding Loan.

Section 2.09 [Reserved].

Section 2.10 Funding Loan Closing Conditions; Delivery of Governmental Note.

Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and the Governmental Lender shall only execute and deliver to the Fiscal Agent, and the Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to the Initial Funding Lender upon, receipt by the Fiscal Agent of the following:

(a) executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate;

(b) an opinion of Bond Counsel or counsel to the Governmental Lender to the effect that the Governmental Lender is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement and the Tax Regulatory Agreement, and such documents are valid and binding special, limited obligations of the Governmental Lender enforceable in accordance with their terms subject to customary exceptions;

(c) [Reserved];

(d) the executed Project Note and an endorsement of the Project Note by the Governmental Lender in favor of the Fiscal Agent;

(e) a copy of the executed Security Instrument, the Assignment and the Continuing Covenant Agreement;

(f) an opinion of counsel to the Borrower, addressed to the Governmental Lender, the Fiscal Agent, the Initial Funding Lender and Freddie Mac, to the effect that

the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the Financing Documents to which it is a party, that its execution and delivery of and performance of its covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms;

(g) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excluded from gross income for federal income tax purposes and, where applicable, for State income tax purposes;

(h) a certified copy of the Resolution;

(i) the written request and authorization to the Fiscal Agent by the Governmental Lender to authenticate and deliver the Governmental Note to the Initial Funding Lender upon funding to the Fiscal Agent of the full amount of the Funding Loan; and

(j) receipt by the Fiscal Agent of the amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement.

(k) receipt by the Fiscal Agent of a Transferee Representations Letter from the Initial Funding Lender substantially in the form attached hereto as Exhibit C.

Section 2.11 Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.

(a) The Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with the Fiscal Agent a Project Loan Fund and therein a Project Account and a Borrower Equity Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the Funding Loan shall be delivered by the Initial Funding Lender to the Title Company on behalf of the Governmental Lender on the Delivery Date to be disbursed in accordance with the Settlement Sheet. A portion of the proceeds of the Funding Loan in the amount of \$[_____] shall be delivered by the Title Company to the Fiscal Agent. The Fiscal Agent shall deposit such proceeds received from the Title Company to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided in Section 4.02 hereof. Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) The Governmental Lender shall cause the Borrower to deliver from sources other than the Loans, (i) to the Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Cost of Issuance Fund and the Borrower Equity Deposit for deposit to the credit of the Borrower Equity Account, and (ii) to the Servicer the Initial Debt Service Deposit. The Fiscal Agent shall also deposit in the Borrower Equity Account any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein, excluding any proceeds of the Loans.

(d) Upon the making of the initial deposits described above in this Section 2.11, the Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and the Title Company shall disburse the proceeds thereof as provided in the Settlement Sheet. The Fiscal Agent shall make disbursements of amounts in the Project Loan Fund to the Borrower or otherwise as provided in Section 4.02 hereof; provided that, prior to making any such disbursements, \$[] of proceeds of the Project Loan shall be transferred by the Fiscal Agent to the Cost of Issuance Fund without need of a Requisition therefor.

Section 2.12 Direct Loan Payments to Funding Lender; Servicer Disbursement of Fees.

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Servicer is engaged with respect to the Loans, the Governmental Lender and the Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by the Borrower to the Servicer. The Servicer shall remit all payments collected from the Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to the Funding Lender, directly to the Funding Lender (without payment through the Fiscal Agent) per the instructions of the Funding Lender Representative. The Servicer shall be entitled to retain its Servicing Fee collected from the Borrower and shall remit the Governmental Lender Fee to the Governmental Lender and shall remit the Ordinary Fiscal Agent's Fees and Expenses to the Fiscal Agent, together with any other amounts due to the Governmental Lender and the Fiscal Agent collected by the Servicer from the Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section shall be accompanied by sufficient information to identify the source and proper application of such payment.

The Servicer shall promptly notify the Fiscal Agent, the Funding Lender Representative and the Governmental Lender in writing of any failure of the Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and the Fiscal Agent and the Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, the Funding Lender Representative shall notify the Fiscal Agent and the Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to the Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which the Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, the Fiscal Agent shall have no obligations to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of the Funding Lender Representative. Notwithstanding the foregoing, the Funding Lender Representative may elect to have the Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to the Fiscal Agent, the Borrower and the Governmental Lender.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01 Prepayment of the Funding Loan Prior to Maturity.

(a) Optional Prepayment. The Funding Loan, together with accrued interest thereon, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) Mandatory Prepayment. The Funding Loan, together with accrued interest thereon, and together with Prepayment Premium (to the extent payable under the Project Note), is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

(i) in whole or in part, upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 10(b) of the Project Note and receipt by the Fiscal Agent of a written direction by the Funding Lender Representative that the Funding Loan shall be subject to mandatory payment as a result thereof; or

(ii) in part, on the Interest Payment Date next following the completion of the rehabilitation of the Project, to the extent amounts remaining in the Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) hereof.

Section 3.02 Notice of Prepayment. Notice of the intended prepayment of the Funding Loan shall be given by the Fiscal Agent by first class mail, postage prepaid, or by overnight delivery service, to the Funding Lender. All such prepayment notices shall be given not less than ten (10) days (not less than thirty (30) days in the case of optional prepayment) nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state (i) the prepayment date, (ii) the prepayment amount, and (iii) the place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to the Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event the Fiscal Agent is not collecting and remitting loan payments hereunder, the Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 Pledge of Revenues and Assets; Establishment of Funds. The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by the Fiscal Agent or by any Person authorized by the Fiscal Agent to deliver the Governmental Note. The Pledged Security so

pledged and then or thereafter received by the Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, the Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund;
- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Cost of Issuance Fund; and
- (f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of the Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by the Fiscal Agent. The Fiscal Agent shall, at the written direction of an Authorized Officer of the Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Governmental Lender or the Fiscal Agent may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

Section 4.02 Project Loan Fund.

(a) Deposit. The Fiscal Agent shall deposit the portion of the proceeds of the Funding Loan remitted to it by the Title Company into the Project Account of the Project Loan Fund as provided in Section 2.11(b) hereof. The Fiscal Agent shall deposit the Borrower Equity Deposit into the Borrower Equity Account of the Project Loan Fund, as well as any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein (excluding any proceeds of the Governmental Note), as provided in Section 2.11(c) hereof.

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by the Fiscal Agent for the purpose of paying Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and the Borrower at the times and in the manner provided in subsection (e) of this Section 4.02.

(c) Transfers and Requisitions. The Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b) of this

Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer (signifying the consent to the Requisition by the Servicer). The Fiscal Agent shall have no right or duty to determine whether any requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Continuing Covenant Agreement. The countersignature of the Authorized Officer of the Servicer on a Requisition shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Continuing Covenant Agreement applicable to such disbursement have been fully satisfied or waived. The Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

Notwithstanding anything to the contrary contained herein, no signature of an Authorized Officer of the Borrower shall be required during any period in which a default has occurred and is then continuing under the Loans or any Financing Document (notice of which default has been given in writing by the Funding Lender Representative or the Servicer to the Fiscal Agent and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default).

(d) If a Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Servicer or (as permitted hereunder) solely by an Authorized Officer of the Servicer, is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three (3) Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Loan Fund, including all interest accrued therein, the Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of the Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by the Funding Lender Representative or the Servicer, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless the Fiscal Agent receives an opinion of Bond Counsel (which shall also be addressed to the Funding Lender Representative) to the effect that a use of such money for other than prepayment of the Funding Loan will not adversely affect the tax exempt status of the interest on the Governmental Note; provided, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund. In the event there are funds remaining in the Borrower Equity Account following completion of the rehabilitation of the Project in accordance with the Continuing Covenant Agreement [IF APPLICABLE: and the Stabilization Requirements (as defined in the Continuing Covenant Agreement)] have been satisfied, evidenced by an instrument signed by the Funding Lender Representative, and provided no default by the Borrower exists under this Funding Loan Agreement or any Project Loan Document, such funds shall be paid by the Fiscal Agent to the Borrower at the written direction of the Funding Lender Representative or the Servicer.

(f) Amounts on deposit in the Project Loan Fund shall be invested as provided in Section 4.08 hereof. All Investment Income on amounts on deposit in the Project Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective

account within the Project Loan Fund from which the funds were invested, and shall constitute part of any transfers required by subsection (b) or (e) of this Section 4.02.

Section 4.03 Application of Revenues.

(a) All Revenues received by the Fiscal Agent shall be deposited by the Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except (i) the proceeds of the Funding Loan received by the Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof; (ii) as otherwise specifically provided in subsection (c) of this Section 4.03 with respect to certain deposits into the Loan Prepayment Fund; (iii) with respect to Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (iv) with respect to amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Interest Payment Date or any other date on which payment of principal or interest on the Funding Loan becomes due and payable, the Fiscal Agent, out of money in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND: to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other any extraordinary mandatory prepayment as described in Section 4.03(c)(i) or (iii) below).

(c) Promptly upon receipt, the Fiscal Agent shall deposit directly to the Loan Prepayment Fund (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b)(i) hereof; (ii) funds paid to the Fiscal Agent to be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a); and (iii) amounts transferred to the Loan Prepayment Fund from the Project Loan Fund pursuant to Section 4.02(e) hereof.

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Interest Payment Date, the Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (i) the Revenue Fund; and (ii) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

Section 4.04 Application of Loan Payment Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall charge the Loan Payment Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Interest Payment Date as provided in Section 4.03(b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called

for prepayment on such Interest Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose.

Any Investment Income on amounts on deposit in the Loan Payment Fund shall be deposited by the Fiscal Agent upon receipt thereof in the Revenue Fund.

No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 Application of Loan Prepayment Fund. Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Interest Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Servicer (or the Borrower if no Servicer exists for the Loans) designated for deposit into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent and used FIRST, to pay to the Fiscal Agent when due the Ordinary Fiscal Agent's Fees and Expenses; SECOND, to pay to the Governmental Lender when due the Governmental Lender Fee; THIRD, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from the Rebate Analyst; FOURTH, to pay to the Fiscal Agent any Extraordinary Fiscal Agent's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and the Servicer; FIFTH, to pay to the Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to the Fiscal Agent and the Servicer; SIXTH, to pay to the Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by the Funding Lender Representative to the Fiscal Agent; SEVENTH, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and EIGHTH, to transfer any remaining balance after application as aforesaid to the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower and the Servicer (with a copy to the Governmental Lender) of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Fiscal Agent of the amount of such deficiency. Upon payment by the Borrower or the Servicer of such

deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

On or before each Interest Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 [Reserved].

Section 4.08 Investment of Funds. The money held by the Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Fiscal Agent, at the written direction of the Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (i) six months from the date of investment and (ii) the date such money is needed; provided, that if the Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. In the absence of written direction from the Borrower, the Fiscal Agent shall invest amounts on deposit in the funds and accounts established under this Funding Loan Agreement in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Fiscal Agent. The Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized. The Fiscal Agent shall be entitled to assume, absent receipt by the Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the Revenue Fund. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Governmental Lender acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Governmental Lender specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.09 [Reserved].

Section 4.10 Accounting Records. The Fiscal Agent shall maintain accurate books and records for all funds and accounts established by the Fiscal Agent hereunder.

Section 4.11 Amounts Remaining in Funds. After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Governmental Lender, the Fiscal Agent, the Rebate Analyst, the Funding Lender and the Servicer and other amounts required to be paid hereunder or under any Project Loan Document, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Funding Lender Representative or the Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement and by the Rebate Analyst with respect to amounts due to the Rebate Analyst), any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower.

Section 4.12 Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established by the Fiscal Agent and held and applied as provided in this Section 4.12. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and none of the Governmental Lender, the Borrower or the Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.12 and by the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Governmental Lender, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Governmental Lender, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). Pursuant to Section 2.04 of the Project Loan Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender. In the event that the Borrower fails to provide such information to the Fiscal Agent and the Governmental Lender within 55 days of the end of each fifth Rebate Year, the Fiscal Agent, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Governmental Lender, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of the Governmental Lender, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Fiscal Agent from amounts provided by the Borrower, if and to the extent

required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Fiscal Agent shall pay, as directed by the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of (A) the fifth Rebate Year, and (B) each applicable fifth Rebate Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Rebate Year; and

(ii) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038 T, which shall be prepared by the Rebate Analyst and provided to the Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.12, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Fiscal Agent, shall be withdrawn and remitted to the Borrower.

The Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.12 as are required under Section 148(f) of the Code to the extent furnished to the Fiscal Agent. The Borrower shall or shall cause the Rebate Analyst to provide to the Governmental Lender and the Fiscal Agent copies of all rebate computations made pursuant to this Section 4.12. The Fiscal Agent shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by the Fiscal Agent as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note, a copy of which shall be provided to the Fiscal Agent and the Funding Lender Representative, at the expense of the Borrower.

Section 4.13 Cost of Issuance Fund. The Fiscal Agent shall use money on deposit to the credit of the Cost of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with one or more Requisitions in the form of Exhibit D to be given to the Fiscal Agent by the Borrower on the Delivery Date, along with appropriate invoices

for such expenses. Amounts in the Cost of Issuance Fund funded with proceeds of the Funding Loan, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Cost of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Cost of Issuance Fund six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Fiscal Agent shall close the Cost of Issuance Fund.

Section 4.14 Reports From the Fiscal Agent. The Fiscal Agent shall, on or before the fifteenth (15th) day of each month, file with the Funding Lender Representative, the Servicer, the Governmental Lender (at its written request) and the Borrower a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of investment income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (iv) any other information which the Funding Lender Representative or the Governmental Lender may reasonably request and to which the Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of the Funding Lender, the Fiscal Agent, at the cost of the Borrower, shall provide a copy of such statement to Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of the Governmental Lender and the Funding Lender Representative or the Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal and Interest. Subject to Section 2.03 hereof, the Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

Section 5.02 Performance of Covenants. Subject to Section 2.03 hereof, the Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

Section 5.03 Instruments of Further Assurance. The Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Fiscal Agent all and singular its interest in the property herein described and

the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Funding Loan, but only at the written request of the Servicer, the Fiscal Agent or the Funding Lender and only if the Governmental Lender has received from the Borrower or the party requesting any such action assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection with taking any such action or executing such instrument and is otherwise indemnified against liability related thereto.

Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Governmental Lender or the Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Governmental Lender under this Section 5.03.

The Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

The Governmental Lender will promptly notify the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any of the following:

- (i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Governmental Lender with respect to the Loans;
- (ii) any change in the location of the Governmental Lender's principal office or any change in the location of the Governmental Lender's books and records relating to the transactions contemplated hereby;
- (iii) the occurrence of any default or Event of Default of which the Governmental Lender has actual knowledge;
- (iv) the commencement of any proceedings or any proceedings instituted by or against the Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes; or
- (v) the commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Governmental Lender or any of its assets relating to the Loans.

Section 5.04 Inspection of Project Books. The Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Fiscal Agent or the Funding Lender Representative may from time to time reasonably designate. The Fiscal Agent shall have no duty to inspect any of such books and documents.

Section 5.05 No Modification of Security; Additional Indebtedness. The Governmental Lender covenants to and for the benefit of the Funding Lender that it will not,

without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) alter, modify or cancel, or agree to consent to alter, modify or cancel this Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment and the Project Note; or
- (ii) create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

Section 5.06 Damage, Destruction or Condemnation. Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 Tax Covenants.

(a) Governmental Lender's Covenants. The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

(i) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds and accounts in any manner which would cause the Governmental Note to be an "arbitrage bond" under Section 148 of the Code and the Regulations issued under Section 148 of the Code (the "Regulations") or which would otherwise cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(ii) to the extent it has received assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection therewith and is otherwise indemnified against liability related thereto, enforce or cause to be enforced all obligations of the Borrower under the Tax Regulatory Agreement in accordance with its terms;

(iii) not take or cause to be taken (to the extent within its power and control) any other action or actions if the same would cause the interest payable on the Governmental Note to be includable in gross income for federal income tax purposes;

(iv) at the written request of the Servicer, the Fiscal Agent or the Funding Lender and only if the Governmental Lender has received from the party requesting any such action assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection with taking any such action or executing such instrument and is otherwise indemnified against liability related thereto, do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Funding Loan will be excluded from the gross income for federal income tax purposes, of the Funding Lender pursuant to the Code, except in the event where the Funding Lender is a "substantial user" of the facilities financed with the Loans or a "related person" within the meaning of the Code; and

(v) not take any action or permit or suffer any action to be taken (to the extent within its power and control) if the result of the same would be to cause the Governmental Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations.

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full, and by its acceptance of this Funding Loan Agreement the Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to it.

(b) **Fiscal Agent's Covenants.** The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate (this covenant shall extend through the term of the Funding Loan, to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account). The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an "arbitrage bond" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in gross income for federal income tax purposes; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, the Funding Lender Representative, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, the Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, Bond Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Funding Loan would cause the Governmental Note to become an "arbitrage bond," then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower, the Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an "arbitrage bond," and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower, the Funding Lender or the Funding Lender Representative for investments made in accordance with such instructions.

Section 5.08 Representations and Warranties of the Governmental Lender. The Governmental Lender hereby represents and warrants as follows:

(a) The Governmental Lender is a public body, corporate and politic, duly organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to issue the Governmental Note and to execute and deliver this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Revenues and Pledged Security are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Funding Loan Agreement, and all action on the part of the Governmental Lender requested to be taken by the Funding Lender to that end has been duly and validly taken.

(d) This Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment and the endorsement to the Project Note have been validly authorized, executed and delivered by the Governmental Lender, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT, AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE PROJECT LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01 Events of Default. Each of the following shall be an event of default with respect to the Funding Loan (an "Event of Default") under this Funding Loan Agreement:

(a) failure to pay the principal of, premium, if any, or interest on the Funding Loan when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for prepayment thereof, by acceleration or otherwise; or

(b) failure to observe the covenants set forth in Section 5.05 hereof; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Governmental Lender (other than those set forth in Sections 5.01 and 5.05 hereof) set forth in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof to the Governmental Lender from the Fiscal Agent or the Funding Lender Representative specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Governmental Lender commences the required cure within such thirty (30) day period and continues the cure with diligence and the Governmental Lender reasonably anticipates that the default could be cured within sixty (60) days, the Governmental Lender shall have sixty (60) days following receipt of such notice to effect the cure; or

(d) receipt by the Fiscal Agent of written notice from the Funding Lender Representative of the occurrence of an "Event of Default" under the Project Loan Agreement or the Continuing Covenant Agreement.

The Fiscal Agent will promptly notify the Governmental Lender, the Servicer and the Funding Lender Representative after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 Acceleration; Other Remedies Upon Event of Default.

Upon the occurrence of an Event of Default, the Fiscal Agent shall, upon the written request of the Funding Lender Representative, by notice in writing delivered to the Governmental Lender, declare the principal of the Funding Loan and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

At any time after the Funding Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Fiscal Agent may, but only if directed in writing by the Funding Lender Representative, by written notice to the Governmental Lender and the Fiscal Agent, rescind and annul such declaration and its consequences if the Governmental Lender or the Borrower shall pay to or deposit with the Fiscal Agent a sum sufficient to pay all principal on the Funding Loan then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on the Funding Loan then due, with interest at the rate borne by the Funding Loan on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Fiscal Agent (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Financing Documents (collectively, the "Cure Amount") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Funding Lender Representative; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Upon the occurrence and during the continuance of an Event of Default, the Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Funding Lender, may also proceed to protect and enforce any rights of the Fiscal Agent and, to the full extent that the Funding Lender itself might do, the rights of the Funding Lender under the laws of the State or under this Funding Loan Agreement by such of the following remedies as the Fiscal Agent shall deem most effectual to protect and enforce such rights; provided that, the Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of the Funding Lender Representative (which consent may be given in the sole discretion of the Funding Lender Representative):

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Funding Loan and to require the Governmental Lender to carry out any covenants or agreements with or for the benefit of the Funding Lender and to perform its duties under the Act, this Funding Loan Agreement, the Project Loan Agreement or the Tax Regulatory Agreement (as applicable) to the extent permitted under the applicable provisions thereof;
- (ii) by pursuing any available remedies under the Project Loan Agreement, the Tax Regulatory Agreement or any other Financing Document;
- (iii) by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder; and

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Funding Lender and execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Fiscal Agent in order to have the claim of the Funding Lender against the Governmental Lender allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to the Fiscal Agent or to the Funding Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Fiscal Agent or the Funding Lender hereunder or under the Project Loan Agreement, the Tax Regulatory Agreement, the Continuing Covenant Agreement or any other Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Fiscal Agent or the Funding Lender, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

Section 6.03 Funding Lender Representative Control of Proceedings. If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Funding Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Funding Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender (and in connection therewith the Fiscal Agent shall transfer or assign to the Funding Lender Representative all of its interest in the Pledged Security at the request of the Funding Lender Representative other than the rights of the Fiscal Agent to be paid all amounts due to the Fiscal Agent for Extraordinary Fiscal Agent's Fees and Expenses and Ordinary Fiscal Agent's Fees and Expenses). In no event shall the exercise of any of the foregoing rights result in an acceleration of the Funding Loan without the express direction of the Funding Lender Representative.

Section 6.04 Waiver by Governmental Lender. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and prepayment to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 Application of Money After Default. All money collected by the Fiscal Agent at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Fiscal Agent to the Revenue Fund. Such money so credited to the Revenue Fund and all other money from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund, the Loan Payment Fund and the Loan Prepayment Fund available for the payment of interest or principal then due with respect to the Governmental Note shall be insufficient for such payment, such money shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to the Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without limitation, the payment of all reasonable fees and expenses of the Fiscal Agent incurred in exercising any remedies under this Funding Loan Agreement.

(b) To the extent directed in writing by the Funding Lender Representative, to the reimbursement of any unreimbursed advances made by or on behalf of the Funding Lender pursuant to the Continuing Covenant Agreement or the Security Instrument.

(c) Unless the full principal amount of the Funding Loan shall have become or have been declared due and payable:

FIRST: to the Funding Lender, all installments of interest then due on the Funding Loan in the order of the maturity of such installments; and

SECOND: to the Funding Lender, unpaid principal of and premium, if any, on the Funding Loan which shall have become due, whether at maturity or by call for prepayment, in the order in which they became due and payable.

(d) If the full principal amount of the Governmental Note shall have become or have been declared due and payable, to the Funding Lender for the payment of the principal of, premium, if any, and interest then due and unpaid on the Funding Loan without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest.

Section 6.06 Remedies Not Exclusive. No right or remedy conferred upon or reserved to the Fiscal Agent, the Funding Lender or the Funding Lender Representative by the terms of this Funding Loan Agreement is intended to be exclusive of any other right or remedy, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given to the Fiscal Agent, the Funding Lender or the Funding Lender Representative under this Funding Loan Agreement or existing at law or in equity or by statute (including the Act).

Section 6.07 Fiscal Agent May Enforce Rights Without Governmental Note. All rights of action and claims, including the right to file proof of claims, under this Funding Loan Agreement may be prosecuted and enforced by the Fiscal Agent at the written direction of the Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by the Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of the Funding Lender.

Section 6.08 [Reserved].

Section 6.09 Termination of Proceedings. In case the Fiscal Agent (at the direction of the Funding Lender Representative) or the Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any

reason, or shall have been determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower and the Funding Lender shall be restored to their former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of the Fiscal Agent and the Funding Lender Representative shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Fiscal Agent shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Funding Loan upon the written direction of the Funding Lender Representative. In case of any such waiver or rescission, or in case any proceeding taken by the Fiscal Agent on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Borrower, the Servicer, the Funding Lender Representative and the Funding Lender shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Interest on Unpaid Amounts and Default Rate for Nonpayment. In the event that principal of or interest payable on the Funding Loan is not paid when due, there shall be payable on the amount not timely paid, on each Interest Payment Date, interest at the Default Rate, to the extent permitted by law. Interest on the Funding Loan shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

Section 6.12 Assignment of Project Loan; Remedies Under the Project Loan.

(a) The Funding Lender Representative shall have the right, with respect to the Project Loan, in its sole and absolute discretion, without directing the Fiscal Agent to effect an acceleration of the Funding Loan, to instruct the Fiscal Agent in writing to assign the Project Note, the Security Instrument and the other Project Loan Documents to the Funding Lender Representative, in which event the Fiscal Agent shall (a) endorse and deliver the Project Note to the Funding Lender Representative and assign (in recordable form) the Security Instrument, (b) execute and deliver to the Funding Lender Representative all documents prepared by the Funding Lender Representative necessary to assign (in recordable form) all other Project Loan Documents to the Funding Lender Representative and (c) execute all such documents prepared by the Funding Lender Representative as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (a) and (b). The Fiscal Agent's assignments to the Funding Lender Representative pursuant to this Section 6.12 shall be without recourse or warranty except that the Fiscal Agent shall represent and warrant in connection therewith (A) that the Fiscal Agent has not previously endorsed or assigned any such documents or instruments and (B) that the Fiscal Agent has the corporate authority to endorse and assign such documents and instruments and such endorsements and assignments have been duly authorized.

(b) The Funding Lender Representative shall have the right, in its own name or on behalf of the Governmental Lender or the Fiscal Agent, to declare any default and exercise any remedies under the Project Loan Agreement, the Project Note or the Security Instrument, whether or not the Governmental Note has been accelerated or declared due and payable by reason of an Event of Default or the occurrence of a mandatory prepayment.

Section 6.13 Substitution. Upon receipt of written notice from the Funding Lender Representative and the approval of the Governmental Lender in connection with a transfer of ownership of the Project and to the extent permitted under, and subject in any event to the provisions of, Section 12 of the Tax Regulatory Agreement, the Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing a new loan (the "New Project Loan"), which may be executed by a

person other than the Borrower or owner of the Project (the “New Borrower”), provided that if the Fiscal Agent, the Funding Lender or a nominee of the Fiscal Agent or the Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from the Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, the Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the Tax Regulatory Agreement (or executed and recorded an assumption of all of the Borrower’s obligations under the Tax Regulatory Agreement) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, (ii) an opinion of Bond Counsel, to the effect that such exchange and modification, in and of itself, shall not affect the exclusion, from gross income, for federal income tax purposes of the interest payable on the Governmental Note and (iii) written confirmation by the Governmental Lender that any applicable requirements of Section 12 of the Tax Regulatory Agreement have been satisfied.

ARTICLE VII

CONCERNING THE FISCAL AGENT

Section 7.01 Standard of Care. The Fiscal Agent, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement. The Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person’s own affairs.

No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and the Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) in the absence of bad faith on the part of the Fiscal Agent, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Fiscal Agent by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of the Fiscal Agent except for willful misconduct or negligence by the officer or employee of the Fiscal Agent as the case may be; and

(ii) the Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the

Funding Lender Representative relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement.

Section 7.02 Reliance Upon Documents. Except as otherwise provided in Section 7.01 hereof:

(a) the Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document of the proper party or parties, including any Electronic Notice as permitted hereunder or under the Project Loan Agreement;

(b) any notice, request, direction, election, order or demand of the Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Governmental Lender may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of the Governmental Lender;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Servicer by an Authorized Officer of the Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Funding Lender Representative by any Authorized Officer of the Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed);

(f) [Intentionally Omitted];

(g) [Intentionally Omitted];

(h) in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, receivers or attorneys, and the Fiscal Agent may consult with counsel (who may be counsel for the Governmental Lender, the Servicer or the Funding Lender Representative) and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or permitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(i) whenever in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Governmental Lender or the Borrower and such certificate shall in the absence of bad faith on the part of the Fiscal Agent be full warrant to the Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(j) the recitals herein and in the Governmental Note (except the Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon the Fiscal Agent. The Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of the Governmental Lender or the Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and the Fiscal Agent shall incur no liability or responsibility in respect of any of such matters;

(k) the Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence; and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section 7.02(k);

(l) the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with the Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. The Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent they are collecting loan payments hereunder) unless the Fiscal Agent shall receive from the Governmental Lender or the Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of the Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(l);

(m) the Fiscal Agent shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Funding Lender; and

(n) the Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of the Funding Lender Representative pursuant to Section 6.03 hereof, unless the Funding Lender Representative shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the delivery of the Governmental Note.

The Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Fiscal Agent pursuant to this Section 7.02 shall remain in effect until the Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.17 hereof.

Section 7.03 Use of Proceeds. The Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan except as provided herein.

Section 7.04 [Reserved].

Section 7.05 Trust Imposed. All money received by the Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06 Compensation of Fiscal Agent. The Fiscal Agent shall be entitled to its Ordinary Fiscal Agent's Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Fiscal Agent shall be entitled to Extraordinary Fiscal Agent's Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided the Fiscal Agent shall not incur any Extraordinary Fiscal Agent's Fees and Expenses without the consent of the Funding Lender Representative. If any property, other than cash, shall at any time be held by the Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, the Fiscal Agent, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Fiscal Agent for its services and reimbursement to the Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06, 4.11 and 6.05 hereof. The Governmental Lender shall have no liability for Fiscal Agent's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Fiscal Agent agrees that it shall continue to perform its duties hereunder

and under the Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Ordinary Fiscal Agent's Fees and Expenses or, if applicable, the Extraordinary Fiscal Agent's Fees and Expenses as required by the Project Loan Agreement.

The Borrower shall indemnify and hold harmless the Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against (a) any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the delivery of the Governmental Note or the Loans; and (c) all costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the gross negligence, willful misconduct or unlawful acts of such person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Funding Loan Agreement.

Section 7.07 Qualifications of Fiscal Agent. There shall at all times be a Fiscal Agent hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Fiscal Agent shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.07, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08 Merger of Fiscal Agent. Any association or corporation into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of the Fiscal Agent in the Loans.

Section 7.09 Resignation by the Fiscal Agent. The Fiscal Agent may at any time resign from the trusts hereby created by giving written notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative. Such notice to the Governmental Lender, the Borrower, the Servicer and the Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of the Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.10 Removal of the Fiscal Agent. The Fiscal Agent may be removed at any time, either with or without cause, with the consent of the Funding Lender Representative (which consent of the Funding Lender Representative shall not be unreasonably withheld), by a written instrument signed by the Governmental Lender and delivered to the Fiscal Agent, the Servicer and the Borrower. The Fiscal Agent may also be removed by a written instrument signed by the Funding Lender Representative and delivered to the Fiscal Agent, the Servicer, the Governmental Lender and the Borrower. In each case written notice of such removal shall be given to the Servicer, the Borrower and to the Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but the Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder.

Section 7.11 Appointment of Successor Fiscal Agent.

(a) In case at any time the Fiscal Agent shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and the Governmental Lender, with the written consent of the Funding Lender Representative, shall promptly appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Governmental Lender. If the Governmental Lender fails to appoint a successor Fiscal Agent within twenty (20) days following the resignation or removal of the Fiscal Agent pursuant to Section 7.09 or Section 7.10 hereunder, as applicable, the Funding Lender Representative may appoint a successor Fiscal Agent and shall provide written notice thereof to the Governmental Lender.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.11 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Fiscal Agent pursuant to Section 7.10 hereof, the retiring Fiscal Agent may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.12 Concerning Any Successor Fiscal Agent. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Governmental Lender, the Borrower or the Funding Lender Representative, or of its successor, and upon

payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from the Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Funding Lender.

Section 7.13 Successor Fiscal Agent . In the event of a change in the office of Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

Section 7.14 Appointment of Co Fiscal Agent or Separate Fiscal Agent. It is the intent of the Governmental Lender and the Fiscal Agent that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent, with the consent of the Governmental Lender and the Funding Lender Representative, appoint an additional individual or institution as a co fiscal agent or separate fiscal agent.

In the event that the Fiscal Agent appoints an additional individual or institution as a co fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of the Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Governmental Lender and the Fiscal Agent.

Should any instrument in writing from the Governmental Lender be required by the co fiscal agent or separate fiscal agent so appointed by the Fiscal Agent for more fully and certainly

vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender, the Fiscal Agent and the Borrower. If the Governmental Lender shall fail to deliver the same within thirty (30) days of such request, the Fiscal Agent is hereby appointed attorney-in-fact for the Governmental Lender to execute, acknowledge and deliver such instruments in the Governmental Lender's name and stead. In case any co fiscal agent or separate fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co fiscal agent or separate fiscal agent.

Every co fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon the Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Fiscal Agent;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Fiscal Agent shall be conferred or imposed upon or exercised or performed by the Fiscal Agent, or by the Fiscal Agent and such co fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co fiscal agent or separate fiscal agent;

(c) any request in writing by the Fiscal Agent to any co fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co fiscal agent or separate fiscal agent;

(d) any co fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to the Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Fiscal Agent at any time by an instrument in writing with the concurrence of the Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co fiscal agent or separate fiscal agent appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Fiscal Agent shall have power to accept the resignation of or remove any such co fiscal agent or separate fiscal agent without the concurrence of the Governmental Lender, and upon the request of the Fiscal Agent, the Governmental Lender shall join with the Fiscal Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co fiscal agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Fiscal Agent or co- fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Funding Lender Representative and delivered to the Fiscal Agent shall be deemed to have been delivered to each such co fiscal agent or separate fiscal agent; and

(h) any money, papers, securities or other items of personal property received by any such co fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to the Fiscal Agent.

The total compensation of the Fiscal Agent and any co fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15 Notice of Certain Events. The Fiscal Agent shall give written notice to the Governmental Lender, the Servicer and the Funding Lender Representative of any failure by the Borrower to comply with the terms of the Tax Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

Section 7.16 [Reserved].

Section 7.17 Filing of Financing Statements. The Fiscal Agent shall, at the expense of the Borrower, file or record or cause to be filed or recorded all UCC continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the UCC. Upon the filing of any such continuation statement the Fiscal Agent shall immediately notify the Governmental Lender, the Borrower, the Funding Lender Representative and the Servicer that the same has been done. If direction is given by the Servicer or the Funding Lender Representative, the Fiscal Agent shall file all continuation statements in accordance with such directions.

Section 7.18 USA Patriot Act Requirements of the Fiscal Agent. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such Person's formation and existence as a legal entity. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Amendments to this Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Fiscal Agent and the Governmental Lender, and with the prior written consent of the Funding Lender Representative.

Section 8.02 Amendments to Financing Documents Require Consent of Funding Lender Representative. Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of the Funding Lender Representative. The Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by the Funding Lender Representative.

Section 8.03 Opinion of Bond Counsel Required. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the Tax Regulatory Agreement shall become effective unless and until (i) the Funding Lender Representative shall have consented to the same in writing in its sole discretion and (ii) the Funding Lender Representative, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, (A) an opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in gross income of the owners thereof for federal income tax purposes, and (B) an opinion of counsel acceptable to the Funding Lender Representative to the effect that any such proposed such amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01 Discharge of Lien. If the Governmental Lender shall pay or cause to be paid to the Funding Lender the principal, interest and premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:

- (a) by the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan; or
- (b) prior to the Window Period, by the deposit to the account of the Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or
- (c) by the delivery of the Governmental Note by the Funding Lender to the Fiscal Agent for cancellation;

and shall have paid all amounts due and owing under the other Financing Documents, and shall have paid all fees and expenses of and any other amounts due to the Fiscal Agent, the Servicer and the Rebate Analyst, and if the Governmental Lender shall keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part, then these presents and the estates and rights hereby granted shall cease, determine and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by the Fiscal Agent for the payment of principal of, interest and premium, if any, on the Governmental Note, the payment of any amounts owed to the United States of America pursuant to Section 4.12 hereof.

Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 9.01 based on a deposit of moneys or securities with the Fiscal Agent

pursuant to Section 9.01(b) if, under circumstances which do not cause interest on the Governmental Note to become includable in the holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) there shall be on deposit with the Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by the Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date; (b) the Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to the Fiscal Agent and the Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan; (c) the Fiscal Agent and the Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code (x) payment of such money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (y) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan; (d) the Fiscal Agent and the Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of the Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes; and (e) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the Funding Lender and the Servicer under the Financing Documents have been fully paid.

Section 9.02 Discharge of Liability on Funding Loan. Upon the deposit with the Fiscal Agent, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to their maturity or the prepayment date of the Funding Loan) provided that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article III provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, all liability of the Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter the Funding Lender shall be entitled to payment by the Governmental Lender, and the Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 Payment of Funding Loan After Discharge of Funding Loan Agreement. Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the State, any money deposited with the Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or premium on the Governmental Note remaining unclaimed for two (2) years after the maturity or earlier payment date, to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Governmental Lender and the Fiscal Agent with respect to such money shall cease, and the Funding Lender shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01 Servicing of the Loans. The Funding Lender Representative may appoint a Servicer (which may be the Funding Lender Representative if the Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

Section 11.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, the Funding Lender, the Funding Lender Representative, the Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 11.03 Construction of Conflicts; Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

Section 11.04 Notices.

(a) Whenever in this Funding Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Governmental Lender: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, California 94553
Attention: Affordable Housing Program
Manager
Telephone: (925) 674-7793
Facsimile: (925) 674-7258

The Fiscal Agent: U.S. Bank National Association
One California Street, Suite 1000
Mail Code-SF-CA-SFCT
San Francisco, California 94111
Attention: Francine Rockett, Vice President
Facsimile: (415) 677-3769

The Borrower: Hidden Cove Apartments, LP
c/o Spira Hidden Cove, LP
1015 Fillmore Street, PMB 31735
San Francisco, CA 94115

with a copy to: Hidden Cove Apartments, LP
c/o Foundation for Affordable Housing
384 forest Avenue, Suite 14
Laguna Beach, CA 92651

and a copy to (which copy shall not constitute notice to Borrower): Carle, Mackie, Power & Ross LLP
100 B Street, Suite 400
Santa Rosa, CA 95401
Attention: Jason C. Vargelis, Esq.
Email: jvargelis@cmprlaw.com
Telephone: (707) 526-4200 Ext 148

Funding Lender Representative (as of Freddie Mac Purchase Date): Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan
Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General
Counsel -Multifamily Legal
Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903 2000

Initial Funding Lender and Servicer: Capital One, National Association
2 Bethesda Metro Center, 10th Floor
Bethesda, Maryland 20814
Attention: Servicing Department

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and by any party to the Funding Lender Representative to the Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative and the Servicer for any such information or other communication.

Section 11.05 Funding Lender Representative.

(a) The Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be the Funding Lender Representative. The Funding Lender Representative shall be entitled to all the rights and privileges of the Funding Lender hereunder and under the other Financing Documents.

(b) The Funding Lender Representative may provide written notice to the Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative, and such notice may be amended or rescinded by the Funding Lender Representative at any time by subsequent written notice. The Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by the Funding Lender to the Fiscal Agent, the Governmental Lender, the Servicer and the Borrower. The removal and reappointment shall be effective immediately upon receipt of such notice by the Fiscal Agent. The Funding Lender may appoint any Person to act as Funding Lender Representative, including, without limitation, the Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to the Fiscal Agent, the Funding Lender, the Governmental Lender, the Servicer and the Borrower, all references to Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to the Funding Lender until a successor Funding Lender Representative is appointed by the Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, the Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of the Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of the Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to the Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

Section 11.06 Payments Due on Non Business Days. In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.07 Counterparts. This Funding Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.08 Laws Governing Funding Loan Agreement . The effect and meanings of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the State without regard to conflicts of laws principles.

Section 11.09 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Funding Loan Agreement or in the Governmental Note shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Governmental Lender, either directly or through the Governmental Lender or its governing body or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, or otherwise, of any sum that may be due and unpaid by the Governmental Lender or its governing body upon the Governmental Note. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Funding Lender or otherwise of any sum that may remain due and unpaid with respect to the Funding Loan hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Note.

Section 11.10 Successors and Assigns. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Governmental Lender, the Initial Funding Lender and the Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

COUNTY OF CONTRA COSTA, CALIFORNIA

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

03007.50:J16617

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO
HIDDEN COVE FUNDING LOAN AGREEMENT]

CAPITAL ONE, NATIONAL ASSOCIATION,
a national banking association

By: _____
Randal S. Hering,
Vice President

03007.50:J16617

[INITIAL FUNDING LENDER'S SIGNATURE PAGE TO
HIDDEN COVE FUNDING LOAN AGREEMENT]

U.S. BANK NATIONAL ASSOCIATION

By: _____
Francine Rockett,
Vice President

03007.50:J16617

[FISCAL AGENT'S SIGNATURE PAGE TO HIDDEN COVE
FUNDING LOAN AGREEMENT]

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

**COUNTY OF CONTRA COSTA, CALIFORNIA
MULTIFAMILY HOUSING REVENUE NOTE
(HIDDEN COVE APARTMENTS),
2020 SERIES A**

US \$[AMOUNT]

January __, 2020

FOR VALUE RECEIVED, the undersigned, COUNTY OF CONTRA COSTA, CALIFORNIA (the "Obligor"), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of CAPITAL ONE, NATIONAL ASSOCIATION (the "Funding Lender"), and its assigns, the principal sum of [AMOUNT OF FUNDING LOAN] (US \$[AMOUNT]), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (this "Note") is being delivered pursuant to that certain Funding Loan Agreement dated as of January 1, 2020 (together with any and all amendments, modifications, supplements and restatements, the "Funding Loan Agreement"), among the Funding Lender, the Obligor and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), pursuant to which the Obligor has incurred a loan in the original principal amount of \$[AMOUNT] (the "Funding Loan"), and this Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Hidden Cove Apartments, LP, a California limited partnership (the "Borrower") pursuant to the Project Loan Agreement dated as of January 1, 2020 (the "Project Loan Agreement"), among the Obligor, the Borrower and the Fiscal Agent.

1. Defined Terms. As used in this Note, (i) the term "Funding Lender" means the owner of this Note, and (ii) the term "Indebtedness" means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note or the Funding Loan Agreement. "Event of Default" and other capitalized terms used but not defined in this Note shall have the meanings given to such term in the Funding Loan Agreement.

2. Payments of Principal and Interest. The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing February 1, 2020, interest on this Note at the rate of [_____] % per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the "Interest Rate") on the outstanding principal balance of this Note, and shall also pay interest on this Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Note subject to prepayment (each such date for payment an "Interest Payment Date"). Interest on this Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Note in full on [February] 1, 2036 (the "Maturity Date") and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in

the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. Manner of Payment. All payments under this Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. Application of Payments. If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender's discretion. Neither the Funding Lender's acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. Security. The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. Prepayment; Prepayment Premium. This Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. Forbearance. Any forbearance by the Funding Lender in exercising any right or remedy under this Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Note and all other third party obligors.

10. Loan Charges. Neither this Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "Maximum Interest Rate"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for

in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

11. Governing Law. This Note shall be governed by the laws of the State of California, without regard to conflicts of laws principles (the "Property Jurisdiction").

12. Captions. The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

13. Address for Payment. All payments due under this Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Servicer.

14. Default Rate. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the "Default Rate") equal to the lesser of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. Limited Obligation. None of the Governmental Lender or any person executing the Funding Loan Agreement, the Project Loan Agreement or this Note is liable personally on this Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and this Note are limited obligations of the Governmental Lender, payable solely from and secured by the pledge of the Revenues. Neither the Governmental Lender, nor the State of California or any of its political subdivisions, shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of this Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. This Note is not a pledge of the faith and credit of the Governmental Lender or the State of California or any of its political subdivisions nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, prepayment price or interest in respect of this Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, the Project Loan Agreement, this Note or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Project Loan Agreement.

16. Transfer. This Note may only be transferred in accordance with the requirements of Section 2.08(b) of the Funding Loan Agreement.

IN WITNESS WHEREOF, the Obligor has caused this Note to be duly executed by the manual or facsimile signature of its authorized representative.

COUNTY OF CONTRA COSTA,
CALIFORNIA

By: _____
John Gioia,
(Chair of the Board of Supervisors)

CERTIFICATE OF AUTHENTICATION

This Note is issued under the provisions of and described in the within mentioned Funding Loan Agreement.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE

EXHIBIT B

**FORM OF NOTICE OF APPOINTMENT
OF FUNDING LENDER REPRESENTATIVE**

U.S. Bank National Association
San Francisco, California

Hidden Cove Apartments, LP
San Francisco, California

County of Contra Costa, California
Martinez, California

Capital One, National Association
Bethesda, Maryland

Re: Hidden Cove Apartments

Ladies and Gentlemen:

The undersigned is the owner (the "Funding Lender") of the Multifamily Note dated [_____] (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of [DATE] (the "Funding Loan Agreement"), among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"). Pursuant to Section 11.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by the Fiscal Agent, the Funding Lender Representative appointed under Section 11.05 of the Funding Loan Agreement shall be _____. [The person or entity previously appointed as Funding Lender Representative shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.]

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____

Additional individuals may be given such authority by written notice to you from the Funding Lender Representative or from the Funding Lender.

This notice is dated as of the _____ day of _____, _____.

CAPTIAL ONE, NATIONAL ASSOCIATION

By: _____
Randal S. Hering,
Vice President

EXHIBIT C

FORM OF TRANSFEREE REPRESENTATIONS LETTER

[To be prepared on letterhead of transferee]

[Date]

County of Contra Costa, California
Martinez, California

U.S. Bank National Association, as Fiscal Agent
San Francisco, California

Re: Hidden Cove Apartments

Ladies and Gentlemen:

The undersigned (the "Funding Lender") hereby acknowledges receipt of the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of January 1, 2020 (the "Funding Loan Agreement"), among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination/purchase] of the Funding Loan by the Funding Lender, the Funding Lender hereby makes the following representations upon which you may rely:

1. The Funding Lender has authority to [originate/purchase] the Funding Loan and to execute this letter and any other instruments and documents required to be executed by the Funding Lender in connection with the [origination/purchase] of the Funding Loan.

2. The Funding Lender is an "accredited investor" under Regulation D of the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" under Rule 144(a) of said Act (such "accredited investor" or "qualified institutional buyer", a "Qualified Transferee"), and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Funding Loan.

3. The Funding Lender acknowledges that it is [originating/purchasing] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan (except as set forth below); provided, however, that the Funding Lender may, notwithstanding the foregoing and the terms of Paragraph 4 below, (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at

least “A” or better from a Rating Agency; provided, further, however, the Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) pursuant to the commitment dated [_____] (the “Freddie Mac Commitment”).

4. In addition to the right to sell or transfer the Funding Loan as set forth in Paragraph 3 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan, subject, as required under the Funding Loan Agreement, to the delivery to the Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender. Failure to comply with the transfer restrictions set forth in the Funding Loan Agreement shall cause the purported transfer to be null and void.

5. The Funding Lender understands that the Governmental Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. The Funding Lender understands that (a) the Funding Loan is not secured by any pledge of any moneys received or to be received from taxation by the State or any political subdivision thereof, (b) the Funding Loan does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender, the State or any political subdivision thereof; and (c) the liability of the Governmental Lender with respect to the Funding Loan is limited to the Pledged Security as set forth in the Funding Loan Agreement.

7. The Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, which it considers necessary to make an informed decision in connection with the [origination/purchase] of the Funding Loan. The Funding Lender has not relied upon the Governmental Lender for any information in connection with its purchase of the Funding Loan.

8. The Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the security therefor, and other material factors affecting the security and payment of the Funding Loan. The Funding Lender is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan. In entering into this transaction, the Funding Lender has not relied upon any representations or opinions of the Governmental Lender or the Fiscal Agent relating to the legal consequences or other aspects of its investment in the Funding Loan, nor has it looked to, nor expected, the Governmental Lender or the Fiscal Agent to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Financing Documents, or the adequacy of the funds pledged to the repayment of the Funding Loan.

9. The Funding Lender is not now and has never been controlled by, or under common control with, the Borrower. The Borrower has never been and is not now controlled by the Funding Lender. The Funding Lender has entered into no arrangements with the Borrower or with any affiliate in connection with the Governmental Note or the Funding Loan, other than as disclosed to the Governmental Lender.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

[SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT D

**COSTS OF ISSUANCE REQUISITION
(Cost of Issuance Fund)**

U.S. Bank National Association, as Fiscal Agent

Re: Hidden Cove Apartments

Fiscal Agent:

You are requested to disburse funds from the Cost of Issuance Fund pursuant to Section 4.13 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the "Requisition"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "Funding Loan Agreement"), dated as of January 1, 2020, by and among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California and U.S. Bank National Association, as Fiscal Agent, securing the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note").

REQUISITION NO.:
PAYMENT DUE TO:
AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (the "Borrower"), certifies that:

(a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Cost of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and

(b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited partnership, its Administrative General Partner

By: Spira Hidden Cove, LLC, a California limited liability company, its General Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California limited liability company, its Manager General Partner

By: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

EXHIBIT E

**PROJECT LOAN FUND REQUISITION
(Project Loan Fund)**

U.S. Bank National Association, as Fiscal Agent

Re: Hidden Cove Apartments

You are requested to disburse funds from the Project Loan Fund pursuant to Section 4.02 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the "Requisition"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "Funding Loan Agreement"), dated as of January 1, 2020, by and among Capital One, National Association, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the County of Contra Costa, California (the "Governmental Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"), securing the County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A, dated January __, 2020 (the "Governmental Note").

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT(S) TO BE DISBURSED: \$ _____ from the Project Account
\$ _____ from the Borrower Equity Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Servicer to submit this Requisition to the Fiscal Agent on behalf of Borrower:

1. Purposes for which disbursement is requested are specified in the attached Schedule.
2. Party or parties to whom the disbursements shall be made are specified in the attached Schedule (may be the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, that no reimbursement shall be made for advances and payments made prior to _____, 2019).
3. The undersigned certifies that:
 - a. the conditions precedent to disbursement set forth in the Continuing Covenant Agreement have been satisfied;
 - b. the disbursement requested pursuant to this Requisition will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Continuing Covenant Agreement;
 - c. none of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on the Schedule attached hereto, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items;

d. all labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project;

e. the materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest;

f. all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Funding Loan Agreement, the Project Loan Agreement, the Tax Regulatory Agreement and the Tax Certificate, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

g. with respect to amounts from the Project Account of the Project Loan Fund, not less than 95% of the sum of:

(A) the amounts requisitioned by this Requisition; plus

(B) all amounts previously requisitioned and disbursed from the Project Account of the Project Loan Fund;

have been or will be applied by Borrower to pay the Costs of the Project;

h. Borrower is not in default under the Project Loan Agreement, the Continuing Covenant Agreement or any other Project Loan Document to which it is a party and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents;

i. no amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or pay debt service with respect to the Loans; and

j. Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.

[Following items may not be required for Initial Disbursement]

4. Estimated costs of completing the uncompleted Repairs (as defined in the Continuing Covenant Agreement) as of the date of this Requisition: _____.

5. Percent of the Repairs completed as of the date this request: _____%

6. The Borrower certifies that monthly occupancy for the month preceding this Requisition was _____, as indicated by the attached rent roll which is true, correct and complete.

7. The Borrower certifies that net operating income for the month preceding this Requisition was _____, as indicated by the attached operating statement.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date first above written.

Date: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited partnership, its Administrative General Partner

By: Spira Hidden Cove, LLC, a California limited liability company, its General Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California limited liability company, its Manager General Partner

By: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

APPROVED:

CAPITAL ONE, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

PROJECT LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

among

**COUNTY OF CONTRA COSTA, CALIFORNIA
as Governmental Lender**

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

and

**HIDDEN VALLEY COVE, LP,
a California limited partnership,
as Borrower**

**Relating to:
Hidden Cove Apartments
2901 Mary Ann Lane, Baypoint, California
Original Project Loan Principal Amount: \$[AMOUNT]**

Dated as of January 1, 2020

All of the right, title and interest of the County of Contra Costa, California (except for its Unassigned Rights) in and to this Project Loan Agreement are being assigned to U.S. Bank National Association, as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of January 1, 2020 by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

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[TO BE UPDATED]

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PROJECT LOAN AGREEMENT – TEL (Immediate)

FIXED RATE

(Revised 9-30-2019)

THIS PROJECT LOAN AGREEMENT (this “Project Loan Agreement”) is made and entered into as of January 1, 2020, by and among the County of Contra Costa, California (the “Governmental Lender”), a public body, corporate and politic, duly organized and existing under the laws of the State of California (the “State”), U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the “Fiscal Agent”), and Hidden Cove Apartments, LP, a limited partnership duly organized and existing under the laws of the State of California (together with its successors and assigns permitted hereunder, the “Borrower”).

RECITALS

A. Pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code (the “Act”) and this Project Loan Agreement, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[AMOUNT] (the “Project Loan”) to provide for the financing of a multifamily rental housing development located at 2901 Mary Ann Lane, in the unincorporated area of the Governmental Lender known as Bay Point (the “Project”).

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the loan in the original principal amount of \$[AMOUNT] (the “Funding Loan” and together with the Project Loan, the “Loans”) made to the Governmental Lender pursuant to the Funding Loan Agreement (the “Funding Loan Agreement”), by and among Capital One, National Association, in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the Governmental Lender and the Fiscal Agent. The Funding Loan is being originated and funded by the Initial Funding Lender and is evidenced by the Governmental Lender’s County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A dated January __, 2020 (together with all riders and addenda thereto, the “Governmental Note”) delivered by the Governmental Lender to the Initial Funding Lender.

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”), has entered into a commitment with the Initial Funding Lender dated [_____] (the “Freddie Mac Commitment”) whereby Freddie Mac has agreed to purchase the Funding Loan upon the satisfaction of the conditions set forth in the Freddie Mac Commitment (the “Freddie Mac Purchase Date”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined).

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project and to pay certain closing costs with respect to the Loans.

E. The Borrower’s repayment obligations in respect of the Project Loan will be evidenced by a Project Note dated January __, 2019 (together with all riders and modifications thereto, the “Project Note”) delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (the "Security Instrument") with respect to the Project, which Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans (in such capacity and any successor in such capacity, the "Funding Lender Representative"). Capital One, National Association (the "Servicer") will act as initial servicer for the Loans on behalf of the Funding Lender Representative.

H. The Borrower is also entering into a Continuing Covenant Agreement dated as of the date hereof with the Initial Funding Lender (the "Continuing Covenant Agreement"), which sets forth various other requirements with respect to the Project, and which agreement is being assigned to Freddie Mac on the Freddie Mac Purchase Date.

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All words and phrases (except for Event of Default) defined in the Funding Loan Agreement and the Continuing Covenant Agreement shall have the same meanings for the purposes of this Project Loan Agreement. In addition to the words and phrases defined in the Funding Loan Agreement and elsewhere herein, the following words and phrases shall have the following meanings:

"Event of Default" means any of those events specified in and defined by the applicable provisions of Article VII hereof to constitute an event of default.

"Fee Component" means the regular, ongoing fees due from time to time to the Governmental Lender, the Fiscal Agent and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

[IF APPLICABLE: "Loan Equalization Payment" means a mandatory prepayment of the Project Loan at the discretion of the Funding Lender Representative in an amount not to exceed \$_____ if the Project does not meet the achievement standards set forth in the Continuing Covenant Agreement.

"Project Loan Agreement" means this Project Loan Agreement, together with any amendments hereto.

"Project Loan Amortization Schedule" means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

"Project Loan Payment" means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

“Project Loan Payment Date” means (A) the first day of each calendar month, commencing February 1, 2020, or (B) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date.

“Servicing Fee” means the ordinary fee payable to the Servicer in connection with the servicing of the Project Loan and the Funding Loan payable monthly in an amount equal to one twelfth of [_____] % of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

“Taxes” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.02 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. References to Articles, Sections and other subdivisions of this Project Loan Agreement are the Articles, sections and other subdivisions of this Project Loan Agreement as originally executed.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Project Loan Agreement; the term “heretofore” means before the date of execution of this Project Loan Agreement; and the term “hereafter” means after the date of execution of this Project Loan Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 Representations, Warranties and Covenants of the Governmental Lender. The Governmental Lender makes the following representations, warranties and covenants for the benefit of the Funding Lender and the Servicer:

(a) The Governmental Lender is a public body, corporate and politic, duly organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the Tax Regulatory Agreement, the Assignment and its endorsement to the Project Note and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note as provided in the Funding Loan Agreement and make the Project Loan from the proceeds thereof as provided in this

Project Loan Agreement and for the sale, execution and delivery of the Governmental Note.

(d) Each of the Financing Documents to which the Governmental Lender is a party has been duly and validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Governmental Lender, enforceable against the Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) The Governmental Lender has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which the Governmental Lender is a party, the consummation of the transactions on the part of the Governmental Lender contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Governmental Lender of, and performance by the Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending with respect to which the Governmental Lender has been served with process by or before any court, governmental agency or public board or body, nor, to the Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the Board of Supervisors of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement; (iv) questions the tax exempt status of the interest on the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under the Governmental Note or this Project Loan Agreement, the Funding Loan Agreement or the Tax Regulatory Agreement, or to carry out the transactions on its part contemplated by the Governmental Note, this Project Loan Agreement, the Funding Loan Agreement and the Tax Regulatory Agreement.

(h) No officer or other official of the Governmental Lender has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) To the extent it has received assurance satisfactory to the Governmental Lender that the Governmental Lender will be reimbursed for its expenses incurred or to be incurred in connection therewith and is otherwise indemnified against liability related thereto, enforce or cause to be enforced all obligations of the Borrower under the Tax Regulatory Agreement in accordance with its terms.

It is expressly acknowledged that the Governmental Lender makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale, execution and delivery of the Governmental Note and any of the Financing Documents, or as to the correctness, completeness or accuracy of such statements. Also, it is expressly acknowledged that the Governmental Lender is making no representations as to the necessity of registering the Governmental Note pursuant to any securities laws or complying with any other requirements of securities laws.

Section 2.02 Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Project Loan Agreement, are relied upon by the Governmental Lender, the Funding Lender, the Servicer and the Fiscal Agent and serve as a basis for the undertakings of the Governmental Lender, the Servicer and the Fiscal Agent contained in this Project Loan Agreement:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State of California and is duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents. All partnership general partners are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority to (i) own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) execute and deliver, carry out its obligations under, and close the transactions provided for in, the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of

rehabilitation of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) [intentionally omitted]

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Note.

(h) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform and[, following completion of the rehabilitation of the Project,] will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of the Borrower or the enforceability of the Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) All of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and Tax Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Governmental Lender, the Servicer and the Funding Lender Representative by the Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no member of the Board of Supervisors, officer or employee of the Governmental Lender has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement, to sell all or any portion of the Project.

(q) The Project is located wholly within the boundaries of the County of Contra Costa, California.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Governmental Note. The Borrower shall operate the Project as required by the Tax Regulatory Agreement.

(s) The Funding Loan Agreement has been submitted to the Borrower for examination, and the Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(t) The Borrower will have a fee simple interest in the land and improvements on the Project, subject only to liens permitted under the Security Instrument.

(u) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Servicer in any manner.

Section 2.03 Representations and Warranties of the Fiscal Agent. The Fiscal Agent makes the following representations and warranties for the benefit of the Governmental Lender, the Borrower, the Funding Lender and the Servicer:

(a) The Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States. The Fiscal Agent is duly authorized to act as a fiduciary and to execute the trust created by the Funding Loan Agreement, and meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(b) The Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) The Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of the Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which the Fiscal Agent is a party has been duly executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Fiscal Agent meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(f) The Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Fiscal Agent described or contemplated in the Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party. The Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.04 Arbitrage and Rebate Fund Calculations. The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.12 of the Funding Loan Agreement, and (b) if required to do so under Section 4.12 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Governmental Lender for the purpose of making any and all calculations required under Section 4.12 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.12 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.05 Tax Covenants of the Borrower. The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the Tax Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Governmental Note to be included in gross income of the owner of the Governmental Note for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Tax Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Governmental Note;

(d) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder throughout the term of the Funding Loan and the Project Loan and will not make any use of the proceeds of the Funding Loan or the Project Loan,

or of any other funds which may be deemed to be proceeds of the Governmental Note under the Code and the related regulations of the United States Treasury, which would cause the Governmental Note to be “arbitrage bonds” within the meaning of Section 148 of the Code; and

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Governmental Note becoming includable in gross income of the Funding Lender for purposes of federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer.

(f) The full amount of each disbursement of proceeds of the Project Loan will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Governmental Note (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Governmental Note will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Governmental Note (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Tax Regulatory Agreement;

(h) All leases for rental units in the Project will comply with all applicable laws and the Tax Regulatory Agreement;

(i) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not to use that portion of the Project in any manner which would violate the covenants set forth in this Project Loan Agreement or the Tax Regulatory Agreement;

(j) No proceeds of the Funding Loan shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(k) From the proceeds of the Funding Loan and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Funding Loan will be used for Costs of Issuance of the Governmental Note, all within the meaning of Section 147(g)(1) of the Code; and

(l) No proceeds of the Funding Loan shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used

for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III

THE PROJECT LOAN

Section 3.01 Conditions to Funding the Project Loan. On the Delivery Date, the Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Title Company in accordance with Section 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The proceeds of the Funding Loan shall be disbursed by the Title Company pursuant to the Settlement Statement to make the Project Loan on behalf of the Governmental Lender, provided that no authorization for the disbursements of proceeds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Governmental Lender the Project Note and the Governmental Lender shall have endorsed the Project Note to the Fiscal Agent;

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by Funding Lender Representative, shall have been executed and delivered by the Borrower and the Governmental Lender, respectively, and delivered to the Title Company for recording in the Contra Costa County Recorder's Office (the "Recorder's Office");

(c) The Tax Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the title company for recording in the Recorder's Office, and the Fiscal Agent shall have received evidence satisfactory to it of such delivery;

(d) All other Financing Documents not listed above shall have been executed and delivered by all parties thereto and delivered to the Fiscal Agent; and

(e) The Borrower shall have delivered to the Fiscal Agent, the Governmental Lender, the Funding Lender Representative and the Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to the Fiscal Agent, the Governmental Lender, Bond Counsel, the Funding Lender Representative, Freddie Mac and the Servicer.

Section 3.02 Terms of the Project Loan; Servicing.

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of \$[AMOUNT]; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) The Funding Lender Representative may appoint a Servicer to service the Loans for all or a portion of the term of the Loans. The initial Servicer of the Loans is Capital One,

National Association, who shall service the Loans pursuant to the terms of the Commitment and the Guide. The Funding Lender Representative may remove a Servicer or appoint a replacement Servicer, in its discretion, by written notice provided to the Governmental Lender, the Fiscal Agent and the Borrower. Any successor Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to the Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that the Servicer services the Loans, the Borrower shall make all payments in connection with the Project Loan to the Servicer, and the Servicer will (i) retain the allocable portion of the monthly Servicing Fee for its own account, (ii) remit to the Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan, together, with any other amounts due to the Funding Lender, (iii) remit to the Fiscal Agent the Ordinary Fiscal Agent's Fees and Expenses, together with any other amounts due to the Fiscal Agent, and (iv) remit to the Governmental Lender the Governmental Lender Fee, together with any other amounts due to the Governmental Lender. During a period in which there is no Servicer, all notices to be sent to the Servicer shall be sent to the Funding Lender Representative (to the extent not already provided) and all amounts to be paid to the Servicer by the Borrower shall be paid directly to the Fiscal Agent (unless otherwise directed by the Funding Lender Representative).

(d) The Governmental Lender, the Fiscal Agent and the Borrower hereby acknowledge and agree that (i) the Funding Lender Representative has appointed the Servicer to service and administer the Project Loan, (ii) the selection or removal of any Servicer is in the sole and absolute discretion of the Funding Lender Representative; (iii) none of the Governmental Lender, the Fiscal Agent or the Borrower shall terminate or attempt to terminate any Servicer as the servicer for the Project Loan or appoint or attempt to appoint a substitute servicer for the Project Loan, (iv) the Guide is subject to amendment without the consent of the Fiscal Agent, the Governmental Lender or the Borrower; and (v) none of the Fiscal Agent, the Governmental Lender or the Borrower shall have any rights under, or be a third party beneficiary of, the Guide.

Section 3.03 Initial Deposits. On the Delivery Date, proceeds of the Funding Loan in the amount of \$[_____] shall be deposited with the Title Company to be disbursed pursuant to the Settlement Statement. A portion of the proceeds of the Funding Loan in the amount of \$[_____] shall be delivered by the Title Company to the Fiscal Agent. The Fiscal Agent shall deposit such proceeds received from the Title Company to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided herein and in Section 4.02 of the Funding Loan Agreement. The Borrower will cause to be deposited with the Fiscal Agent the amount of \$[_____] for credit to the Borrower Equity Account of the Project Loan Fund. The Borrower will deposit with the Servicer the sum of \$[_____] as the Initial Debt Service Deposit. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan Fund are to be disbursed to the Borrower or otherwise as provided in Section 4.02 of the Funding Loan Agreement.

The Borrower shall pay all costs of closing the Loans through the Title Company and to the extent such amounts deposited with the Title Company are insufficient to pay all costs of closing the Loans, shall cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.

Section 3.04 Pledge and Assignment to Fiscal Agent. The parties hereto acknowledge, and the Borrower consents to, the pledge and assignment by the Governmental Lender to the Fiscal Agent pursuant to the Funding Loan Agreement of all of the Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project

Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

Section 3.05 Investment of Funds. Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan Agreement shall be invested or reinvested by the Fiscal Agent in Qualified Investments in accordance with Section 4.08 of the Funding Loan Agreement.

Section 3.06 Damage; Destruction and Eminent Domain. If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Governmental Lender, the Borrower, the Fiscal Agent or the Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

Section 3.07 Enforcement of Financing Documents. The Fiscal Agent or the Funding Lender Representative may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

ARTICLE IV

LOAN PAYMENTS

Section 4.01 Payments Under the Project Note; Independent Obligation of Borrower.

(a) Payment Obligations. The Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable the Fiscal Agent, on behalf of the Governmental Lender, or the Servicer, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with premium, if applicable), acceleration or otherwise. To ensure such timely payment, the Servicer shall collect from the Borrower, and the Borrower shall provide to the Servicer the foregoing payments not less than two (2) Business Days prior to each respective Project Loan Payment Date.

The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent obligation of the Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by the Borrower under and pursuant to the Project Note shall be credited against the Borrower's obligations hereunder on a dollar for dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of the Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) Obligations Unconditional; No Set-Off. The obligation of the Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project Loan

Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender or the Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) Payments from Borrower to Fiscal Agent or Servicer. Each payment by the Borrower hereunder or under the Project Note shall be made in immediately available funds to the Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to the Fiscal Agent if there is no Servicer or if the Borrower is so directed in writing by the Funding Lender Representative. Each such payment shall be made to the Fiscal Agent or the Servicer, as applicable, by deposit to such account as the Fiscal Agent or the Servicer may designate by written notice to the Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

Section 4.02 Additional Payments Under the Project Note and this Project Loan Agreement.

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by the Borrower under the Project Note include certain money to be paid in respect of, among others, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of the Borrower described in Section 3.03, the Borrower shall pay (or cause to be paid by the Servicer or the Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Cost of Issuance Fund, as applicable)), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, all third party and out of pocket expenses of Freddie Mac

(including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(ii) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Governmental Lender, the Governmental Lender Issuance Fee and the first years' Governmental Lender Annual Fee (as such terms are defined in the Tax Regulatory Agreement).

(iii) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Servicer (including but not limited to the fees and expenses of counsel to the Servicer, if any) in connection with the Loans.

(iv) On the Delivery Date, from money on deposit with the Title Company or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Fiscal Agent, an acceptance fee in an amount equal to \$[_____] and reimbursement for legal expenses of \$_____, together with all third party and out of pocket expenses of the Fiscal Agent (including but not limited to the fees and expenses of counsel to the Fiscal Agent) in connection with the Loans and the issuance of the Governmental Note.

(v) To the Fiscal Agent, the Ordinary Fiscal Agent's Fees and Expenses and the Extraordinary Fiscal Agent's Fees and Expenses when due from time to time.

(vi) To the Governmental Lender, the Governmental Lender Fee when due and any extraordinary expenses not covered by the Governmental Lender Fee the Governmental Lender may incur in connection with the Financing Documents or the Project from time to time.

(vii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(viii) To the Funding Lender Representative, any amount due and owing the Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(ix) To the Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of the Servicer as provided in the Continuing Covenant Agreement.

(x) To the Servicer, the amounts required to be deposited in respect of reserves and impounds required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xi) If the Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to the Fiscal Agent, within two (2) Business Days of receipt from the Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

Section 4.03 Payments to Rebate Fund. The Borrower shall pay when due to the Fiscal Agent at the Principal Office of the Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.12 of the Funding Loan Agreement.

Section 4.04 Prepayment.

(a) Optional Prepayment of the Project Loan. The Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) Mandatory Prepayment of the Project Loan. The Borrower shall be required to pay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) Defeasance of the Funding Loan. In addition, prior to the Window Period, the Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, the Borrower will give written notice (a "Defeasance Notice") to the Funding Lender Representative, the Servicer, the Governmental Lender and the Fiscal Agent of the date the Borrower desires to defease the Funding Loan (the "Defeasance Date"). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, the Borrower shall cause to be paid to the Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, the Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and the Borrower shall be entitled to the release of the Security Instrument, the Pledged Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

Section 4.05 Borrower's Obligations Upon Prepayment. In the event of any prepayment, the Borrower will timely pay, or cause to be paid through the Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and premium, if any. In addition, the Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

Section 4.06 Limits on Personal Liability.

(a) Except as otherwise set forth in Section 9 of the Project Note and subsection 4.06(b) below, the obligations of the Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of the Borrower which shall be enforced only against the Project and other property of the Borrower encumbered by the Financing Documents and not personally against the Borrower or any partner of the Borrower or any successor or assign of the Borrower. However, nothing in this Section 4.06 shall limit the right of the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan

Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that the Servicer or the Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and each of the Borrower's general partners: (i) the Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(iv), (b)(v), and (b)(vi) of Section 4.02 hereof; (ii) the Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04 and 4.03 of this Project Loan Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.01 Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Section 5.02 Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.03 Funding Loan Agreement Provisions. The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by the Borrower. Whenever the Funding Loan Agreement by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Funding Loan Agreement, and the Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if the Borrower were a party to the Funding Loan Agreement.

Section 5.04 Reserved.

Section 5.05 Borrower to Maintain Its Existence; Certification of No Default.

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Fiscal Agent a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

Section 5.06 Borrower to Remain Qualified in State and Appoint Agent. The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.07 Sale or Other Transfer of Project. The Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and upon receipt of the prior written consent of the Governmental Lender and the Funding Lender Representative.

Section 5.08 Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Project Loan Agreement, the Governmental Lender, the Fiscal Agent, the Servicer and/or the Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

Section 5.09 Notice of Certain Events. The Borrower shall promptly advise the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.10 Survival of Covenants. The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to the Fiscal Agent, the resignation or removal of the Fiscal Agent.

Section 5.11 Access to Project; Records. Subject to reasonable notice and the rights of tenants at the Project, the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours: (a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; (b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; and (c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, as the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Governmental Lender, the Fiscal Agent, the Servicer and the Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

Section 5.12 Tax Regulatory Agreement. The covenants of the Borrower in the Tax Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the Governmental Lender and the Funding

Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the Tax Regulatory Agreement. The Borrower covenants to file of record the Tax Regulatory Agreement and such other documents, and to take such other steps as are necessary in order to assure that the restrictions contained in the Tax Regulatory Agreement will, subject to the terms of the Tax Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the Tax Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, the Governmental Lender shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the Tax Regulatory Agreement.

Section 5.13 Damage, Destruction and Condemnation. If prior to full payment of the Funding Loan (or provision for payment of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

Section 5.14 Obligation of the Borrower To Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch (and in no event later than required under the Financing Documents) to complete the rehabilitation, development and equipping of the Project as required by the Financing Documents. If amounts on deposit in the Project Loan Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, rehabilitation, development and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender Representative or the Funding Lender in respect of any such additional costs or to any diminution or abatement in the repayment of the Project Loan. None of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Project Loan Fund or otherwise made available to the Borrower will be sufficient to complete the Project, and none of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative or the Servicer shall be liable to the Borrower or any other person if for any reason the Project is not completed.

Section 5.15 Filing of Financing Statements. The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of the Governmental Lender, the Fiscal Agent and the Funding Lender in connection with such security interests. The Borrower shall cooperate with the Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

ARTICLE VI

INDEMNIFICATION

Section 6.01 Indemnification.

(a) Indemnified Losses. To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and each of their respective officers, Supervisors, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages (including, but not limited to, consequential and punitive damages), claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise (collectively, "Losses"), to the extent arising, directly or indirectly, out of or based upon or in any way relating to:

(i) any breach by the Borrower of its obligations under the Financing Documents or the execution, amendment, restructuring or enforcement thereof, or in connection with transactions contemplated thereby, including the issuance, sale, transfer or resale of the Governmental Note;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, construction or equipping of, the Project or any part thereof;

(iii) any accident, injury to, or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof;

(iv) any lien (other than liens permitted under the Continuing Covenant Agreement) or charge upon payments by the Borrower to the Governmental Lender, the Fiscal Agent or the Servicer hereunder, or any Taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Fiscal Agent in respect of any portion of the Project (other than income and similar taxes on fees received or earned in connection therewith);

(v) any violation of any environmental law, rule or regulation with respect to, or the release of any hazardous materials from, the Project or any part thereof;

(vi) [Reserved];

(vii) the enforcement of, or any action taken by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative related to remedies under this Project Loan Agreement, the Funding Loan Agreement or any other Financing Document;

(viii) any untrue statement of a material fact or alleged untrue statement of a material fact by the Borrower contained in any offering statement or document for the Governmental Note or any of the Financing Documents to which the Borrower is a party, or any omission or alleged omission by the Borrower of a material fact from any offering

statement or document for the Governmental Note necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading;

(ix) any declaration of taxability of interest on the Governmental Note or allegations (or regulatory inquiry) that interest on the Governmental Note is includable in gross income for federal income tax purposes (including any Determination of Taxability);

(x) any audit or inquiry by the Internal Revenue Service with respect to the Project and/or the tax-exempt status of the Governmental Note; or

(xi) the Fiscal Agent's acceptance or administration of the trust of the Funding Loan Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Governmental Note to which it is a party;

except (A) in the case of the foregoing indemnification of the Fiscal Agent, or any of its respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the negligence, unlawful acts or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Servicer, the Funding Lender or the Governmental Lender or any of their respective officers, commissioners, Supervisors, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the willful misconduct of such Indemnified Party.

(b) Procedures. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from such Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected or approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that such Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may employ separate counsel at the expense of the Borrower only if, in such Indemnified Party's good faith judgment, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) Borrower to Remain Obligated. Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Project Loan Agreement, the Security Instrument and the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer unless (i) such subsequent owner assumed in writing at the time of such transfer all obligations of the Borrower under this Section 6.01 (including obligations under this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer) and (ii) any such transfer is in compliance with the requirements of the Financing Documents.

(d) Survival. The provisions of this Section 6.01 shall survive the termination of this Project Loan Agreement.

(e) No Limitation on Other Indemnification Rights. The provisions of this Section 6.01 shall not operate to limit any other rights of the Governmental Lender to be held harmless,

defended or indemnified by the Borrower under any other instrument or agreement, including, without limitation, the Tax Regulatory Agreement

Section 6.02 Limitation With Respect to the Funding Lender. Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that the Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, the Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that the Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to the Funding Lender (or its nominee), the Funding Lender's (or its nominee's) obligations under this Article VI shall be limited to acts and omissions of the Funding Lender (or its nominee) occurring during the period of the Funding Lender's (or its nominee's) ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. The following shall be "Events of Default" under this Project Loan Agreement, and the term "Event of Default" shall mean, whenever it is used in this Project Loan Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Project Loan Agreement, the Project Note or the Security Instrument at the times and in the amounts required by this Project Loan Agreement, the Project Note and the Security Instrument, as applicable;

(c) The Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of 30 days after notice of such failure by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in the Funding Lender Representative's sole discretion, adversely affect the Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in the Funding Lender Representative's judgment, absent immediate exercise by the Funding Lender Representative of a right or remedy under this Project Loan Agreement, result in harm to the Funding Lender, impairment of this Project Loan Agreement or any other Financing Document;

(d) The occurrence of a default under the Continuing Covenant Agreement or the Security Instrument (after taking into account any applicable cure period thereunder) shall at the discretion of the Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if the Fiscal Agent is provided written notice by the Funding Lender Representative that an Event of Default has occurred under such Financing Document and the Fiscal Agent is instructed by the Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

Section 7.02 Remedies on Default. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), may take any one or more of the following remedial steps:

(a) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may, without being required to give any notice (other than to the Governmental Lender or the Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(c) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, the Governmental Lender and the Fiscal Agent may pursue remedies with respect to the Unassigned Rights.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of and interest and any premium on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

Section 7.03 No Remedy Exclusive. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against the Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), at any time and from time to time, whether or not the Funding Lender has accelerated the Project Loan, and whether or not the Funding Lender shall have commenced any foreclosure proceeding

or other action for the enforcement of its rights and remedies under any of the Financing Documents. No remedy conferred upon or reserved to the Funding Lender or the Fiscal Agent by this Project Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Project Loan Agreement.

Section 7.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower shall default under any of the provisions of this Project Loan Agreement and the Governmental Lender, the Fiscal Agent, the Servicer or the Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Project Loan Agreement or in the Project Note, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.05 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06 Control of Proceedings.

(a) If an Event of Default has occurred and is continuing, notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of the Funding Lender Representative.

(b) The Governmental Lender and the Fiscal Agent covenant that they will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) prosecute any action with respect to a lien on the Project; or
- (ii) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Project Loan; or
- (iii) interfere with or attempt to influence the exercise by the Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any event of default by the Borrower under the Financing Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender or the Fiscal Agent may:

(i) specifically enforce the tax covenants of the Borrower specified in Section 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof;

(ii) specifically enforce the Tax Regulatory Agreement or seek injunctive relief against acts which may be in violation of the Tax Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Code and State law, including the Act (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may the Governmental Lender or the Fiscal Agent seek any form of monetary damages from the Borrower in connection with such enforcement).

In addition, notwithstanding Section 7.06(a) and 7.06(b) hereof, the Governmental Lender and the Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of the Governmental Lender, the Fiscal Agent or any Indemnified Party related to the Governmental Lender or the Fiscal Agent under Section 6.01 (each a "Related Indemnified Party") to enforce their respective rights against the Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of the Borrower to the Governmental Lender, the Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for the Fiscal Agent's right to receive payment of reasonable fees and expenses pursuant to Section 6.05(a) of the Funding Loan Agreement after an event of default with respect to the Funding Loan, which reasonable fees and expenses of the Fiscal Agent shall be payable as provided thereunder). Accordingly, none of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

Section 7.07 Assumption of Obligations. In the event that the Fiscal Agent or the Funding Lender or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Project Loan Agreement, the Project Note, the Tax Regulatory Agreement, and any other Financing Documents to which the Borrower is a party or with respect to which it is a third-party beneficiary. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices.

(a) Whenever in this Project Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Servicer shall also be given to the Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to the Funding Lender Representative shall be given to the Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Notice of written instructions and/or directions pursuant to this Project Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative for any such information or other communication.

Section 8.02 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Governmental Lender, the Fiscal Agent, the Servicer, the Funding Lender and the Funding Lender Representative, as applicable.

Section 8.03 Governing Law. This Project Loan Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws of the State without regard to conflicts of laws principles and, where applicable, the laws of the United States of America.

Section 8.04 Modifications in Writing. Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.05 Further Assurances and Corrective Instruments. The Governmental Lender, the Fiscal Agent and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by the Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

Section 8.06 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

Section 8.07 Severability. The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.08 Counterparts. This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.09 Amounts Remaining in Loan Payment Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

Section 8.10 Effective Date and Term. This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the date hereof, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

Section 8.11 Cross References. Any reference in this Project Loan Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

Section 8.12 Funding Lender Representative and Servicer as Third Party Beneficiaries. The parties hereto agree and acknowledge that the Funding Lender Representative and the Servicer are third party beneficiaries of this Project Loan Agreement.

Section 8.13 Reserved.

Section 8.14 Non-Liability of Governmental Lender. None of the Governmental Lender, any member of the Board of Supervisors of the Governmental Lender or any person executing the Funding Loan Agreement, this Project Loan Agreement or the Governmental Note is liable personally on the Governmental Note or subject to any personal liability or accountability by reason of its execution and delivery. The Funding Loan Agreement and the Governmental Note are limited obligations of the Governmental Lender, payable solely from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to this Project Loan Agreement. Neither the Governmental Lender nor the State of California or any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the payments due in respect of the Governmental Note, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for its payment. The Governmental Note is not a pledge of the faith and credit of the Governmental Lender or the State of California or any of its political subdivisions nor does it constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Governmental Lender shall not be liable for payment of the principal of, Prepayment Premium or interest in respect of the Governmental Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Funding Loan Agreement, this Project Loan Agreement, the Governmental Note or any other Financing Document, except only to the extent amounts are received for the payment thereof from the Borrower under this Project Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender's sole source of money to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Project Loan Agreement, together with investment income on certain funds and accounts held by the Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Prepayment Premium) and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Fiscal Agent, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Fiscal Agent, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Fiscal Agent, the Governmental Lender or any such third party, as the case may be, therefor but solely, in the case of the Governmental Lender, from the Revenues, other than with respect to any deficiency caused by the willful misconduct of the Governmental Lender.

Section 8.15 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any Supervisor, director, employee, agent or officer, as such, past, present, or future, of the Governmental Lender, either directly or through the Governmental Lender, or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such Supervisor, director, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan,

is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

Section 8.16 Capacity of the Fiscal Agent. The Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as Fiscal Agent and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Fiscal Agent under the Funding Loan Agreement. The Fiscal Agent shall be responsible only for the duties of the Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

Section 8.17 Reliance. The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by the Governmental Lender, the Fiscal Agent, Bond Counsel, the Servicer, the Funding Lender and the Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Governmental Lender and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender or the Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than the Governmental Lender) that:

(a) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Funding Lender or the Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by the Governmental Lender;

(b) the Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender Representative, the Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Project Loan Agreement shall require the Governmental Lender or the Fiscal Agent to expend or risk its own funds (apart from the proceeds of Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Project Loan Agreement all as of the date first set forth above.

COUNTY OF CONTRA COSTA,
CALIFORNIA

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

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Francine Rockett,
Vice President

[FISCAL AGENT'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California limited
partnership, its Administrative General
Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

[BORROWER'S SIGNATURE PAGE TO
HIDDEN COVE APARTMENTS PROJECT LOAN AGREEMENT]

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Paul J. Thimmig, Esq.

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

by and between the

COUNTY OF CONTRA COSTA, CALIFORNIA

and

**HIDDEN COVE APARTMENTS, LP,
a California limited partnership**

dated as of January 1, 2020

relating to:

**\$ _____
County of Contra Costa, California
Multifamily Housing Revenue Note
(Hidden Cove Apartments) 2020 Series A**

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement"), dated as of January 1, 2020, is by and between the COUNTY OF CONTRA COSTA, CALIFORNIA, a public body, corporate and politic, duly organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Governmental Lender"), and HIDDEN COVE APARTMENTS, LP, a limited partnership duly organized, validly existing and in good standing under the laws of the State of California (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower").

R E C I T A L S :

WHEREAS, on May 7, 2003, the Governmental Lender issued its County of Contra Costa Multifamily Housing Revenue Bonds (Hidden Cove Apartments Project) 2003 Series A (the "2003 Bonds") the proceeds of which were used to make a loan (the "Prior Loan") to Steadfast Hidden Cove, L.P., a California limited partnership (the "Prior Owner") to finance costs of an 88-unit multifamily residential rental facility known as Hidden Cove Apartments (the "Project") located in the Bay Point unincorporated area of the County on the site described in Exhibit A hereto; and

WHEREAS, at the time of the issuance of the 2003 Bonds, the Governmental Lender, the Prior Owner and Wells Fargo Bank, National Association, as trustee for the 2003 Bonds, entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003 (the "Prior Regulatory Agreement"), imposing various requirements on the Project in order to satisfy requirements of the Internal Revenue Code of 1986, as amended (the "Code") and provisions of the California Health and Safety Code applicable to the Project by reason of the issuance of the 2003 Bonds and the use of proceeds of the 2003 Bonds to finance the Project; and

WHEREAS, the Governmental Lender now proposes to enter into a Funding Loan Agreement, dated as of January 1, 2020 (as supplemented and amended from time to time, the "Funding Loan Agreement"), among the Governmental Lender, Capital One, National Association, as Initial Funding Lender (the "Initial Funding Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"), pursuant to which the Initial Funding Lender will make a loan to the Governmental Lender (the "Funding Loan"), to be evidenced by a County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (the "Governmental Note") issued by the Governmental Lender pursuant to Chapter 7 of Part 5 of Division 31 (commencing with Section 34200) of the California Health and Safety Code (the "Act"); and

WHEREAS, the proceeds of the Funding Loan will be used by the Governmental Lender to fund a loan (the "Project Loan") to the Borrower pursuant to a Loan Agreement, dated as of January 1, 2020, among the Fiscal Agent, the Governmental Lender and the Borrower (as supplemented and amended from time to time, the "Project Loan Agreement"), to provide financing for the acquisition and rehabilitation of the Project; and

WHEREAS, the Prior Owner has repaid the Prior Loan and the 2003 Bonds have been legally defeased; and

WHEREAS, despite the defeasance of the 2003 Bonds, the “Qualified Project Period,” as defined in the Prior Regulatory Agreement, will continue due to the term of the Prior Regulatory Agreement; and

WHEREAS, the Governmental Lender has agreed that compliance by the Borrower with the provisions of this Regulatory Agreement will fully satisfy compliance with the applicable provisions of the Prior Regulatory Agreement that would otherwise survive the defeasance of the 2003 Bonds, such that the Governmental Lender has agreed to the termination of the Prior Regulatory Agreement so long as the owners of the 2003 Bonds are intended third party beneficiaries of this Regulatory Agreement and thereby entitled to enforce the provisions of this Regulatory Agreement and Section 27 of this Regulatory Agreement contains such provisions; and

WHEREAS, the Prior Owner, the Borrower and the Governmental Lender have entered into an Assignment and Assumption of Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 15, 2019, pursuant to which the Borrower has assumed the obligations of the Prior Owner under the Prior Regulatory Agreement, and the Governmental Lender has consented to the transfer of the Project to the Borrower pursuant to the terms of Section 12 of the Prior Regulatory Agreement; and

WHEREAS, in order to assure the Governmental Lender and the Funding Lender (as defined in the Funding Loan Agreement) that interest on the Governmental Note will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), to assure the owners of the 2003 Bonds that the interest on the 2003 Bonds will continue to be excluded from the gross income of the owners of the 2003 Bonds for federal income tax purposes under the Code, and to satisfy the public purposes for which the 2003 Bonds were issued and the Funding Loan is authorized to be incurred under the Act, and to satisfy the purposes of the Governmental Lender in determining to incur the Funding Loan, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the issuance of the Governmental Note by the Governmental Lender and the mutual covenants and undertakings set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Governmental Lender and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Funding Loan Agreement.

“Administrator” means the Governmental Lender or any administrator or program monitor appointed by the Governmental Lender to administer this Regulatory Agreement and any successor administrator appointed by the Governmental Lender.

“Affiliated Party” means (a) a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, (b) a person who together with the Borrower are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein), (c) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (d) an S corporation and

each of its shareholders (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code.

“Affordable Rents” means thirty percent (30%) of an amount equal to sixty percent (60%) of the median gross income for the Area, adjusted for household size (as described in the definition of “Low Income Unit” in this Section 1), less a utility allowance calculated as set forth in U.S. Treasury Regulation Section 1.42-10.

“Area” means the Metropolitan Statistical Area or County, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Development.

“Available Units” means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Governmental Note is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

“CDLAC” means the California Debt Limit Allocation Committee or its successors.

“CDLAC Conditions” has the meaning given such term in Section 29(a).

“CDLAC Resolution” means CDLAC Resolution No. 19-134 attached hereto as Exhibit E, adopted on October 16, 2019 and relating to the Project, as such resolution may be modified or amended from time to time.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Borrower with the Governmental Lender pursuant to Section 4(f) hereof, which shall be substantially in the form attached as Exhibit C hereto or in such other comparable form as may be provided by the Governmental Lender to the Borrower, or as otherwise approved by the Governmental Lender.

“Closing Date” has the meaning given to the term “Delivery Date” in the Funding Loan Agreement.

“Completion Certificate” means the certificate of completion of the rehabilitation of the Project required to be delivered to the Governmental Lender by the Borrower pursuant to Section 2(i) of this Regulatory Agreement, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit D.

“Completion Date” means the date of completion of the rehabilitation of the Project, as that date shall be certified as provided in Section 2(i) of this Regulatory Agreement.

“Compliance Period” means the period beginning on the first day of the Qualified Project Period and ending on the later of (a) the end of the Qualified Project Period or (b) such later date as set forth in Section 6(f)(3) or 29(c) of this Regulatory Agreement.

“County” means the County of Contra Costa, California.

“FOCUS Program” means (a) the FOCUS Compliance Verification Program (user’s guide located at focus.housingcompliance.org) utilized by the Governmental Lender to verify the Borrower’s compliance with various requirements of this Regulatory Agreement; or (b) any similar program used by the Governmental Lender, in the substitution for the program described in the preceding clause (a), to verify the Borrower’s compliance with various requirements of this Regulatory Agreement.

“Governmental Lender Annual Fee” means: for the period from the Closing Date to but not including January 1, 2021, \$_____ (which is an amount equal to one 1/8 of 1% of the principal amount of the Governmental Note as of the Closing Date); and, thereafter, on each January 1 during the remainder of the Compliance Period commencing January 1, 2021, the greater of an amount equal to 1/8 of 1% of the then outstanding principal amount of the Governmental Note, or \$5,000.00.

“Governmental Lender Issuance Fee” means an amount equal to \$_____ (which is an amount equal to one 1/8 of 1% of the maximum principal amount of the Governmental Note as of the Closing Date).

“Gross Income” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed in under section 8 of the Housing Act.

“Housing Act” or “Housing Law” means the United States Housing Act of 1937, as amended, or its successor.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as Exhibit B hereto or in such other comparable form as may be provided by the Governmental Lender to the Borrower, or as otherwise approved by the Governmental Lender.

“Inducement Date” means August 6, 2019, being the date on which the Board of Supervisors of the Governmental Lender adopted Resolution No. 2019/508, expressing its intent to incur debt obligations to provide financing for the Project.

“Low Income Tenant” means a tenant occupying a Low Income Unit.

“Low Income Unit” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. A unit occupied by one or more students shall only constitute a Low Income Unit if such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit’s status as a Low Income Unit shall be made by the Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Manager” means a property manager meeting the requirements of Section 28 hereof. Aperto Property Management, Inc. is the initial Manager.

“Project” means the 88-unit multifamily rental housing development (including a manager’s unit) located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane in the unincorporated Bay Point area of the County on the real property site described in Exhibit A hereto, consisting

of those facilities, including a fee interest in the real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition and rehabilitation of which facilities is to be financed, in whole or in part, from the proceeds of the Project Loan, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

“Project Costs” means, to the extent authorized by the Act, any and all costs and expenses incurred by the Borrower with respect to the acquisition, financing, rehabilitation and/or operation of the Project, whether paid or incurred prior to or after the Closing Date, including, without limitation, costs for the acquisition of property, the cost of consultant, accounting and legal services, appraisal costs, other expenses necessary or incident to the acquisition and rehabilitation of the Project, and administrative expenses, and interest on the Project Loan.

“Qualified Project Costs” means Project Costs that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during the rehabilitation of the Project shall be eligible to be a Qualified Project Cost as is so capitalizable and as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing after the date of completion of the rehabilitation of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being rehabilitated by an Affiliated Party (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such Affiliated Party in rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the Affiliated Party, and (C) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation of the Project or payments received by such Affiliated Party due to early completion of the Project; (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the Inducement Date or the Closing Date, and (iv) if the Project Costs were previously paid and are to be reimbursed with proceeds of the Project Loan, such costs were (A) costs of issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.139-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of the rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid).

“Qualified Project Period” means the period beginning on the Closing Date, and ending on the later of the following: (a) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied following the Completion Date; (b) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding; or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates. For purposes of the foregoing clause (b), the term “private activity bond” has the meaning contemplated in Section 142(d)(2)(A)(ii) of the Code.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Rental Payments” means the rental payments paid by the occupant of a unit, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the occupant by the Borrower as a condition of occupancy of the unit.

“Tax Counsel” has the meaning given to the term “Bond Counsel” in the Funding Loan Agreement.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Governmental Note, that such interest is excluded from gross income for federal income tax purposes of the respective owners of the Governmental Note; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Transfer” means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (a) an installment sales agreement wherein Borrower agrees to sell the Project or any part thereof for a price to be paid in installments; and (b) an agreement by the Borrower leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Borrower.

(a) The statements made in the various certificates delivered by the Borrower to the Governmental Lender, the Servicer or the Initial Funding Lender on the Closing Date are true and correct.

(b) The Borrower (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds of the Project Loan to be applied in a manner contrary to the applicable requirements of the Project Loan Agreement and this Regulatory Agreement.

(c) The Borrower will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Governmental Note, or the exemption from California personal income taxation of the interest on the Governmental Note and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(d) The Borrower will take such action or actions as may be necessary, in the written opinion of Tax Counsel filed with the Governmental Lender and the Servicer, to comply fully with the Act, the Code and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service to the extent necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Governmental Note.

(e) The acquisition by the Borrower of the Project and the commencement of the rehabilitation of the Project occurred after the date which was 60 days prior to the Inducement Date. The Borrower has incurred a substantial binding obligation to expend proceeds of the Project Loan pursuant to which the Borrower is obligated to expend an amount at least equal to five percent (5%) of the \$ _____ maximum principal amount of the Project Loan.

(f) The Borrower will proceed with due diligence to complete the rehabilitation of the Project and the full expenditure of the proceeds of the Project Loan. The Borrower reasonably expects to complete the acquisition and rehabilitation of the Project and to expend the full maximum \$ _____ principal amount of the Project Loan by _____, ____.

(g) The Borrower's reasonable expectations respecting the total expenditure of the proceeds of the Project Loan have been accurately set forth in a certificate of the Borrower delivered to the Governmental Lender on the Closing Date. At all times, the aggregate disbursements of the proceeds of the Project Loan will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to ninety-seven percent (97%) or more of such disbursements, and less than twenty-five percent (25%) of such disbursements shall have been used to pay for the acquisition of land or an interest therein.

(h) Notwithstanding the provisions of Section 2.04 of the Project Loan Agreement, and in addition thereto, the Borrower agrees to obtain a written report from an independent firm with experience in calculating excess investment earnings for purposes of Section 148(f) of the Code, not less than once on or about each five year anniversary of the Closing Date and within thirty (30) days of the date the Governmental Note has been paid in full, determining that either (i) no excess investment earnings subject to rebate to the federal government under Section 148(f) of the Code have arisen with respect to the Governmental Note in the prior five-year period (or, with respect to the final such report following the repayment of the Governmental Note, have arisen since the last five-year report); or (ii) excess investment earnings have so arisen during the prior five-year period (or, with respect to the final such report following the repayment of the Governmental Note, have arisen since the last five-year report), and specifying the amount thereof that needs to be rebated to the federal government and the date by which such amount needs to be so rebated. The Borrower shall provide a copy of each report prepared in accordance with the preceding sentence to the Governmental Lender, each time

within one week of its receipt of the same from the independent firm that prepared the respective report.

(i) As soon as practicable after the Completion Date, the Borrower shall deliver to the Governmental Lender a duly executed Completion Certificate.

(j) The Borrower acknowledges that the Governmental Lender has appointed the Administrator to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. The Borrower shall comply with any reasonable request by the Governmental Lender, the Administrator or the Servicer to deliver to the Administrator or the Servicer, as applicable, in addition to the Governmental Lender, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Governmental Lender and the Servicer upon its respective written request.

(k) The Borrower agrees to expend towards the rehabilitation of the Project (such expenditures to constitute "rehabilitation expenditures" as defined in Section 147(d) of the Code), within two (2) years of the Closing Date, an amount at least equal to fifteen percent (15%) of the proceeds of the Project Loan used to acquire the buildings (and equipment) comprising the Project.

(l) Money on deposit in any fund or account in connection with the Project Loan or the Funding Loan, whether or not such money was derived from other sources, shall not be used by or under the direction of the Borrower, in a manner which would cause the Governmental Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, and the Borrower specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Governmental Note from being an "arbitrage bond" under the Code.

(m) All of the proceeds of the Project Loan and earnings from the investment of such proceeds will be used to pay Project Costs; and no more than two percent (2%) of the proceeds of the Project Loan will be used to pay issuance costs of the Governmental Note, within the meaning of Section 147(g) of the Code.

(n) No portion of the proceeds of the Project 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. No portion of the proceeds of the Project Loan shall be used for an office unless the office is located on the premises of the facilities constituting the Project and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(o) In accordance with Section 147(b) of the Code, the average maturity of the Governmental Note does not exceed 120% of the average reasonably expected remaining economic life of the facilities being financed by the Project Loan.

(p) The Borrower shall comply with all applicable requirements of Section 65863.10 of the California Government Code pertaining to the Project, including the requirements for providing notices in Sections (b), (c), (d) and (e) thereof, and with all applicable requirements of Section 65863.11 of the California Government Code pertaining to the Project.

(q) The Borrower shall pay all of the Costs of Issuance.

(r) The Borrower hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Borrower contained in the Tax Certificate and the Project Loan Agreement relating to the Project.

(s) The Borrower hereby represents and warrants that the Project is located entirely within the unincorporated area of the County.

(t) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the Project Loan Documents to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Governmental Lender for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Governmental Lender in any manner except to issue the Governmental Note in order to provide funds to assist the Borrower in acquiring and constructing the Project.

Section 3. Qualified Residential Rental Project. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “residential rental project” within the meaning of Section 142(d) of the Code for a term equal to the Compliance Period. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than one unit set aside for a resident manager or other administrative use) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time during the Compliance Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Compliance Period (except that the Borrower may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the County).

(e) All of the Available Units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Compliance Period on a continuous, "first-come, first-served" basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except (i) not more than one unit may be set aside for a resident manager or other administrative use, or (ii) to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units or otherwise as necessary to comply with Section 6(a), (b) and (c), (iii) to the extent required under any "extended low-income housing commitment" (an "Extended Use Agreement") applicable to the Project, or (iv) to the extent required by the provisions of any documents related to the provision of State or federal low income housing tax credits for the Project.

(f) The Project site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) The Borrower shall not discriminate on the basis of race, creed, color, sex, source of income (e.g. AFDC, SSI), physical disability, age, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(h) No dwelling unit in the Project shall be occupied by the Borrower. Notwithstanding the foregoing, if the Project contains five or more dwelling units, this paragraph shall not be construed to prohibit occupancy of dwelling units by one or more resident managers or maintenance personnel any of whom may be the Borrower; provided that the number of such managers or maintenance personnel is not unreasonable given industry standards in the area for the number of dwelling units in the Project.

(i) The Borrower will not sell dwelling units within the Project.

(j) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Governmental Lender from enforcing the requirements of the Code and the Regulations as applicable to the Project, or condemnation or similar event, the Borrower covenants that, within a "reasonable period" determined in accordance with the applicable Regulations, it will either prepay the Project Loan or, if permitted under the provisions of the Project Loan Agreement, apply any proceeds received as a result of any of the preceding events to rehabilitate the Project to meet the requirements of Section 142(d) of the Code and the applicable Regulations.

(k) During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

The Governmental Lender hereby elects to have the Project meet the requirements of Section 142(d)(1)(B) of the Code.

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Borrower hereby represents, warrants and covenants as follows:

(a) During the Compliance Period, no less than forty percent (40%) of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

In addition to the foregoing, the Borrower shall comply with the "Other Restricted Units" requirements of Section 15 b. of the CDLAC Resolution, as required by Section 29(a), including the tenant income restrictions referenced after Section 8 of the CDLAC Resolution.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of Section 4(a) hereof unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Compliance Period, the Borrower will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit and a second Income Certification dated one year after the Low-Income Tenant's initial move-in date, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. In lieu of obtaining the annual Income Certifications required by clause (ii) of the preceding sentence, the Borrower may, with respect to any particular twelve-month period ending each January 1, deliver to the Administrator no later than fifteen days after such date a certification that as of each January 1, no residential unit in the Project was occupied within the preceding twelve months by a new resident whose income exceeded the limit applicable to Low Income Tenants upon admission to the Project. The Administrator may at any time and in its sole and absolute discretion notify the Borrower in writing that it will no longer accept certifications of the Borrower made pursuant to the preceding sentence and that the Borrower will thereafter be required to obtain annual Income Certifications for tenants. The Borrower will also provide such additional information as may be required in the future by the Code, the State or the Governmental Lender, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Governmental Lender, copies of Income Certifications for Low

Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator or the Governmental Lender, as requested.

(d) The Borrower shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Administrator.

(e) The Borrower will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Administrator, the Governmental Lender, the Servicer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit to the Administrator, on behalf of the Governmental Lender, not less than semi-annually, commencing not less than six months after the Closing Date, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached hereto as Exhibit C.

(g) For the Compliance Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Governmental Lender or the Administrator on behalf of the Governmental Lender, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under Section 4(b), the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

For purposes of this Section 4, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Section 5. Tax-Exempt Status of the Governmental Note. The Borrower and the Governmental Lender, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Borrower and the Governmental Lender will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Governmental Note and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Borrower and the Governmental Lender will file of record such documents and take such other steps as are necessary, in the written opinion of Tax Counsel filed with the Governmental Lender (with a copy to the Borrower), in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 6. Requirements of the Act. In addition to the other requirements set forth herein, the Borrower hereby agrees that it shall comply with each of the requirements of the Act, including the following:

(a) As provided in Section 52080(a)(1)(B) of the Act, forty percent (40%) or more of the completed residential units in the Project shall be occupied by, or held vacant and available for occupancy by, individuals whose income is 60 percent or less of area median income, within the meaning of Section 52080(a)(1) of the Act (it being acknowledged that units required to be set aside for Low Income Tenants pursuant to Section 4(a) may be counted for purposes of satisfying the requirements of this Section 6(a) if the related Low Income Tenants otherwise satisfy the requirements of this Section 6(a)).

(b) The rental payments paid by the occupants of the units described in paragraph (a) of this Section (excluding any supplemental rental assistance from the state, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed thirty percent of sixty percent of area median income, within the meaning of Section 52080(a)(1) of the Act.

(c) The Borrower shall accept as tenants, on the same basis as all other prospective tenants, Low Income Tenants who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Law. The selection criteria applied to certificate holders under Section 8 of the Housing Law shall not be more burdensome than the criteria applied to all other prospective tenants.

(d) The Borrower shall ensure that units occupied as required by paragraph (a) of this Section are of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants.

(e) As provided in Section 52080(e) of the Act, the Project may be syndicated after prior written approval of the Governmental Lender. The Governmental Lender shall grant that approval only after it determines that the terms and conditions of the syndication (1) shall not reduce or limit any of the requirements of the Act or regulations adopted or documents executed pursuant to the Act, (2) shall not cause any of the requirements in this Regulatory Agreement to be subordinated to the syndication

agreement, or (3) shall not result in the provision of fewer assisted units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement. The Governmental Lender hereby acknowledges that this Section 6(e) does not apply to any syndication of federal tax credits for the Project.

(f) Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure and redemption of the Governmental Note, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units required to be reserved for occupancy pursuant to Section 6(a) shall remain available to any eligible household occupying a reserved unit at the date of such expiration or termination, at a rent not greater than the amount required by Section 6(b), until the earliest of any of the following occur:

(1) The household's income exceeds 140 percent of the maximum eligible income specified in Section 6(a).

(2) The household voluntarily moves or is evicted for "good cause." "Good cause" for the purposes of this section means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health, safety, occupancy or quiet enjoyment of other persons or the structure, the fiscal integrity of the Project or the purposes or special programs of the Project.

(3) Thirty years after the date of commencement of the Qualified Project Period.

(4) The Borrower pays the relocation assistance and benefits to tenants as provided in subdivision (b) of Section 7264 of the California Government Code.

(g) Except in the event of foreclosure and repayment of the Governmental Note, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, during the three years prior to expiration of the Qualified Project Period, the Borrower shall continue to make available to eligible households reserved units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(h) This Section shall not be construed to require the Governmental Lender to monitor the Borrower's compliance with the provisions of paragraph (f), or that the Governmental Lender shall have any liability whatsoever in the event of the failure by the Borrower to comply with any of the provisions of this Regulatory Agreement.

(i) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Borrower.

(j) This Regulatory Agreement shall be recorded in the office of the County Recorder of the County, and shall be recorded in the grantor-grantee index to the names of the Borrower as grantor and to the name of the Governmental Lender as grantee.

Section 7. Requirements of the Governmental Lender. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4

through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of the Governmental Lender set forth in this Section 7, as follows:

(a) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the Governmental Lender, in a reasonable condition for proper audit and subject to examination upon reasonable notice (which need not be in excess of three Business Days) and during business hours by representatives of the Governmental Lender.

(b) The Borrower shall not discriminate on the basis of race, creed, color, religion, sex, sexual orientation, marital status, national origin, source of income (e.g. AFDC and SSI), ancestry or handicap in the lease, use or occupancy of the Project (except as required to comply with Section 3(e)(iii), (iv) or (v)), or in connection with the employment or application for employment of persons for the rehabilitation, operation, or management of the Project.

(c) The Borrower shall not, at initial occupancy, permit occupancy in any unit in the Project by more than (i) two persons per bedroom in the unit, plus (ii) one person; and the Borrower shall at all times offer for rent the largest unit then available for the applicable household size (being one bedroom units for 2-3 person households, and two bedroom units for 4-5 person households). The foregoing, however, shall not apply to one unit in the Project occupied by a resident manager.

(d) The Borrower shall pay directly to the Governmental Lender (i) on the Closing Date the Governmental Lender Issuance Fee and the Governmental Lender Annual Fee for the period from the Closing Date to but not including January 1, 2021, and (ii) on each January 1, on and after January 1, 2021, the Governmental Lender Annual Fee; without in either case any requirement for notice or billing of the amount due. In addition, the Borrower shall pay to the Governmental Lender promptly following receipt of an invoice that reasonably identifies the relevant expenses and the amounts thereof, any out of pocket expenses incurred by the Governmental Lender in connection with the Governmental Note, the Project Note, the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement or any of the other Financing Documents, including but not limited to any costs related to the FOCUS Program.

(e) The rent limits set forth in Sections 6(b) and 6(f) shall apply to all Low Income Units. In addition, the rental payments paid by Low Income Tenants for the Low Income Units shall not exceed Affordable Rents.

(f) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the Act, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Borrower apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of units by such prospective tenants.

(g) The Borrower shall submit to the Governmental Lender: (i) rent rolls and other information required by the FOCUS Program on a quarterly basis, and (ii) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the Governmental Lender in order to comply with reporting requirements of the Internal Revenue Service or the State.

(h) The Borrower shall indemnify the Governmental Lender as provided in Section 9 hereof and in Section 6.01 of the Project Loan Agreement.

(i) The Governmental Lender may, at its option and at its expense, at any time appoint an Administrator to administer this Agreement or any provision hereof and to monitor performance by the Borrower of all or of any of the terms, provisions and requirements hereof. Following any such appointment, the Borrower shall comply with any request by the Governmental Lender to deliver to such Administrator, in addition to or instead of the Governmental Lender, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by such administrator as an agent of the Governmental Lender.

(j) The Borrower shall submit its written management policies with respect to the Project, if any, to the Governmental Lender for its review, and shall amend such policies in any way necessary to insure that such policies comply with the provisions of this Regulatory Agreement and the requirements of the existing program under Section 8 of the Housing Law, or its successors. The Borrower shall not promulgate management policies which conflict with the provisions of the addendum to the form of lease for the Project prepared by the Housing Authority of Contra Costa County, and shall attach such addendum to leases for tenants which are holders of Section 8 certificates.

(k) The Borrower shall screen and select tenants for desirability and creditworthiness at its discretion; provided, however, that the Borrower shall consider a prospective tenant's rent history for at least the one year period prior to application as evidence of the tenant's ability to pay the applicable rent.

(l) At least six months prior to the expiration of the Qualified Project Period the Borrower shall provide by first-class mail, postage prepaid, a notice to all tenants in the Low Income Units containing (i) the anticipated date of the expiration of the Qualified Project Period, (ii) any anticipated rent increase upon the expiration of the Qualified Project Period, (iii) a statement that a copy of such notice will be sent to the Governmental Lender, and (iv) a statement that a public hearing may be held by the Governmental Lender on the issue and that the tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. The Borrower shall also file a copy of the above-described notice with the Community Development Bond Program Manager of the Department of Conservation and Development of the Governmental Lender.

(m) Notwithstanding Section 1461 of the Civil Code, the provisions of this Section shall run with land and may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Borrower's failure to comply with the provisions of this Section.

(n) The Borrower shall not participate in any refunding of the Governmental Note or the Project Loan by means of the issuance of bonds or other obligations by any governmental body other than the Governmental Lender.

(o) Each of the requirements of Sections 3, 4 and 6 hereof is hereby incorporated as a specific requirement of the Governmental Lender, whether or not required by California or federal law.

(p) The requirements of Section 6 and this Section 7 shall be in effect for the Compliance Period.

Any of the foregoing requirements of the Governmental Lender contained in this Section 7 may be expressly waived by the Governmental Lender in writing, but (i) no waiver by the Governmental Lender of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Governmental Lender has received an opinion of Tax Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Governmental Note for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the Governmental Lender and the Borrower receive a written opinion of Tax Counsel to the effect that compliance with any such requirement would cause interest on the Governmental Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act or any other State or federal law.

Section 8. Modification of Covenants. The Borrower and the Governmental Lender hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Borrower (with a copy to the Servicer), retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Governmental Note, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Borrower (with a copy to the Servicer), impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Governmental Lender, at its sole discretion, and the Borrower, and only upon receipt by the Governmental Lender (with a copy to the Servicer) of the written opinion of Tax Counsel to the effect that such amendment is permitted by the Project Loan Agreement and will not affect the Tax-Exempt status of interest on the Governmental Note or violate the requirements of the Act, and otherwise is in accordance with Section 22 hereof.

(c) The Borrower and the Governmental Lender shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8.

Section 9. Indemnification; Other Payments. To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender and each of its officers, Supervisors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement or any of the other Financing Documents and all documents related thereto, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale, resale or remarketing of the Funding Loan;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project Loan or the Project, the acquisition, rehabilitation or operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition and rehabilitation of the Project or any part thereof;

(iii) any lien or charge upon payments by the Borrower to the Governmental Lender or the Servicer or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Servicer in respect of any portion of the Project;

(iv) any violation of the Project Loan Agreement or any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof;

(v) the defeasance and/or prepayment, in whole or in part, of the Funding Loan or the Project Loan;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure document for the Funding Loan or any of the documents relating to the Funding Loan, or any omission or alleged omission from any offering statement or disclosure document for the Funding Loan of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(vii) any declaration of taxability of interest on the Governmental Note, or allegations (or regulatory inquiry) that interest on the Governmental Note is taxable for federal tax purposes;

except to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with

respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

In addition thereto, the Borrower will pay upon demand all of the fees and expenses paid or incurred by the Governmental Lender in enforcing the provisions hereof.

The provisions of this Section 9 shall survive the final payment or defeasance of the Funding Loan and the Project Loan, and the termination of this Regulatory Agreement; provided, however, the provisions of this Section shall, in the case of the Governmental Lender, survive the term of this Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

Nothing contained in this Section 9 shall cause the obligation of the Borrower to pay principal and interest on the Project Loan to be a recourse obligation of the Borrower.

The obligations of the Borrower under this Section are independent of any other contractual obligation of the Borrower to provide indemnity to the Indemnified Parties, and the obligation of the Borrower to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Borrower. The Indemnified Party shall be entitled simultaneously to seek indemnity under this Section and any other provision under which it is entitled to indemnity.

Section 10. Consideration. The Governmental Lender has agreed to incur the Funding Loan to provide funds to lend to the Borrower to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, rehabilitate and operate the Project. In consideration of the issuance of the Governmental Note by the Governmental Lender, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The Governmental Lender and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Governmental Note, in the exemption from California personal income taxation of interest on the Governmental Note and in the Tax-Exempt status of the interest on the Governmental Note. In performing their duties and obligations hereunder, the Governmental Lender and the Administrator may rely upon statements and certificates of the Low Income Tenants, and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Governmental Lender may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Governmental Lender shall not be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate

delivered to the Governmental Lender by the Borrower with respect to the occurrence or absence of a default.

Section 12. Transfer of the Project. For the Compliance Period, the Borrower shall not Transfer the Project, in whole or in part, without the prior written consent of the Governmental Lender, which consent shall not be unreasonably withheld or delayed, if the following conditions are satisfied: (A) the receipt by the Governmental Lender of evidence acceptable to the Governmental Lender that (1) the Borrower shall not be in default hereunder or under any of the other Project Loan Documents in effect, or the transferee undertakes to cure any defaults of the Borrower to the reasonable satisfaction of the Governmental Lender; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (3) either (a) the transferee or its Manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a Manager with the experience and record described in subclause (a) above, or (c) the transferring Borrower or its management company will continue to manage the Project, or another management company reasonably acceptable to the Governmental Lender will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Borrower or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of a document reasonably acceptable to the Governmental Lender with respect to the assumption of the Borrower's obligations under this Regulatory Agreement and the other Project Loan Documents in effect, including without limitation an instrument of assumption hereof and thereof, and delivery to the Governmental Lender of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Governmental Lender of an opinion of Tax Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Governmental Note; (D) receipt by the Governmental Lender of all fees and/or expenses then currently due and payable to the Governmental Lender by the Borrower under any of the Project Loan Documents; and (E) receipt by the Governmental Lender of evidence of satisfaction of compliance with the provisions of Section 29(d)(i) related to notice to CDLAC of transfer of the Project.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. The written consent of the Governmental Lender to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this Section 12. Nothing in this Section shall affect any provision of any other document or instrument between the Borrower and any other party which requires the Borrower to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder, but only to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under any deed of trust without the consent of the Governmental Lender or compliance with the provisions of this Section 12. The Governmental Lender hereby approves the transfer of limited partnership interests in the Borrower to affiliates of the investor limited partner of the Borrower, including, without limitation, the transfer of membership interests in the Borrower from the investor limited partner and non-managing membership interests in the limited partner of Borrower.

For the Compliance Period, the Borrower shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) encumbrances permitted under the Continuing Covenant Agreement and the Project Loan Agreement, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Governmental Lender of an opinion of Tax Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Governmental Note (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Project Loan Agreement; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Section 13. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Compliance Period, it being expressly agreed and understood that the provisions hereof are intended to survive the repayment of the Governmental Note and of the Project Loan and the termination of the Project Loan Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Governmental Lender from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either (a) the Funding Loan is fully repaid, fully cancelled or fully forgiven, or (b) amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Governmental Lender and the Borrower, with the consent of CDLAC, upon receipt by the Governmental Lender of an opinion of Tax

Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Governmental Note for federal income tax purposes and is otherwise permitted under the Act. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 14. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Governmental Lender and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 15. Burden and Benefit. The Governmental Lender and the Borrower hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Governmental Lender and the Borrower hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Governmental Note was issued.

Section 16. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 17. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Governmental Lender to the Borrower, or for a period of 60 days from the date the Borrower should, with reasonable diligence, have discovered such default, then the Governmental Lender may declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Tax Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Governmental Note. The Governmental Lender shall have the right to enforce the obligations of the Borrower under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Act or the Code.

Following the declaration of an Event of Default hereunder, the Governmental Lender may at its option and subject to the provisions of Section 7.06 of the Project Loan Agreement, take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Governmental Lender hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder; and

(iv) order and direct the Borrower in writing to terminate the Manager and to select a replacement Manager meeting the requirements hereof within 60 days of such written direction, and to notify the Governmental Lender in writing of the identity of the replacement Manager and certify that such replacement Manager satisfies the requirements hereof.

The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the Governmental Lender may fully obtain the benefits of this Regulatory Agreement made by the Borrower herein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower hereunder.

It is acknowledged and agreed by the Borrower and the Governmental Lender that one of the primary purposes of this Regulatory Agreement is to preserve the exclusion from gross income for federal income tax purposes of interest on the Governmental Note. The Funding Lender and the Servicer are hereby declared intended third party beneficiaries of this Regulatory Agreement and shall be entitled to enforce the provisions hereof in the event of any default hereunder.

The Governmental Lender hereby agrees that cure of any Event of Default made or tendered by any partner of the Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 18. [intentionally omitted]

Section 19. Recording and Filing. (a) The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County, and in such other places as the Governmental Lender may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

(b) The Borrower and the Governmental Lender will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Tax Counsel, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Borrower hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure or comparable involuntary conversion

of the Security Instrument), whereby the Funding Lender becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 20. Payment of Fees. Notwithstanding any prepayment of the Project Loan and discharge of the Project Loan Agreement, the Borrower shall continue to pay (or, to the extent allowed under the Code, shall prepay the present value at such time of) the fees of the Governmental Lender as provided in this Section 20, unless such prepayment is made in connection with a refunding of the Governmental Note.

The Borrower agrees to pay to the Governmental Lender (i) the Governmental Lender Issuance Fee, which shall be paid on or before the Closing Date, (ii) the Governmental Lender Annual Fee, which shall be payable commencing on the Closing Date and annually on each January 1 thereafter, and continuing throughout the Compliance Period, and (iii) within 30 days after receipt of request for payment thereof, all reasonable out-of-pocket expenses of the Governmental Lender (not including salaries and wages of Governmental Lender employees) related to the Governmental Note, the Project Loan, the other Financing Documents and the Project and the financing thereof, including, without limitation, legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project, the Governmental Note, the Project Loan or any of the other Financing Documents.

In the event that the Qualified Project Period terminates prior to the termination of the Compliance Period (other than by reason of the issuance of refunding bonds), and provided that the conditions of this Section are satisfied, the Borrower shall thereafter and for the remainder of the Compliance Period pay to the Governmental Lender annually in advance an amount equal to \$5,000.00. The full Governmental Lender Annual Fee shall continue to be payable unless and until the Governmental Lender has confirmed receipt of all amounts then due and payable in arrears by the Borrower to the Governmental Lender in connection with the Project Loan, at which point the Governmental Lender Annual Fee shall become effective.

If the Borrower fails to make payment of the Governmental Lender Annual Fee for a period of two consecutive years or more, the Governmental Lender may, in its sole discretion, declare the total amount of the Governmental Lender Annual Fee through the end of the Compliance Period immediately due and payable, such amount to be discounted at a rate equal to the then current market rate for U.S. Treasury obligations of a maturity equal to the remaining term of the Compliance Period.

Section 21. Governing Law; Venue. This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. This Regulatory Agreement shall be enforceable in the State, and any action arising hereunder shall (unless waived by the Governmental Lender in writing) be filed and maintained in the Superior Court of California, County of Contra Costa.

Section 22. Amendments; Waivers. (a) Except as provided in Section 8(a) and 29(e) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the Governmental Lender of an opinion from Tax Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Governmental Note and is not contrary to the provisions of the Act.

(b) Anything to the contrary contained herein notwithstanding, the Governmental Lender and the Borrower hereby agree to amend this Regulatory Agreement to the extent

required, in the opinion of Tax Counsel, in order that interest on the Governmental Note remains Tax-Exempt. The party requesting such amendment shall notify the other party to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Tax Counsel and a request that Tax Counsel render to the Governmental Lender an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Governmental Note. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in Section 11.04 of the Funding Loan Agreement, or at such other addresses as may be specified in writing by the parties hereto. Unless otherwise specified by the Administrator, the address of the Administrator is the same as the address of the Governmental Lender.

Unless otherwise specified by CDLAC, the address of CDLAC is:

California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814
Attention: Executive Director

The Governmental Lender, the Administrator, CDLAC and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

The Borrower shall notify the Governmental Lender and the Administrator in writing of any change to the name of the Project or any change of name or address for the Borrower or the Manager. The Borrower shall further notify CDLAC in writing of any event provided in Section 29(d) hereof.

Section 24. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Borrower under this Regulatory Agreement to any person or entity, including, but not limited to, the Governmental Lender and its successors and assigns, is limited to the Borrower's interest in the Project and the amounts held in the funds and accounts created under the Funding Loan Agreement or the Project Loan Agreement, or any rights of the Borrower under

any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Borrower under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Borrower's obligations under this Regulatory Agreement), shall be rendered against the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Project Loan Agreement and the other Project Loan Documents, any rights of the Borrower under the Project Loan Agreement and the other Project Loan Documents or any other documents relating to the Project Loan or or any rights of the Borrower under any guarantees relating to the Project), its partners, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement, the Project Loan Agreement and the other Project Loan Documents or any agreement securing the obligations of the Borrower under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Project Loan Agreement.

Section 27. Third-Party Beneficiaries. The Administrator, the Funding Lender, the Servicer, the former owners of the 2003 Bonds and CDLAC are intended to be and shall each be a third-party beneficiary of this Regulatory Agreement. The Administrator shall have the right (but not the obligation) to enforce, separately or jointly with the Governmental Lender, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof. Any former owner of the 2003 Bonds shall have the right (but not the obligation) to enforce, separately or jointly with the Governmental Lender or to cause the Governmental Lender (at their expense) to enforce, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof. CDLAC shall have the right (but not the obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the owner of the Governmental Note. Pursuant to Section 52080(k) of the Act, the requirements of Section 6 may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Borrower's failure to comply with the requirements of that Section.

Section 28. Property Management. The Borrower agrees that at all times the Project shall be managed by a property manager (i) approved by the Governmental Lender in its reasonable discretion and (ii) who has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects (the "Manager"). The Borrower shall submit to the Governmental Lender from time to time such information about the background, experience and financial condition of any existing or proposed Manager as the Governmental Lender may reasonably require to determine whether such Manager meets the requirements for a Manager set forth herein. The Governmental Lender reserves the right to conduct periodic reviews of the management practices and of the Manager to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. The Borrower agrees to cooperate with the Governmental Lender in such reviews.

If the Governmental Lender determines in its reasonable judgment that the Project is not being operated and managed in accordance with one or more of the material requirements or standards of this Regulatory Agreement, the Governmental Lender may, subject to any applicable provisions of the Project Loan Agreement, deliver notice to the Borrower (with a copy to the Servicer) requesting replacement of the Manager, which notice shall state clearly the reasons for such request. The Borrower agrees that, upon receipt of such notice, it shall within 60 days submit to the Governmental Lender a proposal to engage a new Manager meeting the requirements of this Section 28. The Governmental Lender shall respond within 30 days to such proposal or such approval shall be deemed given. Upon receipt of such consent or deemed consent, the Borrower shall within 60 days terminate the existing Manager's engagement and engage the new Manager. If such proposal is denied by the Governmental Lender, the Borrower agrees that upon receipt of notice of such denial, it shall within 60 days submit to the Governmental Lender, a proposal to engage another new Manager meeting the requirements of this Section 28, subject to the Governmental Lender's consent pursuant to the terms hereof.

Section 29. Requirements of CDLAC. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 29, as follows:

(a) The Borrower shall comply with the CDLAC Resolution attached hereto as Exhibit E and the CDLAC Conditions set forth in Exhibit A thereto (collectively, the "CDLAC Conditions"), which conditions are incorporated herein by reference and made a part hereof. The CDLAC Conditions include those referred to in Section 8 of the Exhibit A to the CDLAC Resolution relating to "AMI" as used therein, tenant's incomes and unit occupancy assumptions.

The Borrower will prepare and submit to the Governmental Lender, not later than February 1 of each year, until the Project is completed, and on February 1 every three years thereafter until the end of the Compliance Period, a Certificate of Compliance II for Qualified Residential Rental Projects, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Borrower. The Certificate of Compliance II for Qualified Residential Rental Projects shall be prepared pursuant to the terms of the CDLAC Conditions. Additionally, the Borrower will prepare and submit to the Governmental Lender, a Certificate of Completion, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Borrower certifying among other things to the substantial completion of the rehabilitation of the Project. Following the submission of the Certificate of Completion, the Borrower will prepare and submit to the Governmental Lender, not later than February 1 every three years thereafter until the end of the Compliance Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time. Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions are the responsibility of the Borrower to report to the Governmental Lender.

(b) The Borrower acknowledges that the Governmental Lender and the Administrator will monitor or cause to be monitored the Borrower's compliance with the terms of the CDLAC Conditions. The Borrower acknowledges that the Governmental Lender will prepare and submit to CDLAC, not later than March 1 of each year until the rehabilitation of the Project is completed, and on March 1 of every

three years thereafter until the end of the Compliance Period, a Self-Certification Certificate in the form provided by CDLAC. The Borrower will cooperate fully with the Governmental Lender in connection with such monitoring and reporting requirements.

(c) Except as otherwise provided in Section 13 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after (i) the date on which at least fifty percent (50%) of the units in the Project are first occupied, or (ii) the date on which the Project is otherwise placed in service.

(d) The Borrower shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the Governmental Lender, (iii) any change in the name of the Project or the Manager; (iv) any material default under the Funding Loan Agreement, the Project Loan Agreement or this Regulatory Agreement, including, but not limited to, such defaults associated with the Tax-Exempt status of the Governmental Note, and the income and rental requirements as provided in Sections 4 and 6 hereof and the CDLAC Conditions; or (v) termination of this Regulatory Agreement.

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Borrower after the Closing Date at any time that are not more restrictive than the original CDLAC conditions; provided however, that: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between the Borrower and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Borrower or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Borrower and approved by CDLAC. The Governmental Lender may, in its sole and absolute discretion, require that the Borrower enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County. The Borrower shall pay any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Any of the foregoing requirements of the CDLAC contained in this Section 29 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 29 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Governmental Lender has received an opinion of Tax Counsel that any such provision is not required by the Act or the Code and may be waived without adversely affecting the exclusion from gross income of interest on the Governmental Note for federal income tax purposes; and (ii) any requirement of this Section 29 shall be void and of no force and effect if the Governmental Lender and the Borrower receive a written opinion of Tax Counsel to the effect that compliance with any such requirement would cause interest on the Governmental Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Code or any other State or federal law.

Section 30. Limited Liability of Governmental Lender. All obligations of the Governmental Lender under this Regulatory Agreement are limited obligations, payable solely

and only from Project Loan proceeds and other amounts derived by the Governmental Lender from the Project Loan or otherwise under the Project Loan Agreement.

Section 31. Conflict With Other Affordability Agreements. Notwithstanding any provision in this Regulatory Agreement to the contrary, in the event of any conflict between the provisions of this Regulatory Agreement and any other agreement that imposes affordability requirements on the Project, including those referenced in Section 3(e) hereof, the provisions providing for the most affordable units, with the most affordability, in the Project shall prevail, so long as at all times the requirements of Section 2, 3, 4, 6, 7 and 29 of this Regulatory Agreement are in any event satisfied. Notwithstanding the foregoing, a breach or default under any agreement referenced in Section 3(e) hereof shall not, in itself, constitute a breach or a default under this Regulatory Agreement.

Section 32. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, 2021), the Borrower, on behalf of the Governmental Lender, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Governmental Lender, the annual report information required by section 8855(k)(1) of the California Government Code with respect to the Governmental Note. This covenant shall remain in effect until the later of the date (a) the Governmental Note is no longer outstanding or (b) the proceeds of the Governmental Note have been fully spent.

IN WITNESS WHEREOF, the Governmental Lender and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

COUNTY OF CONTRA COSTA, CALIFORNIA

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

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit corporation, its Sole Member

By: _____
Deborrah A. Willard, President

03007.50:J16630

[Signature page to Regulatory Agreement and Declaration of
Restrictive Covenants – Hidden Cove Apartments]

NOTARY ACKNOWLEDGMENT

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

State of California
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California
County of _____ } ss.

On _____, before me, _____, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Real property in the unincorporated area of the County of Contra Costa, State of California, described as follows:

[to come]

APN Nos. 097-090-026-2, 097-091-024-6, 097-091-025-3 and 097-091-026-1

EXHIBIT B

FORM OF INCOME CERTIFICATION

TENANT INCOME CERTIFICATION

Initial Certification
 1st Recertification
 Other:

Effective Date:
Move-in Date: (YYYY-MM-DD)

PART I - DEVELOPMENT DATA

Property Name: Hidden Cove Apartments	County:	BIN #:
Address: ___ Mary Ann Lane, Bay Point, California	Unit Number:	# Bedrooms:

PART II. HOUSEHOLD COMPOSITION

<input type="checkbox"/> Vacant							
HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (YYYY/MM/DD)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above

TOTAL INCOME (E):

\$

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total		Passbook Rate		
If over \$5000 \$		X 2.00%	= (J) Imputed Income	\$
Enter the greater of the total of column I, or J: imputed income				\$
ASSETS (K)				
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$

Effective Date of Move-in Income Certification:
 Household Size at Move-in Certification:

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$ _____	Unit Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size:	\$ _____		
Household Income at Move-in:	\$ _____	Household Size at Move-in:	_____

PART VI. RENT

Tenant Paid Rent \$ _____ Utility Allowance \$ _____		Rent Assistance: \$ _____ Other non-optional charges: \$ _____	
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$ _____	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %	
Maximum Rent Limit for this unit:	\$ _____		

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation)	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent / Dependent Child 4 Married / Joint Return 5 Former Foster Care
	Enter 1-5	

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
---	--	--	---	---

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Project Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

- | | |
|-----------------|---|
| *Move-in Date | Enter the date the tenant has or will take occupancy of the unit. (YYYY-MM-DD) |
| *Effective Date | Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification. (YYYY-MM-DD) |
| Property Name | Enter the name of the development. |
| County | Enter the county (or equivalent) in which the building is located. |
| BIN # | Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609). |
| Address | Enter the address of the building. |
| Unit Number | Enter the unit number. |
| # Bedrooms | Enter the number of bedrooms in the unit. |
| *Vacant Unit | Check if unit was vacant on December 31 of requesting year. |

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

- | | |
|-------------------|----------------------------|
| Head of Household | Spouse |
| Adult co-tenant | Other family member |
| Child | Foster child(ren)/adult(s) |
| Live-in caretaker | None of the above |

Enter the date of birth, student status, and last four digits of social security number or alien registration number for each occupant. If tenant does not have a Social Security Number (SSN) or alien registration number, please enter the numerical birth month and last two digits of birth year (e.g. birthday January 1, 1970, enter "0170"). If tenant has no SSN number or date of birth, please enter the last 4 digits of the BIN.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

- | | |
|------------|--|
| Column (A) | Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business. |
| Column (B) | Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc. |
| Column (C) | Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.). |
| Column (D) | Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household. |
| Row (E) | Add the totals from columns (A) through (D), above. Enter this amount. |

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- | | |
|------------|--|
| Column (F) | List the type of asset (i.e., checking account, savings account, etc.) |
| Column (G) | Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification). |
| Column (H) | Enter the cash value of the respective asset. |
| Column (I) | Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate). |
| TOTALS | Add the total of Column (H) and Column (I), respectively. |

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

- | | |
|---|---|
| Row (K) | Enter the greater of the total in Column (I) or (J) |
| Row (L) | Total Annual Household Income From all Sources Add (E) and (K) and enter the total |
| *Effective Date of Income Certification | Enter the effective date of the income certification corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the effective date listed in Part I. |
| *Household Size at Certification | Enter the number of tenants corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the number of tenants listed in Part II. |

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size.
Household income at move-in Household size at move-in	For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
Current Income Limit x 140%	For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.
*Units Meets Income Restriction at	Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Full time is determined by the school the student attends.

Part VIII – Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Tenant Demographic Profile	Complete for each member of the household, including minors, for move-in. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.
Resident/Applicant Initials	All tenants who wish not to furnish supplemental information should initial this section. Parent/guardian may complete and initial for minor child(ren).

** Please note areas with asterisks are new or have been modified. Please ensure to note the changes or formats now being requested.*

TENANT INCOME CERTIFICATION QUESTIONNAIRE

Name: _____

Telephone Number:
() _____

<input type="checkbox"/> Initial Certification	BIN #
<input type="checkbox"/> Re-certification	
<input type="checkbox"/> Other	Unit #

INCOME INFORMATION

	Yes	No		MONTHLY GROSS INCOME
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment)	(use <u>net</u> income from business) \$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <u>Name of Employer</u> 1) _____ 2) _____ 3) _____	\$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC)	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	\$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ \$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received	\$

Asset information

YES	NO		INTEREST RATE	CASH VALUE
<input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s) If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s) If yes, list bank(s) 1)	 %	 \$
<input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description:		\$
<input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills If yes, list sources / bank names 1) 2) 3)	 % % %	 \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources / bank names 1) 2) 3)	 % % %	 \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have an IRA / Lump Sum Pension / Keogh Account / 401K. If yes, list bank(s) 1) 2)	 % %	 \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies		\$
<input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand.		\$
<input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. gave away money / assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) 2)		 \$ \$

STUDENT STATUS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: College/University, trade school, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student in the previous 5 months?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all full-time student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you:
<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> • Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI) • Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program • Married and filing (or are entitled to file) a joint tax return • Single parent with a dependent child or children and neither you nor your child(ren) are dependent of another individual • Previously enrolled in the Foster Care program (age 18-24)
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT

SIGNATURE OF APPLICANT/TENANT

DATE

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE)

DATE

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

HIDDEN COVE APARTMENTS

Witnesseth that on this ____ day of _____, 20__ the undersigned, having borrowed certain funds from the County of Contra Costa, California (the "Governmental Lender") for the purpose of financing the above-listed multifamily rental housing development (the "Project"), does hereby certify that:

A. Have there been any changes to the ownership entity, principals or property management of the Project since the Project Loan was first incurred, or since the last certification was provided?

B. During the preceding twelve-months (i) the Project was continually in compliance with the Regulatory Agreement executed in connection with such loan from the Governmental Lender, and (ii) ____% of the units in the Project were occupied by Low Income Tenants (minimum of 40%). In addition, the Project was in compliance with the requirements of Section 6 of the Regulatory Agreement (defined below).

C. Set forth below is certain information regarding occupancy of the Project as of the date hereof.

- 1. Total Units: _____
- 2. Total Units Occupied: _____
- 3. Total Units Held Vacant and Available for Rent to Low Income Tenants _____
- 4. Total Low Income Units Occupied: _____
- 5. % of Low Income Units to Total Units % _____%
(equals the Total of Lines 3 and 4, divided by the lesser of Line 1 or Line 2)

D. The units occupied by Low Income Tenants are of similar size and quality to other units and are dispersed throughout the Project.

E. Select appropriate certification: [No unremedied default has occurred under the Regulatory Agreement, the Funding Loan Agreement, the Project Loan Agreement, the Security Instrument or any of the other Financing Documents.] [A default has occurred under the _____. The nature of the default and the measures being taken to remedy such default are as follows: _____.]

F. Has there been a change of use for the Project? (If so, please describe)

G. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees to provide to the Governmental Lender such documentation or evidence, in support of the foregoing certifications, as the Governmental Lender may request.

Capitalized terms used in this Certificate and not otherwise defined herein have the meanings given to such terms in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2020, between the Governmental Lender and Hidden Cove Apartments, LP, a California limited partnership.

Date: _____

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V. Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit
corporation, its Sole Member

By: _____
Deborrah A. Willard, President

EXHIBIT D

FORM OF COMPLETION CERTIFICATE

**CERTIFICATE of COMPLETION
for QUALIFIED RESIDENTIAL RENTAL PROJECTS**

County of Contra Costa, California
Multifamily Housing Revenue Note
(Hidden Cove Apartments) 2020 Series A

- 1) Project Name: Hidden Cove Apartments
(If project name has changed since the award of allocation please note the original project name as well as the new project name.)
- 2) CDLAC Application No.: 19-527
- 3) Name of Issuer: County of Contra Costa, California
- 4) Name of Borrower: Hidden Cove Apartments, LP, a California limited partnership
(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower.)
- 5) The undersigned hereby certifies that all work on the Project was substantially completed as of _____, 20__

The undersigned hereby further certifies that:

- (a) the aggregate amount disbursed on the Project Loan to date is \$_____
- (b) all amounts disbursed from proceeds of the Project Loan have been applied to pay or reimburse the undersigned for the payment of Project Costs and none of the amounts disbursed from the proceeds of the Project Loan have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and
- (c) at least 95 percent of the amounts disbursed from the proceeds of the Project Loan have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25 percent of the amounts disbursed from the proceeds of the Project Loan, exclusive of amounts applied to pay the costs of issuing the Governmental Note, have been applied to pay or reimburse the Borrower for the cost of acquiring land.
- (d) the cost of the issuance of the Governmental Note was equal to or less than 2% of the note proceeds issued.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No____ Yes____

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Notes were first occupied on _____, 20__ and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Notes were first occupied on _____, 20__ .

7) If no to 6) the undersigned hereby certifies the Project meets the special federal rule for a Qualified Project Period.

No____ Yes____

(Project qualifies if it is an acquisition/ construction where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the Project acquisition or the Note Closing Date.)

(a) Governmental Note was issued on _____, 2020

(b) Property was acquired on _____, 20__

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or Governmental Note issuance) _____, 20__

Signature of Officer

Printed Name of Officer

Title of Officer

Phone Number

EXHIBIT E

CDLAC RESOLUTION

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

RESOLUTION NO. 19-134

A RESOLUTION TRANSFERRING A PORTION OF THE 2019 STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS AND AUTHORIZING THE MAKING OF A CARRYFORWARD ELECTION FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT

WHEREAS, the California Debt Limit Allocation Committee ("Committee") has received an application ("Application") from the County of Contra Costa ("Applicant") for the transfer to the Applicant of a portion of the 2019 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations ("Bonds") for a Project as specifically described in Exhibit A ("Project") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the Committee implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds); and

WHEREAS, the Project Sponsor has represented and the Applicant has confirmed in the Application certain facts and information concerning the Project; and

WHEREAS, in evaluating the Project and allocating a portion of the State Ceiling on Qualified Private Activity Bonds to the Applicant for the benefit of the Project, the Committee has relied upon the written facts and information represented in the Application by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Committee to make a transfer of a portion of the 2019 State Ceiling On Qualified Private Activity Bonds ("Allocation") in order to benefit such Project described in the Application; and

WHEREAS, the Committee has determined that it is appropriate to authorize the Applicant to make an election to carryforward Allocation to calendar year 2019 with respect to the Project described in the Application.

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. There is hereby transferred to the Applicant authorization to use **\$16,350,000** of the 2019 State Ceiling on Qualified Private Activity Bonds. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor and the Applicant, and all their respective successors and assignees, will be bound by such terms and conditions. The Applicant shall monitor the Project for compliance with the terms and conditions of this Resolution. In addition, the Project shall be subject to the monitoring provisions of California Code of Regulations, Title 4, Section 10337(c) and Section 5220 of the Committee's Regulations.

Section 3. Any modification to the Project made prior to the issuance of the Bonds that impacts the resolution must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Committee's Regulations, shall require reconsideration by the Committee before the Allocation may be used for the Project. After Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy. In addition, after bonds are issued, changes to Items #1, #6, #7, #10 thru #12, #14 thru #16, #18 thru #26, and #37 of the Exhibit A require Committee or Executive Director approval for the term of commitment; changes to item #2, #13, #17, #27, and #39 thru #41 of the Exhibit A cannot be altered; changes to Items #3 thru #5 of the Exhibit A require no Committee or Executive Director approval but any alterations must be reported to CDLAC staff for the affordability period; changes to Items #8 and #9 of the Exhibit A require no CDLAC notification; and changes to Items #28 thru #36 and #38 of the Exhibit A require Committee or Executive Director approval only prior to the Project being Placed in Service by the CA Tax Credit Allocation Committee (TCAC).

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Section 4. Any material changes in the structure of the bond sale prior to the issuance of the Bonds and not previously approved by the Committee shall require approval of the Committee Chair or the Executive Director.

Section 5. The transfer of proceeds from the sale of bonds to a project other than the Project subject to this Resolution is allowable only with the prior approval of the Executive Director in consultation with the Chair, except when the Project is unable to utilize any of its allocation and the Applicant is requesting the transfer of the entire Allocation to different project(s). In such case, prior approval of the Committee must be obtained. Any transfer made pursuant to this section may only be made to another/other project(s) of the same issuer that has been previously approved by the Committee.

Section 6. The Applicant is authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Carryforward Allocation to any governmental unit in the State other than the Committee.

Section 7. The Allocation transferred herein to the Applicant shall automatically revert to this Committee unless the Applicant has issued Bonds for the Project by the close of business on **04/13/2020**. Upon the discretion of the Executive Director, the expiration may be extended pursuant to the provisions in Chapter 1, Article 8 of the Committee's Regulations.

Section 8. Prior to being submitted to the IRS, draft Carryforward Elections must be emailed to CDLAC at cdlac@treasurer.ca.gov no later than February 1, 2020 for CDLAC approval of election amounts.

Section 9. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds, the Applicant shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of Allocation used.

Section 10. Within fifteen (15) calendar days of the Bond closing, the Applicant or its counsel shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 11. Any differences between the amount of Bonds issued and the amount of the Carryforward Allocation granted in Section 1 of this Resolution shall be retained by the Applicant for the period allowed by Section 146(f)(3)(A) of the Internal Revenue Code regarding carryforward elections. Use of any unused Carryforward Allocation shall be in accordance with Section 5132 of the Committee's Regulations regarding carryforward elections.

Section 12. The staff of the Committee is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds under this Carryforward Allocation or the term of the income and rental restrictions whichever is longer. The Committee staff is further directed to retain a copy of this Resolution in the files of the Committee (or any successor thereto) for the same period of time.

Section 13. In consideration of the Allocation transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Committee through an action for specific performance or any other available remedy, provided however, that the Committee agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution.

RESOLUTION NO. 19-134

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Section 14. The Certification of Compliance II or equivalent form is to be submitted by the Project Sponsor to the Applicant by the Applicant's specified deadline, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Applicant. Following the submission of the Certificate of Completion or equivalent form to the Applicant, the Certification of Compliance II is to be submitted March 1st every three years thereafter. In addition, an Annual Applicant Public Benefits and On-going Compliance Self-Certification (Self Certification) form must be submitted by the Applicant online every year until the Certificate of Completion has been submitted to the Applicant. After the completion of the project has been reported, the Self Certification will be required to be submitted March 1st every three years thereafter pursuant to Section 5144 of the CDLAC Regulations. Verification to CDLAC of income and rental information is not required in advance of the submission of the Certificate of Completion. A copy of the Certification of Compliance II and the Certificate of Completion forms may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

Section 15. This Resolution shall take effect immediately upon its adoption.

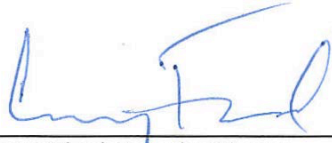
* * *

CERTIFICATION

I, Larry Flood, Executive Director of the California Debt Limit Allocation Committee, hereby certify that the above is a full, true, and correct copy of the Resolution adopted at a meeting of the Committee held in the State Personnel Board Building, 801 Capitol Mall, Room 150, Sacramento, California 95814, on October 16, 2019 at 10:11 a.m. with the following votes recorded:

AYES: Jovan Agee for State Treasurer Fiona Ma, CPA
Gayle Miller for Governor Gavin Newsom
Anthony Sertich for State Controller Betty T. Yee

NOES: None
ABSTENTIONS: None
ABSENCES: None



Larry Flood, Executive Director

Date: October 16, 2019

RESOLUTION NO. 19-134
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: County of Contra Costa
2. Application No.: 19-527
3. Project Sponsor: Hidden Cove Apartments, LP (Spira Hidden Cove, LP; Foundation for Affordable Housing V, Inc)
4. Project Management Co.: Aperto Property Management, Inc.
5. Project Name: Hidden Cove Apartments
6. Type of Project: Acquisition and Rehabilitation/Family
7. Location: Bay Point, CA
8. Private Placement Purchaser: **Capital One, N.A.**
Cash Flow Bond: **Not Applicable**

All units identified in the CDLAC resolution, including both the Federally Bond-Restricted Units and the Other Restricted Units, will be incorporated into the Bond Regulatory Agreement. Assumptions to be included in the Bond Regulatory Agreement regarding the Other Restricted Units will include the AMI as outlined in the CDLAC resolution, a limitation that tenants pay no more than 30% of their income and 1.5 persons per bedroom occupancy standard to determine the applicable rent.

Applicable

9. Public Sale: **Not Applicable**
Credit Enhancement Provider: **Not Applicable**
10. Total Number of Units: 87 plus 1 unrestricted manager unit(s)
11. Total Number of Restricted Rental Units: 87
12. The term of the income and rental restrictions for the Project will be at least 55 years from the date 50% occupancy is achieved or when the project is otherwise placed in service.
13. The Regulatory Agreement shall not terminate prior to the end of the CDLAC Resolution affordability term in the event of foreclosure, exercise of power of sale, and/or transfer of title by deed in lieu of foreclosure in connection with a deed of trust directly or indirectly securing the repayment of Cash Flow Permanent Bonds.
14. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
15. Income and Rental Restrictions:
 - a. Federally Bond-Restricted Set-aside Units:
At least **40%** of the total units will be restricted at 60% of the Area Median Income.
 - b. Other Restricted Units
For the entire term of the income and rental restrictions, the Project will have:

At least **18** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 50% of the Area Median Income.

At least **69** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 60% of the Area Median Income.

RESOLUTION NO. 19-134

Exhibit A

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16. 10% of the units will be restricted to households with incomes no greater than 50% of the Area Median Income in accordance with Section 5191 of the Committee's Regulations. These units will be distributed as follows:

Not Applicable: Preservation Project

Studios:	0
One-bedroom:	3
Two-bedroom:	6
Three-bedroom:	0
Four-bedroom:	0
Five-bedroom	0

17. For substantial renovation projects, a minimum of \$35,000 in hard construction costs, including overhead, profit, and general conditions, will be expended for each Project unit.

Applicable

18. A minimum of \$0,000 of public funds will be expended for the Project.

Not Applicable

19. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance for which the Project Sponsor could otherwise have used tax-exempt financing.

Not Applicable

20. If the Project received points for having large family units for the entire term of the income and rental restrictions, the Project will have at least 0 three-bedroom or larger units.

Not Applicable

21. For a period of fifteen (15) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

Not Applicable

22. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents an after school program of an ongoing nature on-site, or there must be an after school program available to Project residents within 1/2 mile of the Project except where the Project will provide no cost round trip transportation. The program shall include, but is not limited to: tutoring, mentoring, homework club, art, and recreation activities to be provided weekdays throughout the school year for at least ten (10) hours per week.

Not Applicable

23. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation & preparation, and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/2 mile of the Project or except where Project will provide no cost round trip transportation.

Not Applicable

24. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/2 mile of the Project except where Project will provide no cost round trip transportation.

Not Applicable

RESOLUTION NO. 19-134

Exhibit A

Page 3 of 5

25. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/2 mile of the Project or except where the Project will provide no cost round trip transportation. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

Not Applicable

26. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants with access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.).

Not Applicable

27. Minimum sustainable specifications will be incorporated into the project design per Section 5205 of the CDLAC Regulations.

Applicable

Section Waived:

- Energy Efficiency
- Landscaping
- Roofs
- Exterior Doors
- Appliances (ENERGY STAR)
- Window Coverings
- Water Heater
- Floor Coverings
- Insulation (Greengard Emission Criteria)

28. The Project commits to becoming certified under any one of the following programs upon completion:
- a. Leadership in Energy & Environmental Design (LEED for Homes) **Not Applicable**
 - b. Green Communities **Not Applicable**
 - c. Passive House Institute US (PHIUS) **Not Applicable**
 - d. Passive House **Not Applicable**
 - e. Living Building Challenge **Not Applicable**
 - f. National Green Building Standard ICC / ASRAE – 700 silver or higher rating **Not Applicable**
 - g. Green Point Rated Multifamily Guidelines **Not Applicable**
 - h. WELL **Not Applicable**

29. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency (including heating, cooling, fan energy, and water heating but not the following end uses: lighting, plug load, appliances, or process energy) beyond the requirements in Title 24, Part 6 of California Building Code (Percentage Better than the 2016 Standards):

- a. 7% **Not Applicable**
- b. 12% **Not Applicable**

RESOLUTION NO. 19-134

Exhibit A

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30. The Project is a New construction or Adaptive Reuse Project that commits to Energy Efficiency. The local building department has determined that building permit applications submitted on or before December 31, 2016 are complete and energy efficiency beyond the requirements in the 2013 Title 24, Part 6, of the California Building Code (the 2013 Standards) for the project as a whole shall be awarded.
- a. 9% **Not Applicable**
 - b. 15% **Not Applicable**
31. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency with renewable energy that provides the following percentages of project tenants' energy loads (Offset of Tenants' Load):
- a. 20% **Not Applicable**
 - b. 30% **Not Applicable**
 - c. 40% **Not Applicable**
32. The Project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the project as a whole by:
- a. 15% **Not Applicable**
 - b. 20% **Not Applicable**
33. The Project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
 - b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
 - c. Solar hot water for all tenants who have individual water meters **Not Applicable**
34. The Project is a Rehabilitation Project and will implement sustainable building management practices that include: 1) development of a project-specific maintenance manual including replacement specifications and operating information on all energy and green building features; and 2) undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required).
Not Applicable
35. The Project is a Rehabilitation project that individually meters or sub-meters currently master-metered gas, electricity or central hot water systems for all tenants.
Not Applicable
36. The project will commit to use no irrigation at all, irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens) or irrigate with reclaimed water, greywater or rainwater in an amount that annually equals 10,000 gallons or 150 gallons per unit whichever is less.
Not Applicable
37. The Project will commit to having at least one (1) nonsmoking building. If the Project only has one (1) building, it will be subject to a policy developed by the Sponsor that prohibits smoking in contiguous designated units. These restrictions will be incorporated into the lease agreements for the appropriate units.
Not Applicable
38. The Project will commit to having a parking ratio equivalent to or less than one (1) parking stall per single room occupancy or one-bedroom restricted rental unit and 1.5 parking stalls per two-bedroom or larger restricted rental unit.
Not Applicable

RESOLUTION NO. 19-134

Exhibit A

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39. As specified in Section 5144(b) of the Committee's Regulations, sponsors will be required to utilize TCAC's Compliance Manual specifically Section VI: Qualify Tenants for Low Income Housing Tax Credit Units, to verify tenant income in conjunction with initial occupancy. No less than every three (3) years after the project is completed, the Sponsor must collect and retain the following income and verification documentation related to all the Federally Bond-Restricted units identified in the Committee Resolution: TCAC Tax Income Calculation (TIC) or equivalent documentation, all associated source income documentation, evidence of the verifying income computation and unit lease.

Applicable

40. As specified in Section 5144(c) of the Committee's Regulations, compliance with the income and rental requirements of the Federally Bond-Restricted Units identified in the Committee Resolution and the Bond Regulatory Agreement must be demonstrated by the Applicants initial review of 20% of all management files associated with the Federally Bond-Restricted units and subsequent review every three (3) years of 20% of all management files associated with the Federally Bond-Restricted units.

Applicable

41. As specified in Section 5144(d) of the Committee's Regulations, applicants are required to ensure an onsite inspection as well as an on-site review of the 20% Federally Bond-Restricted units is performed every three (3) years after the Qualified Project Period has commenced.

The following entity will conduct the site and file inspections:

Not Applicable

EXHIBIT F

FREDDIE MAC RIDER

This Freddie Mac Rider (the “Rider”) is attached to and forms a part of the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), dated as of January 1, 2020, by and between the County of Contra Costa, California (the “Governmental Lender”), and Hidden Cove Apartments, LP, a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “Borrower”).

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Funding Loan Agreement. In addition, the following terms shall have the following meanings:

“Fiscal Agent” means U.S. Bank National Association, in its capacity as the Fiscal Agent under the Funding Loan Agreement and the Project Loan Agreement.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States.

“Funding Lender” means the holder of the Governmental Note, initially Capital One, National Association and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

“Funding Loan Agreement” means the Funding Loan Agreement dated as of January 1, 2020 by and among the Governmental Lender, the Initial Funding Lender set forth therein and the Fiscal Agent, as such Funding Loan Agreement may from time to time be amended or supplemented.

“Governmental Note” means the Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments) 2020 Series A, dated January __, 2020 delivered by the Governmental Lender pursuant to the Funding Loan Agreement.

“Project Loan” means the loan to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent.

“Project Loan Agreement” means the Project Loan Agreement dated as of January 1, 2020, among the Borrower, the Governmental Lender and the Fiscal Agent, as such Project Loan Agreement may from time to time be amended or supplemented.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Tax Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Note” means the Project Note, including applicable addenda, to be executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower’s financial obligations under the Project Loan, and to be endorsed by the Governmental Lender, without recourse, to the order of the Fiscal Agent, as the same may be amended, modified, supplemented or restated from time to time.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of January 1, 2020, together with all riders thereto, securing the Project Note, to be executed by the Borrower with respect to the Project, as it may be amended, modified, supplemented or restated from time to time.

“Servicer” means Capital One, National Association, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither the Funding Lender nor any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender’s liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Governmental Lender and/or Fiscal Agent consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement to the contrary: (i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents; and (ii) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument. No person other than the Funding Lender shall have the right to (a) declare the principal balance of the Project Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon receiving written notification at its notice address provided for in Section 11.04 of the Funding Loan Agreement that an Event of Default has occurred under and as defined in Section 17 of the Regulatory Agreement, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Servicer and the Funding Lender, inform the Borrower, the Servicer and the Funding Lender that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note or to foreclose on the Security Instrument.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 through 7, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender, or to cause the Governmental Lender to enforce, the terms of the Regulatory Agreement, subject to the provisions of Section 5.07 of the Funding Loan Agreement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Capital One, National Association
2 Bethesda Metro Center, 10th Floor
Bethesda, Maryland 20814
Attention: Servicing Department

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903 2000

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Paul J. Thimmig
Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, California 94920-1726

TERMINATION AGREEMENT

by and between the

COUNTY OF CONTRA COSTA

and

**HIDDEN COVE APARTMENTS, LP,
a California limited partnership**

dated as of January 1, 2020

relating to:

**Regulatory Agreement and Declaration of Restrictive Covenants,
dated as of May 1, 2003, originally among the
County of Contra Costa,
Steadfast Hidden Cove, L.P. and
Wells Fargo Bank, National Association**

TERMINATION AGREEMENT

This TERMINATION AGREEMENT, dated as of January 1, 2020 (the "Agreement"), is by and between the COUNTY OF CONTRA COSTA (the "County") and HIDDEN COVE APARTMENTS, LP, a California limited partnership (the "Owner").

RECITALS:

WHEREAS, pursuant to a Trust Indenture, dated as of May 1, 2003 (the "Indenture"), between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the County issued its County of Contra Costa Multifamily Housing Revenue Bonds (Hidden Cove Apartments Project), 2003 Series A (the "Bonds"); and

WHEREAS, the proceeds of the Bonds were loaned (the "Loan") by the County to Steadfast Hidden Cove, L.P., a California limited partnership (the "Original Borrower"), pursuant to a Loan Agreement, dated as of May 1, 2003 (the "Loan Agreement"), between the County and the Original Borrower, and the Original Borrower used proceeds of the Loan to finance an 88 unit multifamily rental housing facility known as Hidden Cove Apartments located in the Bay Point unincorporated area of the County (the "Project"); and

WHEREAS, in connection with the issuance of the Bonds, the County, the Trustee and the Original Borrower entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2003 (the "Regulatory Agreement") and recorded on May 7, 2003 in the official records of the County of Contra Costa, State of California, as Instrument No. DOC-2003-0211557-00, which Regulatory Agreement sets forth certain terms and conditions relating to the operation of the Project; and

WHEREAS, the Owner has sold the Project to Hidden Cove Apartments, LP, a California limited partnership (the "New Owner"), the Loan has been fully prepaid and the Bonds have been legally defeased as provided in Section 14.01 of the Indenture; and

WHEREAS, Section 18 of the Regulatory Agreement provides that, after the date on which no Bonds remain Outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all references to the Trustee in the Regulatory Agreement shall be deemed references to the County; and

WHEREAS, in connection with the sale of the Project by the Original Borrower to the New Owner, the Original Borrower, the New Owner and the County have entered into an Assignment and Assumption of Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 15, 2019, whereby the New Owner assumed all of the obligations of the Original Borrower under the Regulatory Agreement arising from and after August 15, 2019; and

WHEREAS, the New Owner is now obtaining a loan (the "2020 Borrower Loan") from the County which is issuing its County of Contra Costa, California Multifamily Housing Revenue Note (Hidden Cove Apartments), 2020 Series A (the "2020 Bonds") and using the proceeds of the 2020 Bonds to make the 2020 Borrower Loan; and

WHEREAS, in connection with the issuance of the 2020 Bonds and the 2020 Borrower Loan, the County and the New Owner are entering into a Regulatory Agreement and Declaration of Restrictive Covenants (the "New Regulatory Agreement"), which New Regulatory Agreement sets forth terms and conditions relating to the operation of the Project,

including provisions substantially the same as those in Sections 2, 3 and 4 of the Regulatory Agreement, and is for a term at least as long as the remaining term of the Regulatory Agreement; and

WHEREAS, the County and the New Owner have agreed to make the owners of the Bonds beneficiaries of the New Regulatory Agreement, so that the New Regulatory Agreement can supplant the Regulatory Agreement upon its execution; and

WHEREAS, the County has received the opinion of Bond Counsel (as defined in the Loan Agreement) to the effect that the execution and delivery of this Agreement and the New Regulatory Agreement, and the termination of the Regulatory Agreement as provided herein, will not adversely affect the exclusion of the interest on the Bonds from the gross incomes of the owners of the Bonds; and

WHEREAS, the County and the Owner now desire to provide for the termination of the Regulatory Agreement as provided herein.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Termination.

(a) The County and the New Owner hereby agree that the Regulatory Agreement shall cease and terminate.

(b) In accordance with the foregoing, the Regulatory Agreement recorded May 7, 2003, as Instrument No. DOC-2003-0211557-00 in the Official Records of Contra Costa County, State of California, is hereby terminated and is of no further force and effect.

(c) From and after the date hereof, neither the County nor the New Owner shall have any further rights or obligations under the Regulatory Agreement.

Section 2. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

COUNTY OF CONTRA COSTA, CALIFORNIA

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

HIDDEN COVE APARTMENTS, LP,
a California limited partnership

By: Spira Hidden Cove, LP, a California
limited partnership, its Administrative
General Partner

By: Spira Hidden Cove, LLC, a California
limited liability company, its General
Partner

By: _____
Robert Lee, Vice President

By: FFAH V Hidden Cove, LLC, a California
limited liability company, its Manager
General Partner

By: Foundation for Affordable Housing V,
Inc., a California nonprofit public
benefit pcorporation, its Sole Member

By: _____
Deborrah A. Willard, President

03007.50:J16632

[Signature page to Termination Agreement for Hidden Cove Apartments]

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Signature _____ [Seal]
Notary Public

EXHIBIT A

[to come-legal description of Project site]



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 7, 2020

Subject: Facility Use Lease Agreement with The Cobra Experience for “Coffee, Cars and Connections – A Reentry Services Fair”

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a half-day Facility Use Lease Agreement with the DJEK, Inc. (dba The Cobra Experience), in an amount not to exceed \$1000 for hosting a reentry services provider fair on January 23, 2020, subject to approval as to form by County Counsel.

FISCAL IMPACT:

100% AB 109 Public Safety Realignment revenue.

BACKGROUND:

In order to provide a networking opportunity to build positive relationships and greater awareness among Contra Costa County community-based reentry service providers and justice system partners, the County Administrator’s Office of Reentry and Justice will host the “Coffee, Cars and Connections – A Reentry Services Fair” on January 23, 2020 from 9:30 a.m. to noon. All reentry service providers, Probation, Parole and Police Department representatives are invited to attend the Reentry Services Provider Fair.

Centrally located in Martinez, The Cobra Experience is a perfect place to host the Reentry Services Fair with its unique event spaces, substantial parking and one-of-a-kind

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Lara DeLaney, (925)
335-1097

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

exhibitions. The Cobra Experience agreed to lease its facility to the County at a substantially discounted rate of \$1000.

Use of The Cobra Experience requires the execution of a Facility Use Lease Agreement, in which the County agrees to indemnify and hold the grantor harmless for any claims, demands, causes of action, suits and expenses arising out of the County's performance under this agreement. Under this Agreement, the County is required to indemnify the museum from any and all injuries, losses, and damages, whether by the County or by a third party; and the County is liable for any damages or theft, whether by the County or by a third-party. Risk Management has reviewed and consented to the requirements.

CONSEQUENCE OF NEGATIVE ACTION:

The Office of Reentry and Justice will not be able to host the “Coffee, Cars and Connections – A Reentry Services Fair” at The Cobra Experience.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Alcohol and Other Drugs Advisory Board 2019 Annual Report

RECOMMENDATION(S):

ACCEPT Alcohol and Other Drugs Advisory Board 2019 Annual Report.

FISCAL IMPACT:

This is a non-financial agreement.

BACKGROUND:

On June 18, 2002, the Board of Supervisors adopted Resolution No. 2002/377, which requires that each regular and ongoing board, commission, or committee shall annually report to the Board of Supervisors on its activities, accomplishments, membership attendance, required training/certification (if any), and proposed work plan or objectives for the following year, on the second Tuesday in December.

Annual reports shall follow the following format and shall not exceed two typewritten pages:

Advisory Body Name: Contra Costa County Alcohol and Other Drugs Advisory Board

Advisory Body Meeting Time/Location: 1220 Morello Ave. Martinez 4:00 to 6:15PM,

Chair (during the reporting period): Michael Collins

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Fatima Matal Sol,
925-335-3307

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Marcy Wilhelm, Fatima Matal Sol

BACKGROUND: (CONT'D)

Staff person (during the reporting period): Fatima Matal Sol

Reporting Period: January 1, 2019 to December 31, 2019

I. Activities (1/2 page)

II. Accomplishments (1/2 page)

III. Attendance/Representation (1/4 page)

IV. Training/Certification (1/4 page)

V. Proposed Work Plan/Objectives for Next Year (1/2 page)

ATTACHMENTS

Report

**Contra Costa County
Alcohol and Other Drugs Advisory Board
2019 ANNUAL REPORT**

Meeting Time and Location: Meetings are regularly scheduled on the fourth Wednesday of each month from 4:00 to 6:15 pm in Martinez; except when the Board meets in different supervisorial districts to effectively outreach to those residents.

Board: 11 members; 1 from each supervisorial district plus 6 At-large, and 3 At-large alternates. Each member is appointed by the Board of Supervisors.

Chair: Michael Collins

Staff: Fatima Matal Sol

Mission (as approved by the Board of Supervisors (BOS) on August 28, 2012): *The mission of the Alcohol and Other Drugs Advisory Board (AODAB) is to assess family and community needs regarding prevention and treatment of alcohol and other drug-related problems. Resultant findings and recommendations are forwarded to the Health Services Department and the Board of Supervisors.*

Activities:

During 2019, the AODAB adopted two goals: (1) Support the reduction of substance use and access, and (2) Promote and support more interaction between the Board and its constituents to better identify and address needs and opportunities. In addition, the Board continued its efforts in the following priority areas: (1) Increase Board member capacity to address substance use issues in the community; (2) Prepare recommendations for the BOS Legislative Platform (3) Increase awareness of prescription drug use/misuse.

Accomplishments:

In January 2019, the Board members participated in a strategic planning retreat, which resulted in the development of the 2019 AODAB Action Plan. The Action Plan highlighted key priority areas and included updated goals and objectives for the year. The retreat provided a platform to evaluate the previous year's plan and to discuss emerging trends that helped guide the development of the goals and objectives for the upcoming year. Furthermore, within the context of the Action Plan, strategies, activities and action steps to help guide the Board's three committees were outlined.

To encourage greater community involvement, the Board held its regularly scheduled October meeting at the Ambrose Community Center located in Bay Point. The meeting included presentations from East County based prevention and treatment providers. Additionally, there was active participation from community members to voice concerns and ask any clarifying questions related to the Board's advisory role and/or its involvement in countywide efforts.

The AODAB supported annual campaigns to raise awareness about Substance Use Disorder (SUD) prevention, treatment and recovery efforts in the community. Examples of campaigns included obtaining support from the BOS to adopt proclamations declaring *Prescription Drug Abuse Awareness Month* in March and *National Recovery Month* in September.

The AODAB recognizes the need to acknowledge community members for their outstanding service to combat SUD throughout the County. In doing so, the Board obtained support from the BOS to formally acknowledge 8 individuals, 3 of which were youth leaders and 3 youth groups from community based

organizations. All individuals and groups were recipients of the annual “People Who Make a Difference” Awards. In addition, in October 2019 the Board recognized two long time advocates declaring them to be “Recovery Champions”.

In the spirit of fulfilling the Board’s mission to assess community needs and promoting interaction with its constituents, Board members participated in the “Soulful Softball Sunday” event held in Richmond. The event was aimed at educating the community on Alcohol and Other Drugs (AOD) related issues and connecting individuals to prevention and treatment resources. Additional community engagement included participation in the Los Lomas Wellness Fair in Walnut Creek and the *Youth Marijuana Prevention Summit* in Concord. Furthermore, the Board participated in the *Dose of Action film festival* by launching two films about alternative pain therapy and the issues surrounding prescription drug use/misuse.

The Board continued to work in conjunction with the Contra Costa Council on Homelessness, the Mental Health Commission, the Contra Costa County MEDS Coalition and the Tobacco Prevention Coalition to work towards reaching common goals and interests.

The Programs and Services Committee reviewed the *Increasing Collaboration Across Contra Costa’s Drug Medi-Cal Organized Delivery System* report in which four goals were outlined. This report resulted in the creation of a *Provider County Advisory Collaborative Working Group* as a way to improve communication between AODS and their contracted providers. There has been committee representation during the bi-monthly collaborative meetings where the AODAB members have actively engaged in a dialogue with service providers to identify system gaps and discuss possible solutions to address those gaps. Along with the support of AODS staff, AODAB was also able to participate in quarterly AODS *System of Care* meetings. These meetings connected the AODAB with the County’s contracted SUD treatment providers to gain a better understanding of the strengths and challenges that programs face.

Advisory Board Challenges: The Board achieved quorum on ten meetings in 2019 and canceled two due to lack of quorum. As a result, the BOS changed the quorum structure of the AODAB from 18 to 11 seats to facilitate the achievement of quorum.

Training and Certification: All new members received an orientation on internal governance, the Ralph M. Brown Act and the County’s Better Government Ordinance, as well as on confidentiality standards, AODS structure, etc. In addition, presentations from representatives from various community-based organizations, county-run facilities, community coalitions as well as from the Director of Behavioral Health Services were delivered.

Proposed Work Plan/Objectives for 2020: The annual strategic planning retreat has been scheduled for January 25, 2020, which will allow for highlighting priority areas and developing the 2020 goals and objectives. Strategies will include community outreach, education and advocacy. There will be a greater focus on the upcoming changes to the State’s restructuring of Medi-Cal that will impact AOD services. The members of the AODAB are grateful to be of service to the BOS and the people of Contra Costa.



Contra
Costa
County

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 7, 2020

Subject: Interagency Agreement #28-904 with UCSF-Division of Pediatrics Rehabilitation Medicine

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute, on behalf of the County Interagency Agreement #28-904 with UCSF-Division of Pediatrics Rehabilitation Medicine, an educational institution, to provide Medical Therapy Conference (MTC) physician services, for the period from January 1, 2020 through December 31, 2025.

FISCAL IMPACT:

This is a non-financial agreement.

BACKGROUND:

This Contract meets the social needs of County's population by providing physical therapy and medically related services to physically disabled children who are eligible for California Children's Services (CCS) services. These services will be provided at the Turner Medical Therapy Unit (MTU) in Antioch, Shadelands MTU in Concord, Mauzy MTU in Alamo and West County MTU in San Pablo.

Under Interagency Agreement #28-904, Agency will provide physical therapy and medically related services to physically disabled children in County facilities throughout Contra Costa County for the period January 1, 2020 through December 31, 2025.

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Dan Peddycord,
925-313-6712

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: E Suisala , M Wilhelm

CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, children in need of physical therapy will not have access to Contractor's services.

CHILDREN'S IMPACT STATEMENT:

This program supports the following Board of Supervisors' community outcomes: "Children Ready For and Succeeding in School" and "Communities that are Safe and Provide a High Quality of Life for Children and Families". Expected program outcomes include an increase in the number of healthy children within the District.



Contra
Costa
County

To: Board of Supervisors
From: Kathy Gallagher, Employment & Human Services Director
Date: January 7, 2020

Subject: Executive Order 13888 on Enhancing State and Local Involvement in Refugee Resettlement: Support Without Endorsement

RECOMMENDATION(S):

SUPPORT without endorsement Executive Order 13888 on Enhancing State and Local Involvement in Refugee Resettlement;

CONSENT to refugee resettlement in Contra Costa County; and,

AUTHORIZE the Chair of the Board to execute and submit of a letter to the U.S. Department of State indicating the County’s consent to refugee resettlement in Contra Costa County as per the terms of Executive Order 13888 on Enhancing State and Local Involvement in Refugee Resettlement.

FISCAL IMPACT:

There is no fiscal impact.

BACKGROUND:

On September 26, 2019, the President issued Executive Order (EO) 13888 requiring written consent from states and counties prior to the initial resettlement of refugees in their jurisdictions by the federal government. Pursuant to the Executive Order, on November 6, 2019, the federal Department of State

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/07/2020** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 7, 2020

Contact: Elaine Burres
608-4960

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

BACKGROUND: (CONT'D)

released a Notice of Funding Opportunity (NOFO) outlining the consent requirements. The NOFO stipulated that the Resettlement Agencies must provide proof of written consent from the state governor's office and the chief executive officer of the county as a condition of refugee placement approvals and funding. The proposal submission deadline for Resettlement Agencies is January 21, 2020. Consistent with EO 13888, the consent letters will be published on the federal Department of State website. Effective June 1, 2020, refugees can only be resettled in locations where both state and local governments consent to their resettlement.

Refugee groups filed a lawsuit challenging the EO in U.S. District Court in Maryland. California Attorney General Becerra joined 12 attorneys general in filing an amicus brief. Oral arguments are scheduled for January 8, 2020. Participation in the implementation of Executive Order 13888 is not an endorsement of its legality.

Jewish Family & Community Services East Bay (JFCS) and the International Rescue Committee (IRC) are the local Resettlement Agencies in Contra Costa. Services provided by these organizations include initial reception and housing assistance; cultural orientation; benefits enrollment; employment and career development services; legal, mental health, and parenting support services for refugees and immigrants in the East Bay. In the past three years, JFCS and IRC resettled 634 refugees in Contra Costa, with the large majority from Afghanistan.

Refugees are individuals who are forced to flee their home country due to persecution based on their race, religion, ethnicity, political opinion or social group. Resettlement is the last resort for refugees who cannot return to their home country and cannot rebuild their lives where they first fled. Refugees resettled by the U.S. State Department are lawfully present in the U.S., and undergo a thorough vetting process.

Refugees play an important role in California and Contra Costa County's economy. In 2015, refugees' businesses generated \$4.6 billion in income nationally and their spending power in California alone totaled more than \$17.2 billion. A 2017 draft report by the U.S. Department of Health and Human Services found that refugees contributed \$63 billion more in tax revenue than they received in public benefits over the preceding decade.

Refugees who reside in California may qualify for CalFresh and Medi-Cal if they meet program requirements. Additionally, the Employment and Human Services Department administers Refugee Cash Assistance (RCA) and Cash Assistance Program for Immigrants (CAPI). RCA helps refugees by providing cash and medical assistance during their first eight months in the United States. CAPI is a State funded program that provides cash assistance for aged, blind and disabled legal immigrants and refugees who do not qualify for Federal Supplemental Security Income/State Supplemental Program (SSI/SSP).

Failure to provide consent per the requirements of the EO, and as set forth in the NOFO, would threaten the long-term stability of the refugee resettlement program. Additional impacts could include a decrease in State and county refugee integration services, increased processing times for refugees in addition to added uncertainty and delays in economic and social integration processes. In addition, refugee families may experience extended separations.