

CONSTRUCTION AND TERM LOAN AGREEMENT

This CONSTRUCTION AND TERM LOAN AGREEMENT (as amended and supplemented from time to time, this “**Agreement**”) is made and entered into as of _____, 2020, by and among COGGINS SQUARE APARTMENTS, L.P., a California limited partnership (“**Borrower**”), whose address is c/o BRIDGE Housing Corporation, 600 California Street, Suite 900, San Francisco, California 94108, the COUNTY OF CONTRA COSTA, CALIFORNIA, a public body, corporate and politic (together with its successor and assigns, “**Issuer**”), and UMPQUA BANK, an Oregon banking corporation (“**Bondowner Representative**”), whose address is One Capitol Mall, Suite 610, Sacramento, California 95814.

RECITALS:

A. Issuer is a public body, corporate and politic, duly formed and validly existing under the laws of the State of California. Pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the “**Act**”), Issuer is authorized and empowered to issue revenue bonds and apply the proceeds to make loans for the acquisition, construction and development of multifamily rental housing for persons of low and moderate income.

B. Borrower has requested that Issuer issue its Multifamily Housing Revenue Bond (Coggins Square Apartments), 2020 Series C-1 in the original principal amount of ///[\$7,476,200]/// (the “**Series C-1 Bond**”) and its Multifamily Housing Revenue Bond (Coggins Square Apartments), 2020 Series C-2 in the original principal amount of ///[\$24,626,838]/// (the “**Series C-2 Bond**”; and together with the Series C-1 Bond, the “**Bonds**”) for the purpose of making two loans (collectively, the “**Loans**”) to Borrower to finance, in part, the rehabilitation of a eighty-seven (87)-unit multifamily housing project known as “Coggins Square Apartments” (the “**Improvements**” or the “**Project**”), on certain real property located in the County of Contra Costa, State of California, more particularly described on Exhibit A attached hereto (the “**Property**”). The Bonds shall be issued pursuant to that certain Indenture of Trust of even date herewith, by and among Issuer, U.S. Bank National Association, as Trustee (together with its successors and assigns under the Indenture, “**Bond Trustee**”), and Bondowner Representative (as amended and supplemented from time to time, the “**Indenture**”).

C. Issuer deems it desirable and in keeping with its governmental purpose to issue the Bonds and use the proceeds thereof to make the Loans to Borrower for the purposes described above under the terms and conditions contained in this Agreement. The Loans are comprised of (1) a convertible term loan in the maximum principal amount of ///[Seven Million Four Hundred Seventy-Six Thousand Two Hundred and No/100th Dollars (\$7,476,200)]/// (the “**Convertible Loan**”), and (2) a construction loan in the maximum principal amount of ///[Twenty-Four Million Six Hundred Twenty-Six Thousand Eight Hundred Thirty-Eight and No/100th Dollars (\$24,626,838)]/// (the “**Construction Loan**”). The Convertible Loan shall be evidenced by that certain Promissory Note (Convertible Note) of even date herewith, executed by Borrower to the order of Issuer in the face principal amount of ///[\$7,476,200]/// (as amended and supplemented from time to time, the “**Convertible Note**”), and the Construction Loan shall be evidenced by that certain Promissory Note (Construction Note) of even date herewith, executed by Borrower to the order of Issuer in the face principal amount of ///[\$24,626,838]///

(as amended and supplemented from time to time, the “**Construction Note**”, and together with the Convertible Note, the “**Notes**”). The Notes are secured by that certain Construction and Permanent Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing of even date herewith, executed by Borrower for the benefit of Issuer and recorded in the Official Records substantially concurrently with the Closing Date (as amended and supplemented from time to time, the “**Deed of Trust**”), which Deed of Trust shall be assigned by Issuer to the Bond Trustee.

D. The interests of Issuer in this Agreement, the Notes, the Deed of Trust and the other Loan Documents, excluding the Reserved Rights (as defined in the Indenture), have been assigned by Issuer to Bond Trustee, pursuant to that certain Assignment of Deed of Trust and Loan Documents of even date herewith, recorded in the Official Records substantially concurrently with the Deed of Trust (as amended and supplemented from time to time, the “**Assignment of Deed of Trust**”).

E. Issuer and Bondowner Representative are each executing this Agreement, and are willing to make the Loans to Borrower and purchase the Bond, respectively, solely under the terms and conditions specified in this Agreement and in the other Loan Documents, to each of which Borrower agrees. Borrower understands and agrees that: (1) in granting, renewing, or extending the Loan, Issuer and Bondowner Representative are each relying upon Borrower’s representations, warranties, and agreements as set forth in this Agreement, and (2) the Loans shall be and remain subject the following terms and conditions of this Agreement.

F. In order to secure additional financing for the Project, Borrower has obtained three loans from the County of Contra Costa, California, a public body, corporate and politic (the “**County**”), in the aggregate principal amount of \$_____ (the “**County Loan**”), pursuant to that certain ///[Loan Agreement]/// dated as of _____, 2020, by and between Borrower and the County (the “**County Loan Agreement**”). The County Loan is evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of the County in the face principal amount of \$_____ (the “**County Note**”), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of the County and recorded in the Official Records substantially concurrently with the Deed of Trust (the “**County Deed of Trust**”).

G. In order to secure additional financing for the Project, Borrower has obtained a loan from BRIDGE Housing Corporation, a California nonprofit public benefit corporation (in such capacity, “**Sponsor**”), in the principal amount of ///[\$11,548,157]/// (the “**Sponsor Loan**”), pursuant to that certain ///[Loan Agreement]/// dated as of _____, 2020, by and between Borrower and Sponsor (the “**Sponsor Loan Agreement**”). The Sponsor Loan is evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of Sponsor in the face principal amount of ///[\$11,548,157]/// (the “**Sponsor Note**”), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of Sponsor and recorded in the Official Records substantially concurrently with the Deed of Trust (the “**Sponsor Deed of Trust**”).

H. In order to secure additional financing for the Project, Borrower has obtained a loan from Coggins Square Apartments LLC, a California limited liability company (“**General Partner**”), in the principal amount of ///[\$1,561,811]/// (the “**GP Loan**”), pursuant to that certain ///[Loan Agreement]/// dated as of _____, 2020, by and between Borrower and General Partner (the “**GP Loan Agreement**”). The GP Loan is evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of General Partner in the face principal amount of ///[\$1,561,811]/// (the “**GP Note**”), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of General Partner and recorded in the Official Records substantially concurrently with the Deed of Trust (the “**GP Deed of Trust**”).

I. Borrower shall also receive additional funds for the Project from _____, a _____, in its capacity as investor limited partner in Borrower (together with its permitted successors and assigns, “**Investor**”), in the projected aggregate amount of ///[\$16,468,949]/// (the “**Equity Deposits**”), in accordance with the terms and conditions of the Partnership Agreement.

NOW, THEREFORE, for value, the parties agree as follows:

SECTION 1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. As used in this Agreement:

1.1.1 “Act” shall have the meaning set forth in the Recitals.

1.1.2 “Affiliate” means, with respect to any Person, (i) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, (A) such Person or (B) any general partner of such Person; (ii) any other Person 50 percent or more of the equity interest of which is held beneficially or of record by (A) such Person or (B) any general partner of such Person, and (iii) any general or limited partner of (A) such Person or (B) any general partner of such Person. As used in the previous sentence, “control” means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise.

1.1.3 “AHAP Contract” means that certain ///[PBV Agreement to Enter Into Housing Assistance Payments Contract]/// dated as of _____, 2020, by and between Borrower and Contract Administrator.

1.1.4 “Appraisal” means the appraisal prepared by _____ dated _____, 2019.

1.1.5 “Approved Budget” means the line item budget for the Project as reviewed and approved by Bondowner Representative and set forth in Exhibit B attached hereto, and as modified from time to time in accordance with this Agreement.

1.1.6 “Approved Construction Costs” means the hard and soft costs of constructing the Project, as shown on the Approved Budget.

1.1.7 “Architect” means TWM Architects + Planners.

1.1.8 “Architect’s Contract” means that certain Standard Form of Agreement Between Owner and Architect dated as of _____, by and between Borrower and Architect.

1.1.9 “Architectural Documents” means the Architect’s Contract, the engineering contracts and all plans and specifications for the Project prepared by the Architect and the engineers.

1.1.10 “Assignment of Deed of Trust” shall have the meaning set forth in the Recitals.

1.1.11 “Assignment of AHAP” means the Assignment of Agreement to Enter Into Housing Assistance Payments Contract dated as of even date herewith, executed by Borrower for the benefit of Bond Trustee and consented to by Contract Administrator.

1.1.12 “Bonds” shall have the meaning set forth in the Recitals.

1.1.13 “Bond Trustee Annual Fee” means the annual fee of the Bond Trustee in the amount of \$_____, payable in advance by the Borrower to the Bond Trustee on the Closing Date and on each ///[April]/// 1 thereafter, so long as any portion of the Bonds are outstanding.

1.1.14 “Bond Documents” means, collectively, the Bonds, the Indenture, the Bond Regulatory Agreement, the Assignment of Deed of Trust, the Tax Certificate, the UCC-1 and UCC-2 Financing Statements filed in connection with the Indenture, and all other documents now or hereafter executed by Borrower, Issuer, Bond Trustee and/or Bondowner Representative in connection with the Bonds.

1.1.15 “Bond Regulatory Agreement” means that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____ 1, 2020, by and among Issuer, Bond Trustee and Borrower, recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.16 “Bond Trustee” shall have the meaning set forth in the Recitals.

1.1.17 “Business Day” means a day when Bondowner Representative is open to the public in Sacramento, California, for carrying on substantially all of its banking functions other than a Saturday, Sunday, or national bank holiday.

1.1.18 “Closing Date” means _____, 2020.

1.1.19 “Closing Deadline” means _____, 2020.

1.1.20 “Code” means the United States Internal Revenue Code of 1986, as amended.

1.1.21 "Collateral" means the Project, including the Property and present and future buildings, improvements, systems, fixtures, equipment, machinery, furniture, tools, and furnishings on or used in connection therewith, and all present and future governmental approvals, permits, licenses, certificates, leases, executory contracts, accounts, instruments, documents, chattel paper, rents, income, deposits, money, general intangibles (including trade name) and entitlements, profits, proceeds, books, and records arising therefrom or related thereto, together with any other tangible or intangible assets in which Bondowner Representative is granted a Lien or Lien pursuant to any Security Document.

1.1.22 "Conditions to Conversion" shall have the meaning set forth in Section 8.

1.1.23 "Construction Account" means the deposit account (Account No. _____) in Borrower's name at Bondowner Representative into which proceeds of the Loans and other Funding Sources will be deposited by Bond Trustee as Disbursements for Approved Construction Costs.

1.1.24 "Construction Commencement Deadline" means the date that is thirty (30) days after the Closing Date.

1.1.25 "Construction Completion Deadline" means _____, 20__.

1.1.26 "Construction Contract" means that certain Standard Form of Agreement Between Owner and Contractor where the basis of payment is _____ dated as of _____, 20__, pursuant to which Contractor will rehabilitate the Project.

1.1.27 "Construction Documents" means the Architectural Documents, the Construction Contract, the Approved Budget, the schedule of Approved Construction Costs, and the construction schedule approved by Bondowner Representative.

1.1.28 "Construction Loan" has the meaning ascribed to such term in the Recitals, designated Loan No. _____.

1.1.29 "Construction Loan Maturity Date" means, as applicable, the Initial Construction Loan Maturity Date or the Extended Construction Loan Maturity Date.

1.1.30 "Construction Note" has the meaning set forth in the Recitals.

1.1.31 "Construction Period" means the period from the date of this Agreement through the earlier to occur of the Construction Loan Maturity Date and the Conversion Date.

1.1.32 "Contract Administrator" means _____, a _____.

1.1.33 "Contractor" means Deacon Construction, Inc., a California corporation, the general contractor for the Project.

1.1.34 “Conversion” means, upon satisfaction of the Conditions to Conversion, the conversion of the Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan and the extension of the Maturity Date of the Convertible Loan from the Construction Loan Maturity Date to the Convertible Loan Maturity Date.

1.1.35 “Conversion Date” shall have the meaning set forth in Section 8.2.

1.1.36 “Conversion Election Notice” shall have the meaning set forth in Section 8.2.

1.1.37 “Conversion Notice” shall have the meaning set forth in Section 8.2.

1.1.38 “Convertible Loan” has the meaning set forth in the Recitals, designated Loan No. _____.

1.1.39 “Convertible Loan Maturity Date” means the date that is seventeen (17) years after the Conversion Date.

1.1.40 “Convertible Note” has the meaning set forth in the Recitals.

1.1.41 “County” has the meaning set forth in the Recitals.

1.1.42 “County Deed of Trust” has the meaning set forth in the Recitals.

1.1.43 “County Loan” has the meaning set forth in the Recitals.

1.1.44 “County Loan Agreement” has the meaning set forth in the Recitals.

1.1.45 “County Loan Documents” means, collectively, the County Loan Agreement, the County Note, the County Deed of Trust, ///[the County Regulatory Agreement]///, and all other documents evidencing, securing or otherwise executed in connection with the County Loan.

1.1.46 “County Note” has the meaning set forth in the Recitals.

1.1.47 “County Regulatory Agreement” means that certain _____ dated as of _____, 2020, by and between Borrower and the County.

1.1.48 “County Subordination Agreement” means that certain Subordination Agreement (Contra Costa County) dated as of the date hereof, by and among Borrower, Bondowner Representative and the County and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.49 “Credit Agency” means the California Tax Credit Allocation Committee.

1.1.50 “Debt Service” means, for any period, the sum of all principal and interest payments which would be due and payable under the Loan Documents during the period.

1.1.51 “Debt Service Coverage Ratio” means, for any period, the ratio of (a) Net Cash Flow for such period divided by (b) Debt Service for such period.

1.1.52 “Deed of Trust” shall have the meaning set forth in the Recitals.

1.1.53 “Default Rate” means an interest rate equal to the then current rate on the Note, plus five percent (5%).

1.1.54 “Deferred Developer Fee” means the final \$_____ of the Developer Fee to be paid to Developer.

1.1.55 “Developer” means BRIDGE Housing Corporation, a California nonprofit public benefit corporation.

1.1.56 “Developer Fee” means the \$_____ developer fee payable to the Developer pursuant to the Development Agreement, as set forth in the schedule attached hereto as Exhibit C-2.

1.1.57 “Development Agreement” means that certain ///[Development Services Agreement]/// by and between Developer and Borrower, dated as of _____, 2020, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.58 “Disbursement” means, as applicable, (a) an advance of Loan proceeds to the Bond Proceeds Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture) held by the Bond Trustee (which disbursements shall first be made under the Convertible Note until the full amount of the Convertible Note is outstanding and then from the Construction Note), (b) an advance of Loan proceeds from the Bond Trustee into the Construction Account, or (c) a disbursement of other Funding Sources from the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture) into the Construction Account, each as made or approved by Bondowner Representative upon the terms set forth herein.

1.1.59 “DSCR Shortfall Account” shall have the meaning set forth in Section _____.

1.1.60 “Environmental Reports” means, that certain ///[Phase One Environmental Site Assessment]/// dated as of _____, prepared by _____ under Project No. _____.

1.1.61 “Equity Deposits” means the capital contributions to Borrower to be provided by the Investor, aggregating ///[\$16,468,949]///, as set forth on Exhibit C-1 attached hereto.

1.1.62 “Equity/Loan Reserve” has the meaning set forth in the Reserve and Security Agreement.

1.1.63 “Equity/Loan Reserve Account” has the meaning set forth in the Reserve and Security Agreement.

1.1.64 “Event of Default” shall have the meaning set forth in Section 9.

1.1.65 “Extended Construction Loan Maturity Date” means _____, 2022 ///[6 MONTH EXTENSION OPTION].

1.1.66 “Fiscal Year” means a calendar year, provided that such year shall not be changed without the prior written consent of Bondowner Representative.

1.1.67 “Funding Sources” means the Loan and all other sources of funds for the Project, as set forth in the Project Sources Schedule.

1.1.68 “GAAP” means the generally accepted accounting principles issued by the American Institute of Certified Public Accountants in effect in the United States at the time of application to the provisions of this Agreement.

1.1.69 “General Partner” shall have the meaning set forth in the Recitals.

1.1.70 “Good Standing Certificate” means a certificate issued by the secretary of state or other appropriate government official, office, or agency concerning an Organization’s status.

1.1.71 “Governmental Agency” means any governmental or quasi-governmental agency, board, bureau, commission, department, court, administrative tribunal or other instrumentality or authority, and any public utility.

1.1.72 “GP Deed of Trust” has the meaning set forth in the Recitals.

1.1.73 “GP Loan” has the meaning set forth in the Recitals.

1.1.74 “GP Loan Agreement” has the meaning set forth in the Recitals.

1.1.75 “GP Loan Documents” means, collectively, the GP Loan Agreement, the GP Note, the GP Deed of Trust, and all other documents evidencing, securing or otherwise executed in connection with the GP Loan.

1.1.76 “GP Note” has the meaning set forth in the Recitals.

1.1.77 “GP Subordination Agreement” means that certain Subordination Agreement (GP Loan) dated as of the date hereof, by and among Borrower, Bondowner Representative and General Partner and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.78 “Guarantor” shall have the meaning set forth in the Recitals.

1.1.79 “Guaranty” means that certain Unsecured Payment and Performance Guaranty dated as of the date hereof by Guarantor in favor of Bondowner Representative, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.80 “HAP Contract” means the housing assistance payments contract to be entered into between Borrower and Contract Administrator in accordance with the AHAP Contract, pursuant to which Contract Administrator will agree provide rental subsidies for _____ (_____) of the units at the Project (the “**Section 8 Payments**”).

1.1.81 “HUD” means the U.S. Department of Housing and Urban Development Office of Housing.

1.1.82 “Improvements” shall have the meaning set forth in the Recitals.

1.1.83 “Indebtedness” means, for any Person, (a) all indebtedness of such Person (calculated on a consolidated basis) for borrowed money or for the deferred purchase price of property, (b) all direct or indirect guarantees of such Person in respect of, and all obligations or undertakings (contingent or otherwise) to assure a creditor against loss in respect of, indebtedness of any other Person for borrowed money or for the deferred purchase price of property, and (c) all obligations, debts, liabilities as well as all claims by any creditor against such Person, whether now existing or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated, whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitation or may become otherwise unenforceable.

1.1.84 “Indenture” shall have the meaning set forth in the Recitals.

1.1.85 “Insolvency Proceeding” means any proceeding intended to liquidate or rehabilitate the estate of the Person involved, including bankruptcy (liquidation or reorganization), receivership, and similar proceedings, and includes an assignment for the benefit of creditors.

1.1.86 “Investor” shall have the meaning set forth in the Recitals.

1.1.87 “Lien” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.1.88 “LIHTC” means federal Low Income Housing Tax Credits under Section 42 of the Code and state low income housing tax credits.

1.1.89 “Loans” shall have the meaning set forth in the Recitals.

1.1.90 “Loan Documents” means all documents executed in connection with the Loan, including, without limitation, this Agreement, the Notes, the Guaranty, the Security Documents, the Unsecured Hazardous Materials Certificate and Indemnity, the Access Laws Certificate and Indemnity, the Subordination Agreement, and the Assignment of Contracts, Agreements, and Permits, all as originally executed and as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.91 “Material Adverse Occurrence” means any occurrence of whatsoever nature (including, without limitation, any adverse determination in any litigation, arbitration, or governmental investigation or proceeding) which Bondowner Representative shall determine

could materially adversely affect the then present or prospective financial condition or operations of Borrower, General Partner, or Guarantor, the availability of the LIHTC, the value of the Improvements or the Project, or any other material Collateral securing repayment of the Loan, or impair the ability of Borrower, General Partner or Guarantor to perform its obligations as and when required under any of the Loan Documents, as determined by Bondowner Representative in its discretion.

1.1.92 “Material Subcontractors and Suppliers” means those subcontractors and materials suppliers whose contracts exceed \$25,000.

1.1.93 “Maturity Date” means (a) with respect to the Construction Loan, the Construction Loan Maturity Date and (b) with respect to the Convertible Loan, the Construction Loan Maturity Date, as such date may be extended to the Convertible Loan Maturity Date upon satisfaction of the Conditions to Conversion.

1.1.94 “Net Cash Flow” means, for any period, the excess, if any, of the actual gross operating income generated by the Project during such period (excluding insurance (other than rental loss insurance proceeds) and condemnation proceeds, loan proceeds, security and cleaning deposits made by any tenant (except to the extent such deposits are applied against rent or other amounts then payable by the tenant under the applicable lease) and similar items and items of a nonrecurring nature), over all costs and expenses incurred by Borrower during such period in connection with Borrower’s ownership, management, regular maintenance, operation and leasing of the Project during such period, all as determined by Bondowner Representative in its sole and absolute discretion; provided that for purposes of such determination, Bondowner Representative shall include as Project expenses for any monthly period or portion thereof, in such monthly period, 1/12th of the annual real estate taxes (or payments in lieu thereof) if not abated or otherwise exempt under applicable law and assessments constituting a lien on the Property, 1/12th of the annual insurance premiums for all insurance carried and/or required to be carried by Borrower with respect to the Project, 1/12th of the annual amounts then payable in respect of the Replacement Reserve Requirement, and such portion of such other non-monthly expenses as Bondowner Representative may deem appropriate in its sole discretion.

1.1.95 “Notes” shall have the meaning set forth in the Recitals.

1.1.96 “Obligations” has the meaning set forth in Section 12.1 below.

1.1.97 “Official Records” means the Official Records of Contra Costa County, California.

1.1.98 “Operating Reserve” has the meaning set forth in the Reserve and Security Agreement.

1.1.99 “Operating Reserve Account” has the meaning set forth in the Reserve and Security Agreement.

1.1.100 “Operating Reserve Requirement” has the meaning set forth in the Reserve and Security Agreement.

1.1.101 “Order” means a judgment, order, levy, executive or administrative decision, permit, license, or like legislative, judicial, executive, or administrative imposition of any federal, state, or municipal governmental unit.

1.1.102 “Organization” means corporation, government subdivision or agency, partnership, limited partnership, limited liability company, estate, trust, association, or other legal or commercial entity.

1.1.103 “Organizational Document” means the articles of incorporation, articles of organization, the certificate of limited partnership, the bylaws, the operating agreement, the partnership agreement, the trust agreement and all other certificates and documents related thereto.

1.1.104 “Origination Fee” means a construction loan fee in the amount of one-half of one percent (0.5%) of the maximum principal amount of the Loan (*i.e.*, ///[\$160,515]///) and a loan processing fee in the amount of \$_____.

1.1.105 “Partner” means, collectively, General Partner and Investor.

1.1.106 “Partnership Agreement” means that certain ///[First Amended and Restated Agreement of Limited Partnership]/// of Borrower dated as of _____, 2020, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.107 “Per Annum” means, when used in connection with a rate of interest, that interest is calculated by dividing the actual number of days in an interest period by an annual interest period or denominator of 360 days.

1.1.108 “Permitted Encumbrances” has the meaning ascribed thereto in the Deed of Trust.

1.1.109 “Person” means an Organization or an individual.

1.1.110 “Plans” means the plans and specifications for the rehabilitation of the Project and all Improvements to be located on the Property, as approved by Bondowner Representative, together with any amendments or modifications thereof consented to by Bondowner Representative in its discretion.

1.1.111 “Project” shall have the meaning set forth in the Recitals.

1.1.112 “Project Sources Schedule” means the schedule of sources of funds attached hereto as Exhibit C.

1.1.113 “Property” shall have the meaning set forth in the Recitals.

1.1.114 “Property Management Agreement” means that certain ///[Management Agreement]/// dated as of _____, by and between Borrower and Property Manager.

1.1.115 “Property Manager” means _____, a _____, or such other property manager as may be approved by Bondowner Representative

1.1.116 “Prospective Default” means an event, circumstance, or condition that would constitute an Event of Default but for the giving of notice, the passage of time, or both.

1.1.117 “Regulatory Agreements” means all restrictive covenants recorded against the Property, including, without limitation, the Bond Regulatory Agreement, ///[the County Regulatory Agreement]/// and the Tax Credit LURA.

1.1.118 “Replacement Reserve” has the meaning set forth in the Reserve and Security Agreement

1.1.119 “Replacement Reserve Account” has the meaning set forth in the Reserve and Security Agreement

1.1.120 “Reserve and Security Agreement” means that certain Reserve and Security Agreement of even date herewith, among Bondowner Representative, Borrower and Umpqua Bank, as account holder, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

1.1.121 “Replacement Reserve Requirement” has the meaning set forth in the Reserve and Security Agreement.

1.1.122 “Retainage” means ten percent (10%) of approved hard costs covered by a Disbursement request.

1.1.123 “Security Documents” means the Deed of Trust, the Assignment for Security of Tax Credit Collateral, the Security Agreement (Pledge of Partnership Interest), the Assignment of Contracts, Agreements and Permits, the Assignment of AHAP, the Reserve and Security Agreement, the financing statements, and any other document that is used to create or perfect Bondowner Representative’s Lien in any part of the Collateral, as each may be amended, restated, replaced, supplemented or otherwise modified from time to time.

1.1.124 “Sponsor Deed of Trust” has the meaning set forth in the Recitals.

1.1.125 “Sponsor Loan” has the meaning set forth in the Recitals.

1.1.126 “Sponsor Loan Agreement” has the meaning set forth in the Recitals.

1.1.127 “Sponsor Loan Documents” means, collectively, the Sponsor Loan Agreement, the Sponsor Note, the Sponsor Deed of Trust, and all other documents evidencing, securing or otherwise executed in connection with the Sponsor Loan.

1.1.128 “Sponsor Note” has the meaning set forth in the Recitals.

1.1.129 “Sponsor Subordination Agreement” means that certain Subordination Agreement (Sponsor Loan) dated as of the date hereof, by and among Borrower, Bondowner Representative and Sponsor and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.130 “Subordinate Lenders” means, collectively, the County, General Partner and Sponsor.

1.1.131 “Subordinate Loan Documents” means, collectively, the County Loan Documents, the GP Loan Documents and the Sponsor Loan Documents.

1.1.132 “Subordinate Loans” means, collectively, the County Loan, the GP Loan and the Sponsor Loan.

1.1.133 “Subordination Agreements” means, collectively, the County Subordination Agreement, the GP Subordination Agreement and the Sponsor Subordination Agreement.

1.1.134 “Tax Certificate” means that certain Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated as of the Closing Date, executed and delivered by Issuer and Borrower.

1.1.135 “Tax Credit LURA” means the Low-Income Housing Tax Credit Land Use Restriction Agreement executed by Borrower and the Credit Agency.

1.1.136 “Title Commitment” means the preliminary report dated _____, 2020, issued by the Title Insurance Company with respect to the Property.

1.1.137 “Title Insurance Company” means Old Republic Title Company or another title insurance company reasonably acceptable to Bondowner Representative.

1.1.138 “Title Policy” means the mortgagee’s title insurance policy described in Section 3.1.6.

1.2 Recitals. The Recitals are incorporated into this Agreement by this reference.

1.3 Exhibits. The following exhibits that are attached to this Agreement are incorporated into this Agreement by this reference:

- Exhibit A - Legal Description of the Property
- Exhibit B - Approved Budget
- Exhibit C - Project Sources Schedule (Including Timing of Sources)
- Exhibit D - Compliance Certificate
- Exhibit E - Insurance Requirements
- Exhibit F - Form of Conversion Election Notice
- Exhibit G - Form of Conversion Notice

1.4 Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

1.4.1 The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(a) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(b) Article, Section, Exhibit, and Schedule references are to the Loan Document in which such reference appears.

(c) The term “including” is by way of example and not limitation.

(d) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(e) The use of the word “or” is not exclusive.

1.4.2 In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

1.4.3 Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.5 Accounting Terms.

1.5.1 All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time.

1.5.2 If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Bondowner Representative shall so request, Bondowner Representative and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof

in light of such change in GAAP; provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide to Bondowner Representative financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.6 References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

SECTION 2. REPRESENTATIONS AND WARRANTIES

2.1 Borrower's Representations and Warranties. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.1.1 As of the Closing Date, Borrower holds a fee simple interest in the Property subject only to the Permitted Encumbrances.

2.1.2 Borrower, General Partner and Guarantor are duly organized and validly existing under the laws of the State of California and are authorized to conduct business in the State of California.

2.1.3 Borrower, General Partner and Guarantor have been duly authorized to execute the Loan Documents to which they are a party and to pay and perform the debts and obligations of Borrower to Bondowner Representative under the Loan Documents when and as such payment and performance are due.

2.1.4 The execution of the Loan Documents by each of Borrower, General Partner and Guarantor and the payment and performance of the debts and obligations of Borrower under the Loan Documents are not prohibited by, and will not result in a fine, penalty, or similar sanction under, any applicable Laws and Orders, will not violate any of the Organizational Documents of Borrower, General Partner or Guarantor, as applicable, and will not breach, or constitute an Event of Default under, any agreement, instrument, indenture, or similar contract documents to which Borrower, General Partner or Guarantor is a party or by which Borrower, General Partner or Guarantor or its respective property is bound.

2.1.5 The Loan Documents are enforceable against Borrower, General Partner and Guarantor in accordance with their respective terms subject to the effect of insolvency, moratorium, or other similar laws affecting the rights and remedies of creditors generally, general principles of equity, whether applied by a court of law or equity, and other generally applicable rules of law.

2.1.6 Borrower has furnished financial statements to Bondowner Representative that fairly present the financial condition of Borrower and Guarantor as of the date of such financial statements.

2.1.7 There are no direct or contingent liabilities of Borrower that have not been disclosed to Bondowner Representative in the financial statements or other information that has been provided in writing to Bondowner Representative. Borrower and Guarantor are and will remain solvent after giving effect to all borrowings and guaranties contemplated in the Loan Documents.

2.1.8 There is no litigation, prosecution, investigation, or proceeding of any nature whatsoever now pending or overtly threatened in writing against Borrower, General Partner or Guarantor that seeks to affect the enforceability of the Loan Documents, is likely to adversely affect the ability of Borrower, General Partner or Guarantor to pay and perform its respective obligations to Bondowner Representative, or is likely to prevent, substantially delay, or interfere with Borrower's rehabilitation of the Project.

2.1.9 No Material Adverse Occurrence has occurred since the date when Borrower applied for the Loan and furnished financial information to Bondowner Representative.

2.1.10 The Property is properly planned and zoned for occupancy for its intended use and constitutes one or more legal lots.

2.1.11 The construction work will be done in a good and workmanlike manner substantially in accordance with the Construction Documents, and no change orders will be made except in accordance with Section 7.19.

2.1.12 To the knowledge of Borrower, neither the Appraisal nor the Title Commitment contains any material errors or omissions.

2.1.13 The Construction Contract and the Architect's Contract are effective and binding, and Borrower has submitted full, complete, and accurate copies thereof to Bondowner Representative. Borrower has independently evaluated the economic viability of the Project and the reliability and skill of the Contractor, the Architect, all other design professionals (e.g., engineers, etc.), and all other persons and entities involved in or retained for the Project. Borrower is solely relying on its own independent data, evaluations and business judgment regarding the project, and no action or statement by Bondowner Representative shall be construed as an endorsement or recommendation relating to any aspect of the Project.

2.1.14 Borrower and Guarantor have filed all tax returns that are required to be filed by them and have paid, or have made adequate provision for the payment of, all taxes that have or may become due pursuant to said returns or to assessments received by them, including, without limitation, all property taxes and assessments for the Project. Borrower is not aware of any deficiency assessment or proposed deficiency assessment of taxes for which Borrower or Guarantor may be liable, except as may otherwise be disclosed in writing to Bondowner Representative prior to the date hereof.

2.1.15 The Property is served by water, sanitary sewer and storm drain facilities adequate to service the Property and the Project for their intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Property and the Project are located either in the public right of way abutting the Property (which are connected so as to serve the Property and the Project without passing over other property) or in recorded easements serving the Property and the Project and described in the Title Policy.

2.1.16 The use of the Property by Borrower, rehabilitation of the Project and any and all contemplated accessory uses by Borrower, will not violate (a) any Laws (including subdivision, zoning, building, environmental protection and wetland protection Laws) or Orders, or (b) any building permits, restrictions of record, or agreements affecting the Project or any part thereof, in each case in any material respect. Neither the zoning authorizations, approvals or variances, nor any other right to rehabilitate, operate or use the Project, is to any extent dependent upon or related to any real estate other than the Property. All approvals from Governmental Agencies required for Borrower's construction and operation of the Project for its intended purposes, including all required permits and licenses, have been obtained or will be obtained prior to commencement of construction, and Borrower has complied, and will continue to comply, with all Laws and Orders relating to the construction and operation of the Improvements and the Project in all material respects.

2.1.17 Except for those permits to be issued at a later date with respect to the occupancy and use of the Project, no consent, approval, authorization or order of any court or governmental authority or body or any other Governmental Agency is required for the consummation by Borrower or Guarantor of the transactions contemplated by the Loan Documents.

2.1.18 There is no uncured Event of Default or Prospective Default that now exists under the Loan Documents.

2.1.19 Borrower has not failed to disclose to Bondowner Representative any material fact necessary in order to make the representations and warranties made, in light of the circumstances under which they are made, not misleading.

2.1.20 The representations and warranties made by Guarantor in the Guaranty are true and correct.

2.1.21 Borrower has submitted full, complete, and accurate copies of the Environmental Reports to Bondowner Representative.

2.1.22 The Project is exempt from taxation.

2.2 Bond-Related Representations and Warranties. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.2.1 Other than the Bonds, no other obligations have been or are expected to be issued under Section 103 of the Code for sale at substantially the same time as the Bonds are sold pursuant to a common plan of marketing and at substantially the same rate of interest as the

Bonds and which are payable in whole or part by Borrower or otherwise have with the Bonds any common or pooled security for the payment of debt service thereon, or which are otherwise treated as the same “issue of obligations” as the Bonds as described in Revenue Ruling No. 81 216.

2.2.2 Borrower is not in the trade or business of selling properties such as the Project and has acquired the Project for investment purposes only or otherwise for use by Borrower in its trade or business. Therefore Borrower has no present intention to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Project in the foreseeable future, other than in connection with any purchase option, if any, granted to General Partner in the Partnership Agreement.

2.2.3 Borrower has reviewed and approved the provisions of the Indenture and accepts that it is bound by the Indenture and the other Bond Documents.

2.2.4 To the best of Borrower’s knowledge, no member of the governing body of the Issuer or any other officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in Borrower, the Project or the transactions contemplated hereby.

2.2.5 The covenants, representations and warranties of Borrower in the Bond Regulatory Agreement are true and correct as of the date hereof and are incorporated herein by reference and made a part of this Agreement.

2.2.6 Borrower has not entered into the transaction evidenced hereby with the actual intent to hinder, delay or defraud any creditor and Borrower has received reasonably equivalent value in exchange for its obligations hereunder and under the Deed of Trust and the Bond Regulatory Agreement.

2.2.7 Borrower has no known material contingent liabilities except as created by the Partnership Agreement and under the Subordinate Loan Documents.

2.2.8 Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower is a party or by which Borrower or the Project are otherwise bound, other than (a) obligations under this Agreement and the other Loan Documents to which Borrower is a party; (b) the Subordinate Loan Documents; and (c) obligations which may be incurred by Borrower from time to time in the ordinary course of business.

2.2.9 Borrower has not borrowed or received other debt financing that has not been heretofore repaid in full.

2.2.10 Borrower is not (a) an “investment company” or a company “controlled by an investment company” within the meaning of the Investment Company Act of 1940, as amended; (b) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict its ability to borrow money other than Article 15 of the California State Constitution.

2.2.11 Except as disclosed in the Title Policy, there are no pending or, to the knowledge of Borrower, proposed special or other assessments for public improvements affecting the Project, nor, to the knowledge of Borrower, are there any contemplated improvements to the Property that may result in such special or other assessments.

2.2.12 No statement of fact made by Borrower herein or in the Loan Documents to which Borrower is a party contains any untrue statement of a material fact or omits to state any material fact necessary to make statements made by Borrower herein or therein not materially misleading. There is no fact presently known to Borrower which has not been disclosed which materially adversely affects or, to the best of Borrower's knowledge, would materially adversely affect the business, operations or conditions (financial or otherwise) of Borrower.

2.2.13 All reports, documents, instruments, information and forms of evidence delivered to Bondowner Representative or Issuer by Borrower concerning the Loan or required by the Loan Documents are (or, in the case of materials prepared by persons other than Borrower or its General Partner, are to the best of Borrower's knowledge) accurate, correct and sufficiently complete to give Bondowner Representative or Issuer, as applicable, true and accurate knowledge of their subject matter.

2.2.14 Borrower owns directly, and not through any affiliated entity, all of the personal property and fixtures necessary for the operation of the Property for the uses presently being conducted thereon.

2.2.15 Before any Guarantor became obligated in connection with the Loan, Borrower made full disclosure to such Guarantor regarding Borrower's financial condition and business operations, the present and former condition, uses and ownership of the Property and all other circumstances bearing upon Borrower's ability to pay and perform its obligations under the Loan Documents.

2.2.16 Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which Borrower is a party or of which it is a beneficiary, including the Indenture; that it understands the risks inherent in such transactions; and that it has not relied on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Bond Documents and the Indenture or otherwise relied on the Issuer or its counsel for any advice.

2.2.17 Borrower agrees that, because the components of the Project have been and are to be designated and selected by it, the Issuer has not made an inspection of the Project or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, fitness for use for any particular purpose, or condition or durability thereof, or as to the quality of the material or workmanship therein, it being agreed that all risks incident thereto are to be borne by Borrower. In the event of any defect or deficiency of any nature in the Project or any fixture or other item constituting a portion thereof, whether

patent or latent, the Issuer shall have no responsibility or liability with respect thereto. The provisions of this Section have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the Project or any fixture or other item constituting a portion thereof, whether arising pursuant to the uniform commercial code or any other law now or hereafter in effect.

2.2.18 Borrower is not related to Bondowner Representative or any other holder of the Bonds.

2.3 Borrower's Representations and Warranties Related to Certain Tax Matters.

Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.3.1 As of the Closing Date, Borrower is in compliance with all requirements of the Tax Certificate, and the representations set forth in the Tax Certificate pertaining to Borrower and the Project are true and accurate.

2.3.2 The Bonds are not "federally guaranteed" as defined in Section 149(b) of the Code.

2.3.3 In accordance with Section 147(b) of the Code, the weighted average maturity of the Bond does not exceed one hundred twenty percent (120%) of the weighted average reasonably expected economic life of the facilities (comprising the Project) financed with the proceeds of the Bond, determined as of the date the Bonds are issued.

2.3.4 Neither Borrower nor, to the best knowledge of Borrower, any "related person" to Borrower (within the meaning of Section 147(a)(2) of the Code), will purchase the Bond pursuant to any arrangement, formal or informal.

2.3.5 The information furnished by Borrower and used by the Issuer in preparing the certificate pursuant to Section 148 of the Code and information statement pursuant to Section 149(e) of the Code is accurate and complete as of the date of the issuance of the Bond.

2.3.6 The rehabilitation of the Project was not commenced prior to the thirtieth (30th) day preceding the Issuer's expression of intent with respect to the Project on May 18, 2018, and no obligation for which reimbursement will be sought from proceeds of the Bond relating to the construction or equipping of the Project was paid or incurred prior to sixty (60) days prior to such date.

2.3.7 The Project is, as of the Closing Date, in compliance with all requirements of the Bond Regulatory Agreement, including all applicable requirements of the Act, and the Code, to the extent such requirements are applicable on the Closing Date and the representations and warranties of Borrower in Sections ///[2, 3, 4, 5, 7 and 12]/// of the Bond Regulatory Agreement are true and correct.

2.3.8 Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Bond Regulatory

Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases which comply with all applicable laws and the Bond Regulatory Agreement.

2.3.9 No money on deposit in any fund or account in connection with the Bond, whether or not such money was derived from other sources, will be used by or under the direction of Borrower in a manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

2.3.10 Borrower agrees it will not discriminate in the rental of units or in its employment practices against any employee or applicant for employment because of the applicant’s race, religion, national origin, ancestry, sex, age, sexual orientation, gender identity/expression, transgender status, disability, marital status, domestic partner status or medical condition. All contracts entered into by Borrower which relate to the Project shall contain a like provision.

Borrower’s obligations under this Section 2.3 shall survive the termination of this Agreement and the payment and performance of all of the other obligations of Borrower hereunder and under the other Bond Documents to which it is a party for so long as may be required to maintain the tax-exempt status of the interest on the Bond in accordance with applicable law or until Borrower has transferred the Project to an unaffiliated entity, with the prior written consent of the Issuer, which transferee assumes the obligations of Borrower pursuant to this Section.

Borrower understands and agrees that Issuer and Bondowner Representative are relying upon the above representations and warranties in making the above-referenced Loans to Borrower, and the Loans would not have been made but for such representations and warranties. Borrower further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as Borrower’s Loans and the Notes shall be paid in full, or until this Agreement shall be terminated in the manner provided for herein, whichever is the last to occur.

2.4 Continued Effectiveness. Each time that Borrower requests a draw of Equity Deposits or any Disbursement or exercises an option provided in the Loan Documents, Borrower and Guarantor will be deemed to reaffirm that the representations and warranties in Sections 2.1, 2.2 and 2.3 and the Guaranty continue to be true and correct in all material respects except (a) as otherwise specifically disclosed in the Disbursement request or the notice of exercise and (b) that the representation and warranty relating to financial statements will be deemed to refer only to the most recent financial information that has been provided by Borrower or Guarantor to Bondowner Representative.

SECTION 3. CONDITIONS PRECEDENT

3.1 Loan Closing and Initial Disbursement. The following conditions must be satisfied by Borrower prior to the Closing Date and to the first Disbursement of the proceeds of the Bonds, and, until satisfied, Bondowner Representative shall have no obligations under this Agreement:

3.1.1 Borrower provides and Bondowner Representative approves copies of the Organizational Documents, Good Standing Certificates, resolutions, and other similar documents

as Bondowner Representative may reasonably require that verify: (a) the existence and good standing of Borrower, General Partner, and Guarantor in the State of California; (b) the authorization of each of Borrower, General Partner and Guarantor to conduct business in the State of California; (c) the authority of each of Borrower, General Partner and Guarantor to execute the Loan Documents and the Partnership Agreement to which it is a party and to pay and perform its debts and obligations thereunder; and (d) the authority of the representatives of each of Borrower, General Partner and Guarantor who execute the Loan Documents and the Partnership Agreement to which it is a party to take such action.

3.1.2 Borrower, General Partner and Guarantor execute and deliver all of the Loan Documents and any certificates, questionnaires, and back-up materials reasonably required by Bondowner Representative.

3.1.3 Borrower provides and Bondowner Representative approves the opinion of Borrower's counsel, General Partner's counsel and Guarantor's counsel, addressed to Issuer and Bondowner Representative, addressing the following topics and such others as Bondowner Representative may require: (a) the due formation, existence and good standing of Borrower, General Partner and Guarantor in their respective state of organization and their respective qualification to do business in the State of California if organized in a state other than California; (b) the authority of Borrower, General Partner and Guarantor to execute the Loan Documents and the Partnership Agreement and to pay and perform their respective debts and obligations under the Loan Documents and the Partnership Agreement; and (c) the authority of the representatives of Borrower, General Partner and Guarantor who execute the Loan Documents and the Partnership Agreement to take such action.

3.1.4 Borrower and Guarantor provide and Bondowner Representative approves all financial information reasonably required by Bondowner Representative and all certificates related thereto required by Bondowner Representative.

3.1.5 Borrower pays all fees payable in connection with the closing of the Loans, including, but not limited to, Bondowner Representative's Origination Fee, Issuer's Annual Fee (as defined in the Indenture), the initial fees and expenses of Bond Trustee, and all other fees and costs incurred by Bondowner Representative, Bond Trustee and Issuer in connection with the Loans and the Bond Documents.

3.1.6 Borrower causes the Title Insurance Company to commit to issue to Bondowner Representative a 2006 Extended ALTA mortgagee's title insurance policy, with such endorsements as may be required by Bondowner Representative, insuring that title to the Property is vested in Borrower and that the Deed of Trust is and will continue to be an encumbrance against the Property and the Project, securing a debt in the amount of the Loan first, prior, and paramount to all other liens and encumbrances of any nature or kind whatsoever except the Permitted Encumbrances.

3.1.7 Borrower provides and Bondowner Representative approves any soils report that Bondowner Representative requires regarding the Property and its suitability as a site for the Project as now constructed and as designed for rehabilitation.

3.1.8 Borrower provides and Bondowner Representative approves an environmental survey of the Property, together with the results of any additional environmental testing required by Bondowner Representative.

3.1.9 Borrower shall have furnished to Bondowner Representative evidence that Borrower has purchased, and has in full force and effect, the policies of insurance described on Exhibit E.

3.1.10 Borrower provides to Bondowner Representative evidence reasonably satisfactory to Bondowner Representative that its Lien in the items of personal property Collateral at the Project has been perfected and that the priority of such Lien is senior to all other Liens and claims, except the Permitted Encumbrances.

3.1.11 Bondowner Representative receives, in form and substance acceptable to Bondowner Representative, a certificate from the Architect certifying that the Project as constructed will comply with all Laws pertaining to access by disabled Persons.

3.1.12 Borrower provides to Bondowner Representative a survey of the Project prepared by a registered surveyor or engineer and Bondowner Representative accepts all items disclosed on such survey. The survey shall contain the legal description as provided by the Title Policy, which description shall be certified by the surveyor. The survey shall show the location of any improvements on the Property with respect to lot lines, streets, alleys, driveways, known easements, and encroachments, together with all easements of record and other exceptions identified by exception numbers on the Title Commitment. Bondowner Representative confirms that it has received and accepted the ALTA survey prepared by _____ under Job No. _____, dated as of _____, 2020 (the “Survey”), and that the Survey satisfies the foregoing requirements.

3.1.13 The survey confirms, or Borrower provides other evidence confirming, that the Property consists of one or more separate legal lots and does not include less than an entire legal lot.

3.1.14 Bondowner Representative approves the Architect selected by Borrower to prepare the plans and specifications for the Project and the Contractor selected by Borrower to perform the construction work for the Project.

3.1.15 Borrower provides and Bondowner Representative approves copies of the Construction Documents (including the hard and soft costs for the Project and the construction schedule) for the work to be done using Loan proceeds and any other Funding Sources for the Project.

3.1.16 Bondowner Representative receives and approves a cost and constructability report for the Project, in form and substance acceptable to Bondowner Representative.

3.1.17 The Architect executes the consent to assignment of the Architectural Documents, the Contractor executes the consent to assignment of the Construction Contract, and

such other parties execute a consent to assignment with respect to such other contracts as Bondowner Representative may require.

3.1.18 Borrower provides and Bondowner Representative approves (a) a fully executed and compiled copy of the Construction Contract, together with a listing of the Material Subcontractors and Suppliers (identified on such list by name, address, phone number, and estimated subcontract amount) who will perform labor or services or provide materials associated with the construction work, together with, if requested by Bondowner Representative, copies of supporting subcontracts, bids, and proposals, and (b) payment and performance bonds in the full amount of the contract price under the Construction Contract and otherwise in form and substance approved by Bondowner Representative.

3.1.19 Borrower provides copies of all of the permits and licenses that are required by applicable Laws and Orders from any Governmental Agency to rehabilitate the Project (or evidence that such permits are ready to be issued, conditioned solely on the payment of fees) and any other evidence reasonably required by Bondowner Representative to verify that the Project will comply with all applicable Laws and Orders from any Governmental Agency necessary for the construction, lawful occupancy, use, and operation of the Project for its intended purpose when the construction work is completed.

3.1.20 Borrower provides evidence that all utilities and municipal services required for use and operation of the Project are installed and available in adequate capacity for use, or will be in place by completion of the rehabilitation of the Project and are available at budgeted cost including, if any, capacity charges.

3.1.21 Borrower provides and Bondowner Representative approves copies of all Organizational Documents of Borrower, General Partner and Guarantor.

3.1.22 Bondowner Representative receives a fully executed copy of the validly issued and effective allocation or reservation of Code Section 42 federal low income housing tax credits in an amount sufficient to support the full investment by Investor in an amount at least equal to the aggregate amount of the Equity Deposits.

3.1.23 Borrower receives and uses for Approved Construction Costs or deposits into the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture), as required pursuant to this Agreement, (a) the first Equity Deposit in the amount of \$ _____, and (b) ///[one hundred percent (100%)]/// of Subordinate Loan proceeds, and Bondowner Representative receives evidence satisfactory to it that Borrower has received or has commitments to obtain the other Funding Sources in the amounts and at the times set forth in the Project Sources Schedule.

3.1.24 Borrower has established (a) the Replacement Reserve Account with Bondowner Representative and deposited therein an amount equal to ///[\$87,000]///, (b) the Operating Reserve Account with Bondowner Representative and deposited therein an amount equal to ///[\$317,213]///, and (c) the Equity/Loan Reserve Account and deposited therein an amount equal to ///[\$14,671,779]/// (which shall be comprised of a capital contribution from

General Partner in the amount of \$1,561,811, and one hundred percent (100%) of the GP Loan and the Sponsor Loan proceeds), each, in accordance with the Reserve and Security Agreement;

3.1.25 The representations and warranties made in this Agreement continue to be true and correct in all material respects.

3.1.26 Bondowner Representative receives and approves copies of the fully executed copies of the Subordinate Loan Documents and the Subordination Agreements, each in form and substance acceptable to Bondowner Representative.

3.1.27 There is no uncured Event of Default or Prospective Default under the Loan Documents.

3.1.28 Bondowner Representative receives and approves copies of the executed Property Management Agreement and the Development Agreement.

3.1.29 Bondowner Representative receives and approves a letter from all appropriate Governmental Agencies having jurisdiction and real property taxing power over the Project, or such other comfort as to real property taxation exemption matters as is deemed to be satisfactory in form and substance and from sources satisfactory to Bondowner Representative, evidencing that the Project is exempt from all real property taxation by such taxing authorities.

3.1.30 Bondowner Representative receives and approves the fully-executed AHAP Contract, in a form approved by Bondowner Representative, in its sole and absolute discretion, pursuant to which Contract Administrator commits to enter into a Section 8 Housing Assistance Payments Contract covering _____ (___) units in the Project and with a term of no less than _____ (___) years, and Borrower shall have executed the Assignment of AHAP and Contract Administrator shall have consented in writing to such assignment, with such consent being in a form and substance approved by Bondowner Representative in its sole and absolute discretion.

3.1.31 Bondowner Representative receives and approves an executed original of an opinion of bond counsel and/or counsel for the Issuer, addressed to Bondowner Representative, opining as to the due execution, delivery and performance by the Issuer of the Bond Documents, the enforceability of the Bond Documents, and the availability of an exemption from federal and state income taxation for all interest accruing on the Bonds.

3.1.32 Bondowner Representative receives and approves the form of Form 8038 to be filed in connection with the Bonds.

3.2 Subsequent Disbursements. The following are conditions precedent to Bondowner Representative's obligation to make the second Disbursement and each and every Disbursement thereafter (including the final Disbursement):

3.2.1 Borrower pays the Contractor and the Contractor pays the subcontractors and materialmen for the work and materials covered by all prior Disbursement requests less the amount of the Retainage.

3.2.2 The construction work is being done in a good and workmanlike manner by appropriate means substantially in accordance with plans and specifications accepted by Bondowner Representative and all required inspections and approvals by Bondowner Representative and Governmental Agencies for that stage of construction have been obtained as and when necessary (as determined by Bondowner Representative or the applicable Governmental Agency).

3.2.3 No material or essential part of or interest in the Project has been lost permanently or for any significant period of time through condemnation (including voluntary transfers under the threat of condemnation), casualty, or other catastrophe.

3.2.4 The Title Insurance Company is willing to insure the validity and priority of Bondowner Representative's Lien in the Project as to the total Loan amount of \$ _____, subject only to the Permitted Encumbrances.

3.2.5 Borrower is substantially on time with respect to the construction schedule.

3.2.6 The Disbursement request ("**Draw Request**") is in the form attached to the Indenture and Borrower has provided all supporting documentation required by Bondowner Representative, including work progress certifications by the Architect and the Contractor, and approval as to quality and quantity of the work from the consultant named by Bondowner Representative, as well as invoices and, unless waived in writing by Bondowner Representative, unconditional lien claim waivers for work and materials covered by prior Disbursements and conditional lien claim waivers for work and materials covered under the current Disbursement request. Under all circumstances, Bondowner Representative reserves the right to request and obtain at any time copies of any hard cost invoice/billing regardless of amount or subcontractor lien waiver regardless of contract price.

3.2.7 The representations and warranties made in this Agreement and the Guaranty continue to be true and correct in all material respects.

3.2.8 Borrower is in balance on the Loan (as defined in Section 5.2), and in Bondowner Representative's judgment, Borrower can finish the Project and pay for it without additional money (other than any available and undisbursed Funding Sources identified in the Project Sources Schedule and all other amounts held in the Construction Fund).

3.2.9 There is no uncured Event of Default or Prospective Default under the Loan Documents or the Construction Documents.

3.2.10 Bondowner Representative shall have received, for attachment to the Title Policy, a CLTA 122 date-down endorsement, or such other endorsement as may be approved by Bondowner Representative, in its sole discretion.

3.2.11 If required by Lender, Borrower provides and Bondowner Representative accepts the list of all subcontractors and materials suppliers (identified in such list by name, address, phone number, and estimated subcontract amount) who will perform labor or services or

provide materials associated with the construction work, together with, if requested by Bondowner Representative, copies of supporting subcontracts, bids, and proposals.

3.2.12 All Funding Sources shown on the Project Sources Schedule that are scheduled to be received by Borrower prior to the date of the requested Disbursement shall have been received by Borrower and applied to pay Approved Construction Costs or deposited into the Construction Fund. In no event shall Bondowner Representative be required to advance (a) Construction Loan funds in excess of the amount of the Construction Loan, or (b) Convertible Loan funds in excess of the amount of the Convertible Loan.

3.2.13 The Subordinate Loan Documents and the AHAP Contract are in full force and effect and have not been modified or amended.

3.2.14 Any condition to closing set forth in Section 3.1 that was waived by Bondowner Representative at closing shall have been satisfied or waived again by Bondowner Representative.

3.3 Final Disbursement. The following are conditions precedent to Bondowner Representative's obligation to approve the final Disbursement (including the Retainage) and are in addition to the conditions stated in Sections 3.1 and 3.2:

3.3.1 Borrower accepts the Project as complete and Bondowner Representative reasonably concurs in that acceptance.

3.3.2 Borrower receives a final certificate of occupancy (or other written assurance reasonably satisfactory to Bondowner Representative) from the appropriate Governmental Agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy.

3.3.3 Borrower receives a completion notice (or other written assurance reasonably satisfactory to Bondowner Representative) from the Architect certifying that the Project is complete and complies with all applicable Laws and Orders.

3.3.4 Bondowner Representative receives certificates from the Architect and Bondowner Representative's consultant that, based upon personal observations at adequate intervals (not less frequently than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the plans and specifications and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders from any Governmental Agency.

3.3.5 Borrower provides evidence satisfactory to Bondowner Representative that all hard and soft construction costs (other than fees and reserves that are not yet due and payable) will be paid in full from the final Disbursement or that any claims relating to any unpaid balance thereof will be waived by the person entitled thereto.

3.3.6 The period for filing construction lien claims has expired and the Contractor provides to Bondowner Representative and Bondowner Representative approves

releases of liens from all potential lien claimants (provided that such releases may provide that they become effective upon payment of the amount specified therein from the sums due at final Disbursement).

3.3.7 The Title Policy is endorsed by the Title Insurance Company to show the Deed of Trust as a first priority lien, except for Permitted Encumbrances.

3.3.8 Bondowner Representative receives and accepts an AIA G704 Certificate of Substantial Completion, an AIA G706 Contractor's Affidavit of Payment of Debts and Claims, and the Contractor's final certificate of construction certifying that the Project has been completed in accordance with the Construction Documents and all applicable Laws.

3.3.9 Borrower provides evidence reasonably satisfactory to Bondowner Representative that all costs for personal property included in the Collateral will be paid in full from the final Disbursement.

3.3.10 The Architect certifies to Bondowner Representative that the Project, as constructed, complies with all applicable Laws and Orders from any Governmental Agency related to access by disabled Persons.

3.3.11 Borrower provides Bondowner Representative with a final as-built survey acceptable to Bondowner Representative, showing the location of all completed improvements.

3.3.12 Borrower has received the _____ installment of the Equity Deposits in the amount of \$_____, all of which shall have been applied to pay down the Loan.

3.3.13 Borrower shall have paid to Bondowner Representative all costs and expenses incurred by Bondowner Representative in connection with the Loan.

3.3.14 Receipt by Bondowner Representative of such other certificates (including without limitation G706 and G706A affidavits), assurances, and opinions as Bondowner Representative shall reasonably require and satisfaction of all other requirements, conditions, and covenants of this Agreement.

3.3.15 Bondowner Representative receives and approves certificates of insurance in form and substance satisfactory to Bondowner Representative, evidencing coverage of the completed Project in accordance with Bondowner Representative's insurance requirements.

SECTION 4. TERMS OF LOAN

4.1 Agreement to Lend. Upon satisfaction of the conditions set forth in Section 3, above, Bondowner Representative shall disburse proceeds of the Bonds to Bond Trustee, and Bond Trustee shall use the proceeds of the Bonds to disburse Loan proceeds to Borrower. The proceeds of the Loans shall be disbursed in the following order: first, the Convertible Loan shall be disbursed in full, and then, the Construction Loan shall be disbursed. Bond Trustee shall disburse proceeds of the Loans into the Construction Account, subject to the terms and conditions set forth herein. Disbursements of Loan proceeds will be made only for the purpose

of financing the hard and soft costs of constructing the Project in accordance with the Construction Documents. The proceeds of the Loans will be disbursed in conformance with the Approved Construction Costs and Bondowner Representative's standard policies and procedures for disbursement of construction loans. Bondowner Representative will approve Disbursements only if and when all of the conditions precedent have been satisfied by Borrower to Bondowner Representative's satisfaction.

4.2 Promise of Repayment. Borrower promises and agrees to repay the Loans, plus interest, fees, and costs, in accordance with the terms of the Notes and the other Loan Documents. Interest shall accrue on each Disbursement of Loan proceeds commencing on the date of such disbursement in accordance with the terms of the applicable Note. Principal and interest on the Construction Loan shall be due and payable in the amounts and at the times set forth in the Construction Note. Principal and interest on the Convertible Loan shall be due and payable in the amounts and at the times set forth in the Convertible Note.

4.3 Security for Loan. Borrower promises and agrees to execute the Deed of Trust and any other Security Documents that are necessary in Bondowner Representative's judgment to create and perfect Bondowner Representative's Lien in the Collateral to secure payment of the Notes and performance of the related obligations of Borrower to Bondowner Representative. Borrower hereby grants Bondowner Representative a Lien for the purpose of securing repayment of the Loan and performance of Borrower's obligations under the Loan Documents in any amount (whether the proceeds of the Loan or funds deposited by Borrower pursuant to Sections 5.3 or 5.4) deposited in any deposit or credit account with Bondowner Representative or any of its affiliates and such funds may not be withdrawn by Borrower or paid to any third person without the prior written consent of Bondowner Representative.

4.4 Loan Expenses. Borrower shall pay all fees, charges, and expenses incurred in connection with the procuring and closing of the Loan, disbursement and administration of the proceeds of the Loan and repayment of the Loan, including, without limitation, cost of title examination, title insurance premiums, survey costs, photocopy expenses, mortgage recording charges, escrow charges, appraisal fees, costs of foreclosure reports, documentary, transfer and tangible or other similar taxes, revenue stamps and architects' and engineers' services, consultant fees, and Bondowner Representative's attorneys' fees and expenses. With respect to collection of the debt or enforcement of this Agreement, Borrower agrees to pay attorneys' fees and collection costs even though no civil action is filed and, if a civil action or arbitration is filed, such additional sum as the trial judge, arbitrator, or the appellate court may adjudge reasonable as attorney fees in the action and the appeal, if any, along with statutory costs and disbursements, as set forth in Section 12.2 below.

4.5 Advances. Bondowner Representative shall have the right, but not the obligation, to pay taxes, assessments, charges, claims, liens, or encumbrances and to cause compliance with all applicable governmental requirements if Bondowner Representative considers it necessary to protect the validity or priority of Bondowner Representative's Lien in the Collateral and/or for prospects of repayment of the Loan. Such payments and expenses are repayable on demand with interest at the Default Rate.

4.6 Security for Expenses and Advances. The Deed of Trust and the other Security Documents shall secure repayment of any and all loan expenses of Bondowner Representative and all payments and advances made by Bondowner Representative hereunder to or for the account of Borrower or for the protection of its trust deed lien and Lien, whether or not the total of the Loan proceeds already disbursed plus such loan expenses, advances, and costs exceed the face amount of the Loan.

4.7 Accounts and Reserves. Borrower hereby pledges to Bondowner Representative, and grants a security interest to Bondowner Representative in, the Construction Account, the Replacement Reserve, the Operating Reserve, the Equity/Loan Reserve and all amounts now or hereafter deposited therein, as additional security for all of Borrower's obligations under the Loan Documents.

4.8 Interest. Proceeds of the Loans may be used to pay interest on the Loans to the extent of the interest reserve in the Approved Budget.

4.9 Option to Extend the Construction Loan Maturity Date. Borrower shall have one (1) option to extend the Construction Loan Maturity Date for a period of six (6) months. Upon written request of the Borrower not less than thirty (30) and not more than ninety (90) days before the Construction Loan Maturity Date, Bondowner Representative will extend the Construction Loan Maturity Date from _____, 2022 ///[24-MONTH TERM]/// (as used in this Section 4.9, the "Initial Construction Loan Maturity Date") to _____, 2022 ///[6-MONTH EXTENSION OPTION]/// (the "Extended Construction Loan Maturity Date"), provided that as of the date the Borrower requests the extension of the Construction Loan Maturity Date and as of the date of such extension:

4.9.1 No Event of Default and no Prospective Default shall have occurred and be continuing;

4.9.2 The _____ installment of the Equity Deposits and all other Funding Sources shall have been funded in accordance with Exhibit C;

4.9.3 The Loan is deemed to be in balance, as determined by Bondowner Representative in accordance with Section 5 of this Agreement;

4.9.4 Completion of construction has occurred in accordance with the Plans, as determined by Bondowner Representative, free and clear of all liens;

4.9.5 Borrower shall have paid to Bondowner Representative all amounts owing to Bondowner Representative in connection with the extension of the Construction Loan Maturity Date;

4.9.6 All representations and warranties made by the Borrower, General Partner and Guarantor in this Agreement and the other Loan Documents shall be true and correct;

4.9.7 No Material Adverse Occurrence shall have occurred;

4.9.8 Borrower delivers to Bondowner Representative such documentation as Bondowner Representative may reasonably require in connection with such extension, all of which shall be in the form and substance acceptable to Bondowner Representative;

4.9.9 Borrower delivers to Bondowner Representative an endorsement to or reissuance of the existing Title Policy, bringing current the effective date of the coverage, stating that the coverage afforded by the Title Policy shall not be affected because of the extension and showing that there have been no liens or other exceptions to title against the Project from and after the date hereof, unless consented to in writing by Bondowner Representative;

4.9.10 Borrower delivers to Bondowner Representative evidence, in form and substance satisfactory to Bondowner Representative, that (a) all conditions set forth in Section 3.3 have been satisfied and (b) evidence that ninety percent (90%) of the units in the Project are occupied by tenants under lease forms approved by Bondowner Representative;

4.9.11 Borrower delivers to Bondowner Representative written evidence that General Partner, Guarantor, Investor, Special Limited Partner, and the Subordinate Lenders have consented to such extension;

4.9.12 The Partnership Agreement shall be in full force and effect and no default shall have occurred thereunder and be continuing, and any outside date for the funding of the _____ installment of the Equity Deposits shall have been extended to a date not earlier than the Extended Construction Loan Maturity Date;

4.9.13 Borrower shall have provided to Bondowner Representative projections, operating statements, current leasing reports and rent rolls as required by Bondowner Representative, each, certified by Borrower as being true, correct and complete, demonstrating that the conditions to funding of the _____ installment of the Equity Deposits can be reasonably achieved prior to the Extended Construction Loan Maturity Date as determined by Bondowner Representative, in its discretion; and

4.9.14 The Subordinate Loan Documents and the AHAP Contract shall be in full force and effect and no default or ///[Event of Default]/// shall have occurred thereunder, and any outside date for converting to the permanent phase under the Subordinate Loan Documents shall have been extended to a date not earlier than the Extended Construction Loan Maturity Date.

SECTION 5. SUFFICIENCY OF FUNDS TO COMPLETE CONSTRUCTION

5.1 Loan In Balance. Prior to the Conversion Date, notwithstanding anything in this Agreement or the Loan Documents to the contrary, the Loan being made hereunder shall at all times be “in balance” as set forth in Section 5.2, and Bondowner Representative shall have no obligation to make any Disbursement or perform any other act unless and until the Loan is in balance.

5.2 Definition of In Balance. Prior to the Conversion Date, anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the Loan at all times shall be in balance. The Loan shall be deemed to be in balance only when the sum of the undisbursed Loan proceeds, plus any undisbursed Funding Sources that are scheduled to be

disbursed during the Construction Period, plus any additional funds (that are not Funding Sources) deposited in the Construction Fund equals or exceeds the amount necessary in each cost category in the Approved Budget, in Bondowner Representative's reasonable judgment, to pay for all work and materials not yet paid for that are to be furnished in connection with the construction, landscaping, and leasing of the Project, including the installation of all fixtures, equipment, and all other finish materials required for use, occupancy, and operation of the Project and to pay for all interest, property taxes, and other expenses of the Project which Bondowner Representative projects will become due prior to the Conversion Date.

5.3 Additional Deposit. In the event that Bondowner Representative notifies Borrower in writing that the Loan is not in balance, Borrower promises to deposit into the Equity Account of the Construction Fund, within ten (10) days after Borrower's receipt of such notice, the amount of additional equity money that Bondowner Representative specifies as being necessary to balance the Loan. This additional equity money will be disbursed prior to Disbursement of any Loan proceeds.

5.4 Sources of Funds. Borrower agrees to deposit in the Equity Account of the Construction Fund the Equity Deposits and the other Funding Sources in the amount and at the times set forth in the Project Sources Schedule.

SECTION 6. DISBURSEMENTS

6.1 Disbursements Generally.

6.1.1 Bondowner Representative will approve Disbursements not more than once a month within 10 Business Days after (a) Borrower submits to Bondowner Representative a Disbursement requisition prepared by Borrower in proper form with all supporting documentation reasonably required by Bondowner Representative's construction loan administrators, and (b) Bondowner Representative determines that Borrower has satisfied all conditions precedent to such Disbursement. Disbursements will be made based on actual costs incurred and not to exceed a line item percentage-of-completion basis as determined by the Architect and as verified by Bondowner Representative. If costs are incurred in excess of any line item in the budget approved by Bondowner Representative, funds may be reallocated from the applicable contingency reserve line item or from other line items, in each case, subject to Bondowner Representative's prior written approval. The Borrower shall submit a Draw Request in the form attached to the Indenture (together with all other documentation required by Bondowner Representative to fund such Draw Request) monthly to Bondowner Representative, whether such Draw Request is funded from Loan proceeds or any other Funding Sources. In addition to the other terms and conditions for Disbursement set forth herein, Bondowner Representative shall make a Disbursement only after Bondowner Representative receives and approves an inspection report from its consultant to evaluate any Draw Request, whether such Draw Request is funded from Loan proceeds or any other Funding Sources. No proceeds of the Bonds shall be disbursed after _____, 20____, unless an opinion of bond counsel is delivered, which opinion states that such Disbursement will not adversely affect the exclusion of interest on the Bonds from gross income of the holder of the Bonds.

6.1.2 Subject to satisfaction of the conditions for Disbursements set forth herein, (a) except with respect to the advance of Loan proceeds for the payment of any and all accrued but unpaid interest on the Loan, Bondowner Representative will make Disbursements of Loan proceeds to Bond Trustee for disbursement into the Construction Account, (b) Bondowner Representative may make and/or approve monthly Disbursements of Loan proceeds for payment when due of any and all accrued but unpaid interest on the Loan directly to Bondowner Representative without the prior request or consent of Borrower, and (c) Bondowner Representative will approve Disbursements of other Funding Sources from the Construction Fund to the Construction Account. All funds on deposit in the Equity Account of the Construction Fund shall be disbursed in full, prior to the disbursement of any Loan proceeds.

6.1.3 Bondowner Representative shall decide, in its sole discretion, whether to disburse Loan proceeds for work and materials not yet installed or incorporated into the Project, regardless of whether such materials are stored on-site, off-site, or for deposits for materials or equipment. In order for Bondowner Representative to consider any request to disburse Loan proceeds for deposits or materials stored off-site that are not yet incorporated into the Project (any such materials, the “**Stored Materials**” or “**Deposits**”, as applicable), Borrower shall provide evidence satisfactory to Bondowner Representative (a) that the Stored Materials are stored at a bonded warehouse or storage yard acceptable to Bondowner Representative; (b) that, should Bondowner Representative so require, the seller or fabricator of the Stored Materials and/or Deposits, as well as the warehouse or yard, has been notified that Bondowner Representative has a security interest in the Stored Materials and/or Deposits; (c) that the Stored Materials and/or Deposits are protected against theft or damage; (d) that the Stored Materials and/or Deposits are adequately identified as belonging to Borrower and are segregated from materials and equipment not intended to be incorporated into the Project; (e) the Stored Materials and/or Deposits are fully insured against theft, damage, or destruction for the full insurable value, including coverage while in transit, covered by insurance satisfactory to Bondowner Representative under a policy that names Bondowner Representative as the loss payee and as an additional insured on such policies and (f) that the Stored Materials and/or Deposits are free and clear of any other liens. If applicable and requested by Bondowner Representative, Bondowner Representative shall be provided with the original warehouse receipt for any such Stored Materials. If such materials are not, in Bondowner Representative’s opinion, adequately covered by the security agreement contained in the Deed of Trust, Borrower shall deliver to Bondowner Representative such security agreements and financing statements executed by the appropriate persons, sufficient to give Bondowner Representative a perfected first lien priority security interest in such materials. Notwithstanding any security agreements, financing statements, or other evidence or documents provided by Borrower to Bondowner Representative in connection with a request to disburse Loan proceeds for unincorporated materials, Bondowner Representative may, at its reasonable election, deny any request to disburse Loan proceeds to pay for such materials.

6.2 Requisition Form. Except with respect to each Disbursement of Loan proceeds for the payment of any accrued but unpaid interest on the Loan, each Disbursement requisition will be supported by a non-negotiable order of Disbursement and certificate that will be in a form acceptable to Bondowner Representative, signed by Borrower’s authorized representative on its behalf, and approved and countersigned by the Architect or a consultant approved by Bondowner Representative. Each such Disbursement requisition will set forth in trade breakdown form and

in such detail as Bondowner Representative may require the amounts expended or costs incurred for work done and material for which payment is requested, and will be accompanied by copies of invoices and all other documents required by Bondowner Representative's construction loan administrators, including without limitation forms AIA G702 and AIA G703. Bondowner Representative may impose an additional fee for any extra services, such as draws more than once per month, provided to Borrower.

6.3 Hard Costs. Disbursements to cover hard construction costs will be made only for materials incorporated into the improvements or stored in accordance with Section 6.1.3.

6.4 Soft Costs. Each monthly Disbursement requisition may include soft costs, as well as hard costs, and will include the same documentation for soft costs as is provided above for hard costs but no Architect's certificate will be necessary for Disbursements relating to soft costs. Funds shall be disbursed to cover soft costs only as required to cover actual costs incurred by Borrower for soft costs included in the Approved Budget.

6.5 Retainage. All interim Disbursements will be equal to (a) 100 percent of approved hard construction costs covered by the Disbursement less the Retainage and (b) 100 percent of the approved soft construction costs covered by the Disbursement. The Retainage will be retained by Bondowner Representative until the conditions for the final Disbursement specified in Section 3.3 have been satisfied.

6.6 Developer Fee. The Developer Fee shall be paid from Equity Deposits in accordance with the schedule attached hereto as Exhibit C-2, provided that the Deferred Developer Fee shall not be disbursed until after the Conversion Date. No portion of the Developer Fee shall be paid from Loan proceeds.

6.7 General Contractor's Certificate/Lien Waivers. Bondowner Representative may require, in connection with each Disbursement for hard construction costs, that (a) the Contractor certify to Bondowner Representative that the work or materials for which payment is requested has been properly and completely performed or, in the case of materials, conform to the order, have been delivered to the Project and are prudently stored, the work and/or materials are included in the plans and specifications, are within the amounts included in the Approved Construction Costs, (b) the Contractor and each subcontractor or vendor provide conditional lien releases for the current pay period and unconditional lien releases for the prior pay period, each in recordable form covering the labor or materials for which payment is requested, and (c) Borrower deliver to Bondowner Representative title endorsements evidencing that there are no Liens against the Property other than Permitted Encumbrances, which endorsements shall be in form and substance approved by Bondowner Representative, in its sole discretion.

6.8 Approved Construction Costs. Bondowner Representative will not be required to approve Disbursements for any item in an amount greater than the amount scheduled for such item in the Approved Construction Costs (except for change orders within the limits set forth in Section 7.19 below). Changes in items are subject to prior written approval of Bondowner Representative. The line items in the Approved Budget designated for "soft cost contingency" and "hard cost contingency" represent the amounts necessary to provide reasonable assurances to Bondowner Representative that additional funds are available to be used for hard costs or soft

costs, as applicable, if the allowances for Approved Construction Costs are not sufficient or if additional unexpected costs and expenses are incurred. Borrower may from time to time request that portions of the hard cost contingency line item be reallocated to other Approved Construction Costs line items for hard costs. Borrower may from time to time request that portions of the soft cost contingency line item be reallocated to other Approved Construction Costs line items for soft costs. Such requests shall be subject to Bondowner Representative's written approval, which shall not be unreasonably withheld. Any approved reallocation of the hard cost contingency line item shall be in amounts commensurate with the percent completion of construction.

6.9 Lien Claims. In the event construction or other Liens (other than Permitted Encumbrances) are claimed or recorded against the Property, Bondowner Representative shall have the right to withhold approval of all Disbursements and to reserve sufficient Loan proceeds to pay 150 percent of the Lien amount, to direct disbursement to the claimant for the account of Borrower, or to direct disbursement by check payable jointly to Borrower and the claimant.

6.10 Prospective Default. Bondowner Representative may suspend its obligation to make Disbursements to Borrower at any time a Prospective Default has occurred and is continuing.

6.11 No Waiver. To the extent that Bondowner Representative has approved a Disbursement without requiring Borrower then to strictly comply with the terms of this Agreement, that leniency shall not constitute a waiver or grounds for estoppel and Bondowner Representative at any time thereafter may insist on strict compliance to avoid default by Borrower.

SECTION 7. COVENANTS

Borrower covenants and agrees as follows:

7.1 [Intentionally Omitted].

7.2 Good Standing. Borrower will maintain its legal status and licenses and pay all taxes and annual fees in connection therewith.

7.3 Law Compliance. Borrower will comply with all Laws and Orders from any Governmental Agency applicable to Borrower and the ownership, improvement, construction, occupancy, leasing, and operation of the Project.

7.4 Insurance. Borrower will obtain and maintain with responsible carriers reasonably acceptable to Bondowner Representative the insurance coverage specified in Section 3.1.9 and by the Security Documents and provide evidence of such insurance coverage when and as reasonably required by Bondowner Representative.

7.5 Quality of Work. The construction work will be performed in a good and workmanlike manner substantially in accordance with the Construction Documents and applicable Laws and Orders from any Governmental Agency and Borrower will provide to

Bondowner Representative copies of the inspection certificates issued by the Architect and the appropriate Governmental Agencies.

7.6 Permits. Borrower has obtained or will obtain all permits required for rehabilitation of the Project, prior to commencing construction.

7.7 Taxes and Impositions.

7.7.1 Borrower shall pay, prior to delinquency, all of the following (collectively, the “**Impositions**”): (a) all general and special real property taxes if not abated or otherwise exempted and assessments due and owing on the Property; (b) all other due and owing taxes and assessments and charges of every kind that are assessed upon the Property (or upon the owner and/or operator of the Property) and that create or may create a lien upon the Property (or upon any personal property or fixtures used in connection with the Property), including, without limitation, non-governmental levies and assessments pursuant to applicable covenants, conditions or restrictions; and (c) all license fees, taxes and assessments imposed on Bondowner Representative which are measured by or based upon (in whole or in part) the amount of the obligations secured by the Property. If permitted by law, Borrower may pay any Imposition in installments (together with any accrued interest). Borrower shall deliver to Bondowner Representative within 10 days following the due date of any Imposition, evidence of payment acceptable to Bondowner Representative. Immediately upon request of Bondowner Representative, Borrower shall establish with Bondowner Representative an escrow account or other impound in form and substance acceptable to Bondowner Representative with respect to any Imposition (whether or not delinquent) and thereafter commence monthly deposits thereto in the amount specified by Bondowner Representative as necessary to pay such Impositions from time to time when due and payable. The immediately foregoing sentence shall apply in each instance without regard to the general availability of and Borrower’s pursuit of exemptions for such Impositions (in whole or in part) whether in respect of real property taxes or otherwise.

7.7.2 Within 90 days after the Closing Date and thereafter within 120 days after the end of each tax year, there shall be provided to Bondowner Representative letters or certificates from all Governmental Agencies having real property taxing power over or other similar jurisdiction over the Project to the effect that the Project is and will remain exempt from all real property taxation for the immediately succeeding tax year or, if different, the immediately succeeding real property taxation assessment, levy, and collection cycle for the taxing authority; provided that, in lieu of such letters, Borrower may, with the prior, written consent of Bondowner Representative, provide such other comfort as to real property taxation exemption matters as is deemed to be satisfactory in form and substance and from sources (including without limitation, opinions of counsel) satisfactory to Bondowner Representative.

7.8 Accounts and Disbursements. Borrower shall maintain the Construction Account and all other accounts with Bondowner Representative. Borrower shall deposit or cause to be deposited into the Equity Account of the Construction Fund (a) all amounts required to be deposited pursuant to Sections 5.3 and 5.4, and (b) amounts described in Sections 1.3 and 1.12 of the Deed of Trust relating to casualty insurance and condemnation proceeds. Bondowner Representative shall cause Bond Trustee to deposit all Disbursements (whether from Bond or Loan proceeds or other Funding Sources) for Approved Construction Costs into the Construction

Account. Bondowner Representative shall deposit or cause to be deposited all Disbursements from other Funding Sources for Approved Construction Costs into the Construction Account. All amounts deposited in the Construction Account and the Construction Fund shall be disbursed solely to pay Approved Construction Costs or, if applicable with respect to amounts described in Sections 1.3 and 1.12 of the Deed of Trust, to repair, rebuild and restore the Project on the same terms, and subject to the same conditions, that proceeds of the Loan are to be disbursed under this Agreement. All funds in the Construction Account and the Construction Fund are subject to the pledges described in the Loan Documents.

7.9 No Liability for Disbursements. Under no circumstances shall Bondowner Representative be responsible or liable to any Person, including, without limitation, Borrower, Guarantor or any Partner for or on account of any disbursement of, or the failure to disburse, any of the proceeds of the Loan (or any portion thereof). The foregoing shall be in addition to all other limitations on the responsibility and liability of Bondowner Representative set forth in this Agreement.

7.10 Affordability Compliance and Covenant Reporting. Within 120 days after December 31, 2021 and the end of each Fiscal Year thereafter, Borrower shall deliver to Bondowner Representative a Compliance Certificate, in the form of Exhibit D, signed by Borrower to the effect that for the immediately preceding annual period no default or Event of Default shall have occurred under the Regulatory Agreements or the Loan Documents and that as of the end of the immediately preceding annual period and as of the date of such certificate, no Event of Default or Prospective Default exists.

7.11 Compliance and Cooperation in Enforcement of Regulatory Agreements. Borrower hereby covenants and agrees as follows:

7.11.1 to comply and cause compliance with all provisions of the Regulatory Agreements;

7.11.2 to advise Bondowner Representative in writing promptly upon learning of any default with respect to the covenants, obligations and agreements of Borrower set forth in the Regulatory Agreements;

7.11.3 upon written direction by Bondowner Representative, to cooperate fully and promptly in enforcing the terms and provisions of the Regulatory Agreements; and

7.11.4 to file in accordance with the time limits established by the Regulatory Agreements, as applicable, all reports and certificates required thereunder.

Bondowner Representative shall not incur any liability in the event of any breach or violation of the Regulatory Agreements, and Borrower agrees to indemnify Bondowner Representative from any claim or liability for such breach or purported breach thereof.

7.12 Financial and Covenant Compliance Reporting Requirements.

7.12.1 Annual Financial Statements. Commencing after completion of rehabilitation of the Project, within 120 days after the end of each Fiscal Year, Borrower shall

deliver to Bondowner Representative (a) an audited balance sheet for Borrower as of the end of such Fiscal Year and an audited statement of profit and loss for Borrower and for Borrower's operations in connection with the Property for such Fiscal Year, together with all supporting schedules and (b) the opinion of an independent certified public accountant acceptable to Bondowner Representative stating that such materials (i) were prepared in accordance with generally accepted accounting principles applied on a consistent basis, (ii) fairly present Borrower's financial condition, (iii) show all material liabilities, direct and contingent, (iv) fairly present the results of Borrower's operations, and (v) disclose the existence of any hedge and/or off-balance sheet transactions. Borrower shall also deliver to Bondowner Representative, or cause Guarantor to deliver to Bondowner Representative, within 180 days after the end of each Fiscal Year, audited financial statements for Guarantor in form and substance satisfactory to Bondowner Representative.

7.12.2 Monthly Operating Statements. Commencing with the first calendar month after the month in which completion of construction occurs, and for each calendar month thereafter until the Conversion Date, Borrower shall prepare and deliver to Bondowner Representative, within 30 days after the end of each calendar month, an operating statement for the Property for the month then ended, together with a current rent roll and leasing status report for the Property, each certified by Borrower as being true and correct in all material respects and in form and substance satisfactory to Bondowner Representative. Borrower shall also deliver to Bondowner Representative, concurrently with Borrower's delivery of the monthly operating statement and monthly rent roll for the Property described above, a cash flow statement for the Property for the month then ended (to the extent not reflected in the monthly operating statement), in form and substance satisfactory to Bondowner Representative.

7.12.3 Quarterly Operating Statements. Commencing with the first calendar quarter after the quarter in which Conversion occurs, and for each calendar quarter thereafter, Borrower shall prepare and deliver to Bondowner Representative, within 30 days after the end of each calendar quarter, an operating statement for the Property for the quarter then ended, together with a rent roll and leasing status report for the Property for such quarter, each certified by Borrower as being true and correct in all material respects and in form and substance satisfactory to Bondowner Representative. Borrower shall also deliver to Bondowner Representative, concurrently with Borrower's delivery of the quarterly operating statement and quarterly rent roll for the Property described above, a cash flow statement for the Property for the quarter then ended (to the extent not reflected in the quarter operating statement), in form and substance satisfactory to Bondowner Representative.

7.12.4 Affordability Compliance, Covenant and Tax Exemption Reporting. Within 120 days after the end of each Fiscal Year, Borrower shall deliver to Bondowner Representative the Compliance Certificate described in Section 7.10. Within 90 days after the Closing Date and thereafter within 120 days after the end of each tax year, Borrower shall deliver to Bondowner Representative evidence of tax exemption as required pursuant to Section 7.7.2.

7.12.5 Operating Budget. By December 1 of the calendar year in which completion of construction occurs, and by December 1 of each calendar year thereafter,

Borrower shall deliver to Bondowner Representative an operating budget for the upcoming calendar year.

7.12.6 Taxes and Insurance. Not less than ten (10) days prior to its due date, Borrower shall deliver to Bondowner Representative (a) evidence that all insurance premiums have been paid and that all insurance required hereunder is in effect and (b) evidence that all real property taxes have been paid in full.

7.12.7 Other Reports. Upon Bondowner Representative's request, Borrower shall deliver to Bondowner Representative, and shall cause Guarantor to deliver to Bondowner Representative, a credit report and such other information reasonably requested by Bondowner Representative.

7.13 Inspections and Inquiries. Borrower hereby grants Bondowner Representative the right at all times to: (a) inspect and photocopy the books and records (including those kept in electronic form) of Borrower regarding the Project and the Collateral; (b) inspect the Project, the progress of construction, and all materials stored on other real estate; (c) perform environmental and other engineering tests on the Project and the Property; (d) obtain from and discuss with the Architect, the surveyor, and the Contractor all information within the possession or control of such Persons that is pertinent to the Project and the construction work; and (e) verify the status of performance and payment of all subcontracts and purchase orders for materials directly with all subcontractors and suppliers of materials.

7.14 Disclosure. Borrower will keep Bondowner Representative fully informed at all times as to the legal status and financial condition of Borrower and Guarantor. Borrower will disclose to Bondowner Representative all material facts and developments regarding the Collateral, including any facts that are necessary to make all previous disclosures and representations not misleading.

7.15 Use of Proceeds. Borrower will use the proceeds of the Loan solely and exclusively for the uses and purposes specified in the Approved Budget.

7.16 Payment of Debts. Borrower will pay and perform its debts and obligations to Bondowner Representative when due under the Loan Documents and will reimburse Bondowner Representative on demand for all advances made by Bondowner Representative pursuant to Section 4.5 and for all costs and expenses incurred by Bondowner Representative as set forth in Section 4.4 hereof. Borrower will pay and perform its debts and obligations to third parties, including tenants and prospective tenants at the Project, when due.

7.17 Indemnity.

7.17.1 Indemnification of Bondowner Representative, Issuer and Bond Trustee. Borrower will indemnify, defend, and hold harmless Bondowner Representative, Issuer, Bond Trustee and each of their respective staff, directors, officials, officers, employees, supervisors, counsel, attorneys, and agents, past, present and future of each of them (collectively, the "**Indemnified Parties**") from and against all claims and causes of action (and any resulting liability, cost, or expense) that are asserted against any Indemnified Party and arise from, or relate to, the Loan, the Bonds, the Project, Borrower's ownership, construction, or operation of

the Project, or Borrower's failure to comply with applicable Laws. Borrower's obligations under this Section 7.17 shall survive repayment of the Loan and Bondowner Representative's taking possession of the Property through foreclosure, deed-in-lieu, or otherwise.

7.18 Satisfaction of Conditions. Borrower will, at Borrower's sole cost, take all actions necessary to cause each and every condition precedent described in Section 3 hereof to be satisfied.

7.19 Change Orders. Unless Borrower obtains Bondowner Representative's prior written consent, Borrower will not make or authorize (a) any changes in the line items in the Approved Budget or (b) any changes or additions to the Project or the Approved Budget except for changes that (i) do not cost more than \$_____ individually or \$_____ in the aggregate and (ii) do not diminish the scope, quality, or value to the Property. Bondowner Representative may require the deposit of additional funds deemed necessary by Bondowner Representative to cover any increased cost and evidence of consent to the change orders by Subordinate Lenders.

7.20 No Transfers. Except for Permitted Transfers (as defined in the Deed of Trust), Borrower will not transfer, convey, assign, mortgage, pledge, or encumber all or any part of or interest in Borrower, the Property or the Project.

7.21 Liens. Borrower shall not at any time grant or permit to exist any Lien in any or all of its presently owned or hereafter acquired real or personal property, except for Permitted Encumbrances.

7.22 Rental Units. Borrower shall rent (a) sixteen (16) units in the Project to households whose income is at or below thirty percent (30%) of median family income for Contra Costa County, California, at the time that a household initially occupies that unit, (b) thirty-nine (39) units in the Project to households whose income is at or below fifty percent (50%) of median family income for Contra Costa County, California, at the time that a household initially occupies that unit, and (c) thirty-one (31) units in the Project to households whose income is at or below sixty percent (60%) of median family income for Contra Costa County, California, at the time that a household initially occupies that unit.

7.23 Reserve Accounts. Borrower shall open the Replacement Reserve Account, the Operating Reserve Account and the Equity/Loan Reserve Account on or prior to the Conversion Date and thereafter shall maintain the Replacement Reserve, the Operating Reserve and the Equity/Loan Reserve in the amounts and subject to the terms and conditions set forth in the Reserve and Security Agreement.

7.24 Limitations on Additional Indebtedness and Other Transactions. Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, incur any indebtedness of any kind other than the indebtedness to Bondowner Representative under the Loan Documents and the indebtedness described in the Project Sources Schedule (provided that such indebtedness shall have been subordinated to all indebtedness to Bondowner Representative). In addition to the foregoing, Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, enter into, engage in

or benefit from any off balance sheet or hedge transactions, including, without limitation, interest rate swap agreements.

7.25 Tax Credit Allocation; Tax Credits. Borrower shall take or cause to be taken all actions necessary to maintain the allocation of LIHTC awarded to Borrower prior to the Closing Date (“Allocation”). Borrower shall not and shall not cause or allow any party to amend, supplement, restate, rescind or allow to lapse or expire the Allocation. Borrower shall satisfy all conditions precedent to the eligibility for and issuance of the LIHTC as soon as reasonably possible and in any event prior to the date upon which the allocation of tax credits described herein would expire or lapse. Borrower shall comply, and cause the Project to comply, with all requirements imposed by the Code, the applicable Laws and orders from any Governmental Agency, and/or by Governmental Agencies in order to preserve the LIHTC in the full amount provided in the Allocation. Without limiting the foregoing, Borrower shall timely file all certifications and reports required in connection with the LIHTC, and if requested shall deliver copies of such certifications and reports to Bondowner Representative concurrently with the filing of the same.

7.26 Equity Deposits. Borrower shall take and cause to be taken all actions necessary under the Partnership Agreement or otherwise to cause the Investor to timely and fully make the Equity Deposits in the amounts and at the times set forth in Exhibit C-1. Prior to the Conversion Date, all such Equity Deposits shall be promptly deposited by Borrower either into escrow on the Closing Date or into the Equity Account of the Construction Fund.

7.27 No Amendments to Partnership Agreement; Exception. The Partnership Agreement shall not be amended, supplemented or restated, in whole or in part, without the prior, written consent of Bondowner Representative.

7.28 Further Assurances. Borrower shall execute and deliver any and all instruments, agreements and documents and shall take such other action as may be necessary or desirable in the opinion of Bondowner Representative to maintain, perfect or insure Bondowner Representative’s security provided for herein and in the other Loan Documents, including the filing or recording of UCC renewal statements or amendments, the execution of such amendments to the Deed of Trust and the other Loan Documents and the delivery of such endorsements to the Title Insurance Company, all as Bondowner Representative reasonably requires, and shall pay all fees and expenses (including attorneys’ fees) related thereto or incurred by Bondowner Representative in connection therewith.

7.29 Limitations on Additional Indebtedness and Other Transactions. Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, incur any indebtedness of any kind other than (a) the indebtedness to Bondowner Representative under the Loan Documents and (b) the indebtedness described in the sources of funds listed on Exhibit C (provided that such indebtedness shall have been subordinated to all indebtedness to Bondowner Representative). In addition to the foregoing, Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, enter into, engage in or benefit from any off balance sheet or hedge transactions, including, without limitation, interest rate swap agreements.

7.30 Required Debt Service Coverage Ratio. Commencing with the calendar year ending on December 31, 20___, Borrower shall maintain, on an annual basis, a Debt Service Coverage Ratio of at least 1.10 to 1.00 based on the operating data and Project performance for the immediately preceding calendar year; provided that, in the event the Debt Service Coverage Ratio falls below 1.10 to 1.00 for any calendar year, the same shall not, in and of itself, constitute an Event of Default hereunder so long as the following requirements are timely satisfied:

7.30.1 In the event the Debt Service Coverage Ratio for any calendar year is less than 1.10 to 1.00, Borrower agrees to (i) prepare and submit to Bondowner Representative, within 45 days after notice from Bondowner Representative that the Debt Service Coverage Ratio test has not been met, a corrective action plan reasonably satisfactory to Bondowner Representative explaining in sufficient detail why the Debt Service Coverage Ratio was less than 1.10 to 1.00 for the immediately preceding calendar year and what steps will be taken and diligently pursued to ensure that the required 1.10 to 1.00 Debt Service Coverage Ratio will be met for the then current calendar year, and (ii) comply with, and diligently pursue, the corrective action plan until the Debt Service Coverage Ratio for any subsequent calendar year is at least 1.10 to 1.00, provided the Investor shall have the right to cure any failure to comply with and diligently pursue the corrective action plan by removing and replacing the General Partner (subject to the terms of Section 4.5(e) of the Deed of Trust) with a new general partner that complies with and diligently pursues the corrective action plan within 30 days after such replacement;

7.30.2 In the event the Debt Service Coverage Ratio is less than 1.10 to 1.00 for any subsequent calendar year, Borrower agrees that, within 30 days after notice of any shortfall, Borrower shall deposit in a blocked account held by Bondowner Representative (the “**DSCR Shortfall Account**”) an amount in immediately available funds (together with any funds then held in the DSCR Shortfall Account) equal to the amount required, on an annualized basis, to achieve the required minimum 1.10 to 1.00 Debt Service Coverage Ratio, which amounts are hereby pledged to Bondowner Representative to secure all obligations of Borrower under the Loan Documents. Such funds may be used to pay debt service and operating expenses approved by Bondowner Representative to the extent revenues from the Project are insufficient to pay the same. Once the Debt Service Coverage Ratio for any subsequent calendar year is restored to at least 1.10 to 1.00, then any amounts held by Bondowner Representative in the DSCR Shortfall Account shall be released to Borrower (or on the written order of Borrower); and

7.30.3 No other Event of Default shall have occurred and be continuing.

Any failure to comply with the requirements set forth above shall constitute an immediate Event of Default hereunder.

7.31 Limitation on Distributions. No distributions of Net Cash Flow shall be made to Borrower, Guarantor, or any Partner or any of their respective Affiliates for any purpose on or prior to the Conversion Date, other than Developer Fee payments in strict accordance with the Approved Budget and property management fees payable pursuant to the Property Management Agreement approved by Bondowner Representative. After the Conversion Date, if applicable, no distributions of Net Cash Flow shall be made to Guarantor, any Partner or any Affiliate of Borrower or Guarantor during any period when the Debt Service Coverage Ratio for the Property

is less than 1.10 to 1.00. In the event the Debt Service Coverage Ratio is at least 1.10 to 1.00 for any calendar year period, distributions of Net Cash Flow from the Project (after payment of debt service and provided that all required reserves are fully funded) shall be permitted, but only to the extent that, on a pro forma basis, the Debt Service Coverage Ratio for such calendar year period would have not been less than 1.10 to 1.00 had the amount of the then proposed distribution been treated as a reduction in the amount of operating income generated by the Project for purposes of determining Net Cash Flow for the same period.

7.32 Remargin Requirements.

7.32.1 If, as of the proposed Conversion Date, the Debt Service Coverage Ratio requirement set forth in Section 8.1(j) has not been satisfied on the basis of evidence in form and substance satisfactory to Bondowner Representative in its sole and absolute discretion, Bondowner Representative shall have the right and the power to require Borrower to remargin the Convertible Loan in an aggregate principal amount necessary in the judgment of Bondowner Representative to satisfy the foregoing requirement (such aggregate principal amount is referred herein as the “**Remargin Amount**”). Borrower hereby understands, acknowledges and agrees that no portion of the Loan or the proceeds of the Notes shall be used to pay the Remargin Amount. Borrower shall pay the Remargin Amount to Bondowner Representative in immediately available funds no later than the tenth (10th) Business Day after receiving notice of Bondowner Representative’s decision to remargin the Convertible Loan as described herein. The Remargin Amount shall be applied by Bondowner Representative against the then outstanding principal balance of the Convertible Loan. Without limiting the foregoing, Borrower shall also be responsible for paying all accrued and unpaid interest on the Convertible Loan as of the date of any such remargining.

7.32.2 Borrower agrees to deliver any necessary or desirable amendments, supplements or restatements of this Agreement and/or any of the Loan Documents to reflect the remargining of the Convertible Loan, all at Borrower's expense. Borrower shall pay all costs and expenses associated with such remargining, including but not limited to (i) the attorneys’ fees of Bondowner Representative, (ii) costs of any title insurance endorsements required by Bondowner Representative in its discretion, and (iii) costs related to any federal tax consequences as a result of such remargining.

7.32.3 Borrower understands, acknowledges and agrees that the foregoing remargin requirement shall be and hereby is made in addition to all other rights available to Bondowner Representative under terms and conditions of this Agreement and the other Loan Documents.

7.32.4 Borrower understands, acknowledges and agrees that the foregoing remargin requirements and mechanics shall be used to determine the remargin amount due as a result of any condemnation and/or casualty as further described in Sections 1.3 and 1.12 of the Deed of Trust.

7.33 Bond Documents; Tax Exempt Status.

7.33.1 Borrower shall timely perform its obligations under the Bond Documents and Borrower shall not enter into any new Bond Document or amend, modify, supplement, cancel or terminate any Bond Document without the prior written consent of Bondowner Representative.

7.33.2 Borrower shall not, directly or indirectly, take any action or fail to take any action or permit any action to be taken or not taken which would adversely affect the exemption of interest earned on the Bonds from gross income of the holders thereof for federal and state income tax purposes. Borrower agrees to fulfill all of its obligations under the Tax Certificate and the Code and its accompanying regulations, including, without limitation, its arbitrage and rebate obligations under Code Section 148, as amended. If Borrower 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.

7.33.3 Borrower understands that the interest rate set forth in each Note has been established on the assumption that interest paid on the Bonds will be excludable from the holder's gross income for federal income tax purposes under the Code and for state income taxes under applicable state law. In the event that Borrower receives notice or evidence of a final determination from the Internal Revenue Service or other Governmental Agency that interest payable on the Bonds is not tax-exempt for federal and state income tax purposes (other than as a result of the application of Code Section 265(b)(3) or any successor provision) then the interest rate set forth in each Note shall be increased, both prospectively and retroactively, as set forth in Section 2.3 of the Construction Note and Section 2.4 of the Convertible Note, as applicable, and Borrower shall pay to Bondowner Representative promptly upon demand an amount sufficient to adjust previous payments of interest to the increased rate. Borrower shall also indemnify, defend and hold Bondowner Representative, Issuer and Bond Trustee harmless for, from and against any penalties, interest expense, charges or other costs, including reasonable attorneys' fees and accountants' costs, resulting from any dispute, challenge, audit or similar action or investigation concerning the exclusion from gross income for federal income tax purposes of interest on the Bonds. In addition, Borrower shall, within 30 days after filing, provide Bondowner Representative with a copy of each IRS Form 8038, 8038G, or 8038GC, as applicable, filed in connection with the Bond.

7.34 AHAP Contract. Borrower agrees that it shall not modify, amend, terminate or reduce the number of Project units included under the scope of the HAP Contract or AHAP Contract without first obtaining Bondowner Representative's prior written consent. Borrower will timely perform all obligations of Borrower with respect to the HAP Contract and the AHAP Contract, and shall take all actions necessary to maintain the HAP Contract and the AHAP Contract in full force and effect and to prevent the termination or reduction of the Section 8 Payments to the Project provided thereunder.

7.35 Reappraisal Requirements. Borrower agrees that Bondowner Representative shall have the right to obtain, at Borrower's expense, an appraisal of the Property prepared by an appraiser selected by and acceptable to Bondowner Representative and in conformance with

applicable Laws and Orders of any Governmental Agency applicable to Bondowner Representative and accepted by Bondowner Representative at any time that (a) an Event of Default has occurred hereunder, (b) any condemnation, damage or destruction of the Property occurs, (c) Bondowner Representative determines in its sole opinion that the security for the Loan has been physically or financially impaired in any material manner, or (d) such appraisal is required by then current banking laws or regulations. In the event that Bondowner Representative shall elect to obtain such an appraisal, Bondowner Representative may immediately commission an appraiser acceptable to Bondowner Representative, at Borrower's cost and expense, to prepare the appraisal and Borrower shall fully cooperate with Bondowner Representative and the appraiser in obtaining the necessary information to prepare such appraisal. In the event such appraisal is required by reason of the damage or destruction of a portion of the Property, the fair market value shall be calculated on the Property after restoration of the Improvements, but subject only to then existing leases which will remain in full force and effect following such restoration.

7.36 Investor Fund Closing. On or before _____, Investor shall have assigned all of its interest in Borrower to a tax credit limited partnership or limited liability company controlled, directly or indirectly, by _____ (the "**Tax Credit Investor**"), in which "upper tier" institutional tax credit investors are limited partners or members, pursuant to an assignment in the form required by the Partnership Agreement, which provides for all rights and obligations of the initial Investor under the Partnership Agreement to be assigned to, and assumed by, the Tax Credit Investor.]///

7.37 Property Management. Borrower will not suffer or permit any breach or default to occur in any of Borrower's obligations under the property management agreement with Property Manager nor suffer or permit any amendment, assignment, termination or other modification to the property management agreement with Property Manager without the prior written consent of Bondowner Representative. Borrower shall not change or terminate the Property Manager without the prior written consent of Bondowner Representative.

7.38 Subordinate Loan Documents. Borrower shall not: (a) commit any breach or default under the Subordinate Loan Documents; (b) fail to maintain the Subordinate Loan Documents in full force and effect until all sums owing to Bondowner Representative with respect to the Loan have been repaid in full; (c) consent to any termination, amendment or modification of the Subordinate Loan Documents without Bondowner Representative's prior written consent; or (d) use any of the proceeds of the permanent loan for any purpose other than for payment to Bondowner Representative until such time as all sums owing to Bondowner Representative under the Loan Documents have been paid in full.

SECTION 8. CONVERSION

8.1 Conversion of Convertible Loan. Borrower will have the option of converting the Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan with the Maturity Date extended to the Convertible Loan Maturity Date. Following delivery to Bondowner Representative, Issuer and Bond Trustee of the Conversion Election Notice (defined below), conversion shall occur, subject to satisfaction of all of the following

conditions precedent (collectively, “**Conditions to Conversion**”) on or prior to the Construction Loan Maturity Date:

(a) No Event of Default or Prospective Default exists at the time the option to convert to a term loan is exercised and on the date of conversion to the term loan;

(b) Except as otherwise disclosed to and accepted by Bondowner Representative, the representations and warranties made in this Agreement continue to be true and correct as if made on and as of the date of the Conversion Election Notice and the Conversion Date;

(c) Completion of construction has occurred in accordance with the Plans, as determined by Bondowner Representative, free and clear of all liens;

(d) Borrower receives a final certificate of occupancy (or other written assurance reasonably satisfactory to Bondowner Representative) from the appropriate government agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy;

(e) Bondowner Representative receives certificates from the Architect and Bondowner Representative’s inspector that, based upon personal inspections at adequate intervals (not less than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the Plans and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders;

(f) The period for filing construction lien claims has expired and Borrower provides to Bondowner Representative and Bondowner Representative approves releases of liens from all potential lien claimants;

(g) Bondowner Representative received an endorsement to the Title Policy from the Title Insurance Company or a re-write of the Title Policy, as required by Bondowner Representative, showing the Deed of Trust to be a first priority lien upon the Property, subject only to the Permitted Encumbrance, and including such additional endorsements as may be required by Bondowner Representative, including, without limitation, a CLTA 101.2 endorsement and updated tax parcel endorsements, if applicable;

(h) Borrower pays Bondowner Representative, Issuer and Bond Trustee all costs and expenses incurred by Bondowner Representative, Issuer and Bond Trustee in connection with the conversion, including reasonable attorneys’ fees;

(i) Borrower has given written notice to Bondowner Representative of exercise of the option to convert at least 30 days before the Conversion Date and Borrower has provided to Bondowner Representative any additional documentation reasonably required by Bondowner Representative in connection with the conversion;

(j) The Project has achieved, for the three consecutive months immediately preceding the Conversion Date, (a) a minimum Debt Service Coverage Ratio of 1.15 to 1.00

(provided, however, that Borrower may cause this debt service coverage condition to be satisfied by making a prepayment of principal under the Convertible Note prior to the Conversion Date in an amount sufficient, in Bondowner Representative's sole judgment, to cause the Project to satisfy the foregoing minimum Debt Service Coverage Ratio requirement), and (b) stabilized occupancy of _____ percent (___%)];

(k) No Material Adverse Occurrence shall have occurred since the Closing Date;

(l) Borrower has received the _____ installment of the Equity Deposits and the _____ installment of the Equity Deposits, as set forth on Exhibit C-1, in the aggregate amount of \$_____;

(m) All Subordinate Loans have been disbursed in full to Borrower and Borrower has received all other Funding Sources in the amounts and at the times set forth in the Project Sources Schedule;

(n) The Construction Loan shall have been repaid in full, together with all other amounts due and owing under the Loan Documents as of the Conversion Date;

(o) Borrower has delivered to Bondowner Representative a fully executed copy of the HAP Contract, and Contract Administrator has begun to make payments to Borrower thereunder;

(p) Borrower has deposited into the Operating Reserve Account an additional amount equal to ///[\$269,161]///, in accordance with the Reserve and Security Agreement;

(q) Borrower provides to Bondowner Representative evidence satisfactory to Bondowner Representative that the Property continues to be exempt from real property taxation; and

(r) All conditions to the final Disbursement set forth in Section 3.3 have been satisfied.

8.2 Conversion Notices. Borrower shall, at least 30 days prior to the proposed Conversion Date, give Bondowner Representative, Issuer and Bond Trustee written notice in the form attached hereto as Exhibit F ("**Conversion Election Notice**") that Borrower has elected to convert the Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan with a maturity date extended to the Convertible Loan Maturity Date. The Conversion Election Notice shall be accompanied by (a) a rent roll covering the Project for the prior three consecutive, full calendar months immediately preceding the date of the Conversion Election Notice, certified by Borrower as true, correct, and complete, (b) operating statements for the Project for each of those three consecutive calendar months, and (c) computations and other supporting documentation evidencing satisfaction of all financial covenants set forth in this Agreement and the other Loan Documents and the other Conditions to Conversion requiring (in the judgment of Bondowner Representative) computation and/or supporting documentation, and certified in each instance by Borrower to be true, correct, and complete. If Bondowner Representative, based upon the information described above, and such other information as it

may reasonably require Borrower to deliver to it as evidence of satisfaction of the Conditions to Conversion, shall concur that the Conditions to Conversion have been fully satisfied, Bondowner Representative shall give written notice in the form attached hereto as Exhibit G (“**Conversion Notice**”) of such determination to Borrower. The Conversion Notice shall establish the effective date of the conversion to a fixed interest rate term loan (“**Conversion Date**”), which shall be a Payment Date (as defined in the Convertible Note), and the Convertible Loan Maturity Date.

8.3 Conversion Default. If all of the Conditions to Conversion are not satisfied on or before the Construction Loan Maturity Date, an Event of Default shall automatically be deemed to have occurred under this Agreement, and all amounts owing under the Notes shall be immediately due and payable.

8.4 No Liability for Failure to Convert the Term Loan. Under no circumstances shall Bondowner Representative, Issuer or Bond Trustee be responsible or liable to any Person (including, without limitation, Borrower or the Guarantor) for or on account of any failure to satisfy the Conditions to Conversion or for the failure of the Convertible Loan to convert from a floating interest rate construction loan to a fixed interest rate term loan with the Maturity Date extended to the Convertible Loan Maturity Date. The foregoing shall be in addition to all other limitations on the responsibility and liability of Bondowner Representative, Issuer and Bond Trustee set forth in this Agreement or in any of the Loan Documents.

SECTION 9. EVENTS OF DEFAULT

Borrower will be in default if any one or more of the following events occurs after the expiration of any applicable cure periods provided in the Loan Documents (each an “**Event of Default**”):

9.1 Payment. Borrower fails to make any payment under the Notes, this Agreement or any other Loan Document when due.

9.2 Additional Equity. Any contribution, loan, or deposit, required by Section 5.4 is not made in accordance with the requirements of Section 5.4 and Exhibit C, or Borrower fails to deposit additional money to balance the Loan following Bondowner Representative’s written demand for such deposit as set forth in Section 5.3.

9.3 Unauthorized Changes. Borrower breaches the covenant prohibiting change orders set forth in Section 7.19.

9.4 Prohibited Transfers. Other than for Permitted Transfers, the actual or attempted conveyance, assignment, transfer, mortgage, pledge, encumbrance, hypothecation, or other disposition of the Project, Borrower’s interest in the Property, or Borrower’s rights under this Agreement in violation of this Agreement or the Deed of Trust, or there occurs any sale, transfer, pledge, or assignment of any interest in Borrower or any of its Partners.

9.5 Other Covenants. Borrower fails to perform or comply with any other covenant in this Agreement or any other Loan Document when required hereunder.

9.6 Misrepresentation. Borrower or Guarantor misrepresents a material fact to Bondowner Representative, Issuer or Bond Trustee or any of the representations in Section 2.1 hereof or in the Guaranty are false.

9.7 Liens. A Lien (including without limitation, any construction, mechanic's or materialman's lien), writ of execution, or attachment or any similar process shall be issued or levied against all or any part of or interest in the Collateral, or any judgment involving monetary damages shall be entered against Borrower which shall become a Lien on the Collateral or any portion thereof or interest therein and such Lien, execution, attachment, or similar process or judgment is not released, bonded, satisfied, vacated, or stayed within 30 days after its entry or levy. If Borrower elects to bond over any such Lien, at any time prior to Borrower's posting of a bond or other security satisfactory to Bondowner Representative, Bondowner Representative may, at its option, reduce and reserve Disbursements of Loan proceeds in the amount of 150 percent of the value of the Lien until such Lien is bonded over in form satisfactory to Bondowner Representative.

9.8 Dissolution. Borrower or any Partner or Guarantor is dissolved, liquidated, or terminated, or all or substantially all of the assets of Borrower, any Partner or Guarantor are sold or otherwise transferred without Bondowner Representative's prior written consent, or any Partner withdraws as a partner of Borrower.

9.9 Insolvency. Borrower, any Partner or Guarantor is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability (whether through repudiation or otherwise) to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower, any Partner or Guarantor applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower, any Partner or Guarantor, as the case may be, and the appointment continues undischarged or unstayed for 60 days; or Borrower, any Partner or Guarantor institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, construction or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Borrower, any Partner or Guarantor, as the case may be, and continues undismissed or unstayed for 60 days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Borrower, any Partner or Guarantor and is not released, vacated or fully bonded within 30 days after its issue or levy.

9.10 Title. Title to the Property is not satisfactory to Bondowner Representative by reason of any Lien, encumbrance, or defect (even though the same may have existed at the time of any prior advance), except those matters affecting title which have at any time been consented to in writing by Bondowner Representative, and such Lien, encumbrance, or other defect is not corrected to Bondowner Representative's satisfaction within 30 days after its recording; or the Title Insurance Company fails or refuses to insure that the Deed of Trust on the Property is a valid Lien securing any Disbursement of Loan proceeds, subject only to the Permitted Encumbrances.

9.11 Construction Failure. Borrower does not rehabilitate the Project in accordance with the Construction Documents (as may be amended from time to time with the approval of Bondowner Representative) and all Laws now existing or hereafter enacted, adopted, or promulgated of all Governmental Agencies having jurisdiction over the Property, or Borrower fails to file with the appropriate departments of any Governmental Agency or other governmental authority having jurisdiction over the Property amended or supplemental plans and specifications for the Project if required by Law, or Borrower fails to furnish to Bondowner Representative written certificates issued by such departments approving the plans and specifications for the Project.

9.12 Law Compliance. Borrower fails to comply with any requirement of any Governmental Agency having jurisdiction over the Property within 30 days after notice in writing of such requirement shall have been given to Borrower (subject to any cure period expressly set forth in such notice).

9.13 Delay. The substantial delay, discontinuation, or prohibition of rehabilitation of the Project except as provided in Section 11.3.

9.14 Other Loan Documents. An event of default occurs under any other Loan Document, and such default continues beyond all applicable notice and cure periods.

9.15 Guarantor Defaults. (a) The Guaranty is repudiated, revoked or terminated in whole or in part without Bondowner Representative's prior written consent, (b) Guarantor is dissolved, (c) any individual Guarantor dies, or (d) a Guarantor claims that the Guaranty is ineffective or unenforceable, in whole or in part and for any reason, with respect to amounts then outstanding or amounts that might in the future be outstanding.

9.16 Partnership Agreement. The Partnership Agreement is amended, modified or terminated without Bondowner Representative's prior written consent (except solely to memorialize a Permitted Transfer), or a default occurs under the Partnership Agreement which remains uncured beyond all applicable notice and cure periods.

9.17 Partners. Except for Permitted Transfers, (a) the withdrawal, removal, or substitution of any Investor, or (b) the withdrawal, removal or substitution of any General Partner and the failure to provide, within thirty (30) days thereof, a replacement general partner approved by Bondowner Representative, in its sole discretion.

9.18 Conversion. The Conditions to Conversion are not fully satisfied on or prior to the Construction Loan Maturity Date.

9.19 Regulatory Agreements. Any default occurs under the Tax Credit LURA or any other Regulatory Agreement which is not cured within any applicable time period provided for therein, or Borrower fails to remain in compliance with the requirements for the LIHTC.

9.20 Material Adverse Occurrence. The occurrence of any Material Adverse Occurrence.

9.21 LIHTC. There is a loss or material reduction in the LIHTC projected under the Partnership Agreement that could result in a removal of the General Partner or a repurchase of the Investor's interest under the Partnership Agreement.

9.22 HAP Contract. (a) The occurrence of a default by Borrower under the AHAP Contract or the HAP Contract that is not cured within the cure period set forth in such document, or the failure of satisfaction by Borrower of all conditions precedent to the availability of Section 8 Payments for the Project as set forth in the AHAP Contract or the HAP Contract, (b) the withdrawal of consent by the Contract Administrator to the assignment of the AHAP Contract, the HAP Contract or the Section 8 Payments in favor of Bondowner Representative which is not cured within thirty (30) days thereafter, or (c) the amendment, reduction, modification, termination, rescission or cancellation of the AHAP Contract, the HAP Contract or the Section 8 Payments without the prior written consent of Bondowner Representative.

9.23 Subordinate Loan Documents. (a) The Subordinate Loan Documents are modified, terminated, or surrendered in whole or in part without Bondowner Representative's prior written consent, or (b) a default occurs under any Subordinate Loan Document and is not cured within any applicable notice and cure periods.

9.24 Loss of Tax-Exemption. Interest payable on either Note becomes includable in the gross income of the holders of such Note for federal or state income tax purposes for reasons other than Bondowner Representative becoming a "substantial user" of the Project or a "related person" for the purposes of Code Section 147(a).

SECTION 10. REMEDIES

If an Event of Default occurs, in addition to any other rights Issuer, Bond Trustee or Bondowner Representative may have, Bondowner Representative may exercise any one or more of the following rights and remedies (or, in its sole discretion, may direct Bond Trustee to do so):

10.1 Suspension/Cancellation of Commitment. Terminate any obligation or responsibility on the part of Bondowner Representative to make further Disbursements of Loan proceeds or any other amounts held in the Construction Fund. The loan fees provided for in this Agreement have been fully earned and will not be subject to refund in the event of cancellation.

10.2 Complete Construction. Bondowner Representative may take over and complete any construction work, and, for that purpose may disburse or request Disbursement of equity money and Loan proceeds. Any contracts entered into or debts incurred on the exercise of such right may be in the name of Borrower, and Bondowner Representative is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to enter into contracts, incur debts and obligations, enforce contracts or agreements theretofore made by or on behalf of Borrower, and to do any and all things necessary or proper to complete the work, including the signing of Borrower's name to such contracts and documents, as may be deemed necessary by Bondowner Representative. Bondowner Representative will not be required to use its own funds to complete construction work if undisbursed equity money and Loan proceeds are insufficient, but Bondowner Representative may advance such funds at its option. Any funds so advanced shall be payable to Bondowner Representative by Borrower on demand together with

interest at the Default Rate until paid and shall be secured by Bondowner Representative's Lien in the Collateral.

10.3 Acceleration of Due Date. Bondowner Representative may declare the principal of the Loans immediately due and payable. All amounts due under the Notes and the other Loan Documents shall bear interest at the Default Rate from the date of default until paid.

10.4 Repossession and Foreclosure. Bondowner Representative may repossess the Collateral and/or eliminate Borrower's interest in the Collateral through judicial or nonjudicial foreclosure.

10.5 Other Rights and Remedies. Bondowner Representative may exercise or pursue any other remedy or cause of action permitted by this Agreement, any other Loan Document, or applicable laws and Orders of any Governmental Agency. All rights and remedies are cumulative and non-exclusive.

10.6 Other Remedies. Without limiting the generality of the foregoing and regardless of the availability of any other remedy hereunder or under applicable law or in equity, Bondowner Representative shall also have the right, to the fullest extent permitted under applicable law, to declare the outstanding principal amount of the Loans (or any portion thereof), together with all accrued interest thereon and other amounts owing in connection therewith, to be immediately due and payable regardless of any specified due date. Any such election by Bondowner Representative to so accelerate the Loans (or any portion thereof), if made, may be revoked or rescinded by Bondowner Representative in whole or in part acting in its sole and absolute discretion at any time without notice and without prejudicing or adversely affecting any right or remedy hereunder or under applicable laws or in equity.

10.7 Cure Rights of Investor. Bondowner Representative agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "**Foreclosure Remedy**") unless and until Investor has first been given thirty (30) days written notice of the Event(s) of Default, or the Prospective Default, giving rise to Bondowner Representative's right to complete such Foreclosure Remedy, and Investor has failed, within such thirty (30) day period to cure such Event(s) of Default and/or Prospective Default; provided, however, that Bondowner Representative shall be entitled during such thirty (30)-day period to continue to pursue all of its rights and remedies under the Loan Documents, including but not limited to acceleration of the Notes (subject to any de-acceleration provisions specifically set forth in the Loan Documents), commencement and pursuit of foreclosure (but not completion of the foreclosure sale), any guaranty (subject to any notice and cure provisions contained therein), and/or any other Loan Document. In the event Bondowner Representative has accelerated the Notes and the Investor cures all Events of Default giving rise to such acceleration within the thirty (30) day cure period described above, such cure shall have the effect of de-accelerating the Note; provided, however, that such de-acceleration shall not waive or limit any of Bondowner Representative's rights to accelerate the Notes or exercise any other remedies under the Loan Documents as to any future or continuing Events of Default. It is the express intent of the parties hereunder that Bondowner Representative shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Investor for failure to provide notice to Investor, and that Bondowner Representative's liability

hereunder shall be expressly limited to actual damages to Investor directly caused by Bondowner Representative's completion of a Foreclosure Remedy without Investor receiving the notice and opportunity to cure described above. Bondowner Representative's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Bondowner Representative under this Agreement or any other Loan Document. Unless expressly prohibited by Law, Investor agrees to record a "Request for Notice", or similar appropriate document requesting notice of any foreclosure sale, in the Official Records, and in the event Bondowner Representative has failed to sooner provide notice to Investor, the receipt of such notice of foreclosure sale shall be deemed to be notice to the Investor as contemplated hereunder. Bondowner Representative shall give Investor notice at the address set forth below or such other address as Investor may instruct Bondowner Representative in writing from time to time:

SECTION 11. TIME

11.1 Commencement and Completion. Borrower shall commence the construction work at the Project no later than the Construction Commencement Deadline. Borrower will substantially complete all construction, site work, and landscaping, post and record a completion notice, and obtain a final certificate of occupancy all in substantial accordance with the Construction Documents not later than the Construction Completion Deadline.

11.2 Expiration of Commitment. In the event that any condition precedent set forth in Section 3.1 is not fulfilled or waived by Bondowner Representative before the Closing Deadline, Bondowner Representative shall have the right to terminate this Agreement and to retain all fees paid to Bondowner Representative related hereto.

11.3 Frustration of Purpose. In the event that the construction work is substantially delayed or prohibited by act of God, government interference, or other circumstance beyond the control of Borrower, such delay or prohibition shall not constitute an Event of Default unless Bondowner Representative determines that construction cannot reasonably be expected to be completed by the Construction Loan Maturity Date, or the earlier date when possession of any material part of the improvements has been promised to a tenant. If Bondowner Representative makes such determination, Bondowner Representative may treat the delay or prohibition as an Event of Default.

11.4 Time Essence. Time is of the essence in the payment and performance of the debts and obligations of Borrower to Bondowner Representative under this Agreement and the other Loan Documents.

11.5 Term. This Agreement shall remain in full force and effect until all amounts due under the Loan Documents have been paid in full.

SECTION 12. MISCELLANEOUS

12.1 Right of Setoff. To secure payment of the Loan and performance of all of Borrower's obligations under the Loan Documents and any other obligations of Borrower to Bondowner Representative of any nature whatsoever (collectively "**Obligations**"), Borrower hereby grants to Bondowner Representative a Lien in, a lien on, and an express contractual right to set off against all depository account balances, cash and any other property of Borrower now or hereafter in the possession of Bondowner Representative. Bondowner Representative may immediately without notice upon the occurrence of an Event of Default hereunder (after expiration of any notice requirements or grace/cure periods under this or other agreements between Borrower and Bondowner Representative) exercise the aforesaid right to setoff against such Obligations whether or not such Obligations (including future installments) are then due or have been accelerated, and/or Bondowner Representative may refuse to allow withdrawals from any account, all without any advance or contemporaneous notice or demand of any kind to Borrower, such notice and demand being expressly waived.

12.2 Attorneys' Fees and Expenses.

(a) The prevailing party in the trial or appeal of any civil action, Insolvency Proceeding, or arbitration proceeding to construe or enforce this Agreement or any of the other Loan Documents, to repossess Collateral, to foreclose liens and Liens, and/or to defend any claims, offsets, defenses, counterclaims, and third-party claims that are asserted under contract, tort, or other common law theories will be entitled to recover attorneys' fees in addition to costs and disbursements and such fees, costs, and disbursements will bear interest at the Default Rate.

(b) Borrower agrees to pay on demand all of Bondowner Representative's, Issuer's and Bond Trustee's costs and expenses, including Bondowner Representative's, Issuer's and Bond Trustee's attorneys' fees and legal expenses, incurred in connection with the Loan and the enforcement of this Agreement and the other Loan Documents. Bondowner Representative may hire or pay someone else to help enforce this Agreement. Bondowner Representative may also use attorneys who are salaried employees of Bondowner Representative to enforce this Agreement. Borrower shall pay all costs and expenses of all such enforcement. In the event suit, action or other legal proceeding is brought to interpret or enforce this Agreement, Borrower agrees to pay all additional sums as the referee or court may adjudge reasonable as Bondowner Representative's, Issuer's and Bond Trustee's costs, disbursements, and attorneys' fees at hearing, trial, and on any and all appeals. As used in this paragraph, "Agreement" means this Agreement and all other Loan Documents. Whether or not a court action is filed, all reasonable attorneys' fees and expenses Bondowner Representative, Issuer and Bond Trustee incurs in protecting their interests and/or enforcing this Agreement shall become part of the indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the Notes or credit agreement, and shall be paid to Bondowner Representative, Issuer and/or Bond Trustee, as applicable, by Borrower on demand. The attorneys' fees and expenses covered by this paragraph include without limitation all of Bondowner Representative's, Issuer's and Bond Trustee's attorneys' fees (including the fees charged by Bondowner Representative's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Bondowner Representative's, Issuer's and Bond Trustee's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief

from any automatic stay), fees and expenses for Bondowner Representative's, Issuer's and Bond Trustee's post-judgment collection activities, Bondowner Representative's, Issuer's and Bond Trustee's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Bondowner Representative's collateral, all to the fullest extent allowed by law.

12.3 Assignment by Borrower. Borrower may not assign or otherwise transfer its rights under the Loan Documents or delegate its obligations under the Loan Documents without the prior written consent of Bondowner Representative. A breach of this clause, directly or indirectly, will constitute an Event of Default and will not vest any rights in the purported transferee.

12.4 Participations, Pledges and Syndication and Securitization. Bondowner Representative may transfer, assign, sell and/or grant participations in the Loan, the Loan Documents or any of them at any time, in whole and in part, and may furnish any transferee, assignee, purchaser or participant or prospective transferee, assignee, purchaser or participant with any and all documents and information (including, without limitation, financial information) relating to Borrower, any Partner, Guarantor, and the Loan, the Loan Documents, or any of them that Bondowner Representative deems advisable in connection therewith. Borrower's indemnity obligations under the Loan Documents shall also apply with respect to any transferee, assignee, purchaser or participant and the directors, officers, agents and employees of any transferee, assignee, purchaser or participant. In the event of any such transfer, assignment, sale or participation, Bondowner Representative and the parties to such transaction shall share in the rights and obligations of Bondowner Representative as set forth in the Loan Documents only as and to the extent they agree among themselves. In connection with any such transfer, assignment, sale or participation, Borrower further agrees that the Loan Documents shall be sufficient evidence of the obligations of Borrower to each transferee, assignee, purchaser, or participant, and upon written request by Bondowner Representative, Borrower shall enter into such amendments or modifications to the Loan Documents as may be reasonably required in order to evidence any such transfer, assignment, sale or participation, as the case may be.

12.5 Rights to Share Information. Bondowner Representative shall have the right to discuss with any Partner or Guarantor the affairs of Borrower, course of construction, lease-up, operation, and management of the Project, the financial condition of Borrower, Guarantor and the Project, and to disclose any non-confidential information received by Bondowner Representative regarding Borrower, Guarantor, the Project or any Partner with any other Partner, Guarantor and/or other third parties, singularly or together, as Bondowner Representative may choose in its sole and absolute discretion.

12.6 Advertising. During the construction work, Bondowner Representative may place a sign at the Project that advertises that Bondowner Representative is providing the construction financing. Bondowner Representative also will have the right to publicize the financing and may include in publicity releases, if applicable, the name of Borrower, the trade name of the Project, and a general description of the Project.

12.7 Communications. Any notice, approval, waiver, consent, demand, request, or declaration required or allowed under the Loan Documents will be effective on the third Business Day after it is given by certified mail, return receipt requested, to the address set forth below or last specified in writing by the party to whom such communication is to be delivered or on the same Business Day that it is delivered personally.

Borrower: Coggins Square Apartments, L.P.
c/o BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, California 94108
Attention: Rebecca Hlebasko

Bondowner Representative: Umpqua Bank
One Capitol Mall, Suite 610
Sacramento, California 95814
Attention: Monica Sharp

Bond Trustee: _____

Issuer: County of Contra Costa, California
Department of Conservation and Development
30 Muir Road
Martinez, California 94553
Attention: Community Development Bond Program
Manager

12.8 Waiver and Estoppel. Bondowner Representative may at any time and from time to time waive any one or more of the conditions contained in the Loan Documents, but any such waiver shall be deemed to be made pursuant to this Agreement and not in modification thereof, and any such waiver in any instance or under any particular circumstances will not be construed a waiver of such condition as to future circumstances or of any subsequent default. The failure of Bondowner Representative to promptly exercise its rights or remedies will not be deemed to be a waiver or grounds for the claim of estoppel.

12.9 Agreement Binding. The Loan Documents will bind and inure to the benefit of the parties and their respective successors, permitted assigns, officers, employees, and agents. The Loan Documents are for the sole protection and benefit of such persons and no other persons will have any claims or causes of action arising from or related to the Loan Documents or the Loan.

12.10 Counterpart Signatures. The Loan Documents may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, taken together shall constitute one and the same contract.

12.11 Relationship of Parties. Bondowner Representative is not in any joint venture, partnership, fiduciary, or agency relationship with Borrower. Borrower acknowledges that there is no attorney-client relationship between Bondowner Representative's attorneys and Borrower.

12.12 Liability to Others. Bondowner Representative will not be liable to any person other than Borrower for the manner and/or time in which Loan proceeds and money deposited by Borrower is disbursed. No architect, engineer, contractor, subcontractor, or materialman will have any right or claim against Bondowner Representative under the Loan Documents or arising from Bondowner Representative's administration of the Loan. To the extent that Bondowner Representative performs inspections or reviews and/or approves plans and specifications, architects, contractors, engineers, supporting documents for draws, or other construction-related persons, entities, items, or matters, it will be deemed to have exercised such rights solely as a bank in determining the value of its security for internal loan purposes exclusively and not for the benefit of Borrower or any other person, as an expert in construction-related matters, or for any other purpose. Borrower agrees that Bondowner Representative will not be required to do, or refrain from doing, any act that would result in Bondowner Representative being held to be responsible for the payment of any state or federal employee withholding tax related to Borrower. Borrower covenants and agrees to remain current at all times in the payment of any state or federal employee withholding tax.

12.13 References. All references in this Agreement to any section refers to the sections of this Agreement. Use of the singular can include the plural and where so used to refer to Persons, the Persons referred to are jointly and severally liable or responsible (except as otherwise expressly set forth herein).

12.14 Conflict. The terms and conditions of this Agreement and of the other Loan Documents are intended to complement and supplement each other and are to be construed so as to be consistent and complementary. The Loan Documents will govern over any conflicting term or condition contained in any term sheet provided to Borrower. This Agreement will govern over any conflicting term or condition contained in the other Loan Documents.

12.15 Captions. The captions and headings are for convenience and substantively are not a part of this Agreement.

12.16 Standard for Discretion. In the event this Agreement is silent on the standard for any consent, approval, determination, or similar discretionary action by Bondowner Representative, the standard shall be sole and unfettered discretion as opposed to any standard of good faith, fairness, or reasonableness, provided, however, that Borrower understands that Bondowner Representative shall retain the right to modify the construction related conditions and requirements set forth in this Agreement to the extent reasonably necessary to ensure the Project is completed in a workmanlike manner and free and clear of liens.

12.17 Governing Law. Construction, performance, and enforcement of the Loan Documents will be governed by California law (without regard to the rules for conflict of laws), but if Bondowner Representative has greater rights or remedies under federal law, then such rights and remedies under federal law also will be available to Bondowner Representative.

12.18 Complete and Final Agreement. The Loan Documents are the complete, final, and exclusive agreement of the parties relating to the Loan. No term or condition can or will be explained, supplemented, waived, or modified by conduct or oral agreement either before, at, or after signing and delivery of the Loan Documents.

12.19 Patriot Act. Bondowner Representative (for itself and not on behalf of any other party) hereby notifies Borrower that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (“**PATRIOT Act**”), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Bondowner Representative to identify Borrower in accordance with the PATRIOT Act. Borrower agrees to provide all such required information to Bondowner Representative.

12.20 Additional Banking Laws. Borrower shall (a) ensure, and cause each Affiliate to ensure, that no person who owns a controlling interest in or otherwise controls Borrower or any Affiliate is or shall be listed on the “Specially Designated Nationals and Blocked Person List” or other similar lists maintained by the Office of Foreign Assets Control (“**OFAC**”), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each Affiliate to comply, with all applicable bank secrecy act laws and regulations, as amended.

12.21 Tax Shelter Disclosure. None of Borrower, Guarantor, or any Affiliate or subsidiary of any of the foregoing intends to treat the Loan or the transactions contemplated by this Agreement and the other Loan Documents as being a “reportable transaction” (within the meaning of Regulation Section 1.6011-4). If Borrower, or any other party determines to take any action inconsistent with such intention, Borrower shall promptly notify Bondowner Representative thereof in writing. If Borrower so notifies Bondowner Representative, Borrower acknowledges that Bondowner Representative may treat the Loan as part of a transaction that is subject to Regulation Section 301.6112-1, and Bondowner Representative will maintain the lists and other records, including the identity of the applicable party to the Loan as required by such Regulation.

12.22 Costs of Enforcement.

(a) The prevailing party in the trial or appeal of any civil action, Insolvency Proceeding, or arbitration proceeding to construe or enforce this Agreement or any of the other Loan Documents, to repossess Collateral, to foreclose liens and Liens, and/or to defend any claims, offsets, defenses, counterclaims, and third-party claims that are asserted under contract, tort, or other common law theories will be entitled to recover reasonable attorney fees in addition to costs and disbursements and such fees, costs, and disbursements will bear interest at the Default Rate.

(b) Borrower agrees to pay on demand all of Bondowner Representative’s out-of-pocket costs and expenses, including Bondowner Representative’s reasonable attorneys’ fees and legal expenses, incurred in connection with enforcement of this Agreement. Bondowner Representative may hire or pay someone else to help enforce this Agreement.

Bondowner Representative may also use attorneys who are salaried employees of Bondowner Representative to enforce this Agreement. Borrower shall pay all costs and expenses of all such enforcement. In the event suit, action or other legal proceeding is brought to interpret or enforce this Agreement, Borrower agrees to pay all additional sums as the referee or court may adjudge reasonable as Bondowner Representative's costs, disbursements, and attorney fees at hearing, trial, and on any and all appeals. As used in this paragraph, "Agreement" means this Agreement and all other Loan Documents. Whether or not a court action is filed, all reasonable attorney fees and expenses Bondowner Representative incurs in protecting its interests and/or enforcing this Agreement shall become part of the indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the Notes or credit agreement, and shall be paid to Bondowner Representative by the other party or parties signing this Agreement on demand. The attorneys' fees and expenses covered by this paragraph include without limitation all of Bondowner Representative's attorney fees (including the fees charged by Bondowner Representative's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Bondowner Representative's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Bondowner Representative's post-judgment collection activities, Bondowner Representative's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Bondowner Representative's collateral, all to the fullest extent allowed by law.

12.23 WAIVER OF RIGHT TO TRIAL BY JURY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

12.24 Judicial Reference. In any judicial action or cause of action arising from this Agreement or otherwise ("**Dispute**"), including without limitation contract and tort disputes, all decisions of fact and law shall, at the request of either Borrower or Bondowner Representative or other holder of this Agreement, be referred to a referee in accordance with Section 638 et seq. of the California Code of Civil Procedure if the action is before a court of any judicial district of the State of California. The referee shall prepare written findings of fact and conclusions of law, and judgment upon the referee's award shall be entered in court in which such proceeding was commenced. No provision or exercise of any right under this provision shall limit the right of the undersigned or Bondowner Representative or other holder of this Agreement to exercise self-help remedies, such as foreclosure against or sale of any real or personal property collateral or

security, or to obtain provisional or ancillary remedies from a court of competent jurisdiction before, during or after the pendency of any judicial reference proceeding. The exercise of a remedy does not waive the right of either party to resort to judicial reference. Borrower and Bondowner Representative further agree that all disputes, claims and controversies between them shall be brought in their individual capacities and not as a plaintiff or class member in any purported class or representative proceeding.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

BONDOWNER REPRESENTATIVE:

UMPQUA BANK,
an Oregon banking corporation

By: _____
Monica Sharp
Vice President

[Construction Loan Agreement Signature Page]

[Coggins Square]

ISSUER:

COUNTY OF CONTRA COSTA, CALIFORNIA,
a public body, corporate and politic

By: _____
[Name]
[Title]

[Construction Loan Agreement Signature Page]

[Coggins Square]

BORROWER:

COGGINS SQUARE APARTMENTS, L.P.,

a California limited partnership

By: Coggins Square Apartments LLC,
a California limited liability company,
its General Partner

By: Bridge Housing Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
[Name]
[Title]

[Construction Loan Agreement Signature Page]

EXHIBIT A

Legal Description

Exhibit A

[Coggins Square]

EXHIBIT B
Approved Budget

[See Attached]

Exhibit B

[Coggins Square]

EXHIBIT C

Project Sources Schedule

I. LOANS

<u>Lender/Program</u>	<u>Loan Amount</u>	<u>Required Funding Date</u>
County Loan	/// <u>[\$2,500,000]</u> /// 	On or before Closing Date
GP Loan	/// <u>[\$1,561,811]</u> /// 	On or before Closing Date
Sponsor Loan	/// <u>[\$11,548,157]</u> /// 	On or before Closing Date

II. EQUITY/OTHER

<u>Funder</u>	<u>Amount</u>	<u>Required Funding Date</u>
Investor	/// <u>[\$16,468,949]</u> /// 	See <u>Exhibit C-1</u>
General Partner	/// <u>[\$1,561,811]</u> /// 	Closing Date

III. DEFERRED DEVELOPER FEE

<u>Funder</u>	<u>Amount</u>	<u>Required Funding Date</u>
Developer	\$ _____	After the Conversion Date

EXHIBIT C-1

Schedule of Equity Deposits

Investor Capital Equity Installments	Amount of Capital Contribution	Capital Contribution Due Date
First Capital Contribution	\$_____	Closing Date

This Capital Contribution shall be used to pay Approved Construction Costs.

Second Capital Contribution	\$_____	Upon completion of rehabilitation of the Project, but not earlier than _____, 20____.
-----------------------------	---------	---------------------------------------------------------------------------------------

This Capital Contribution shall be used to _____.

Third Capital Contribution	\$_____	On or before the Construction Loan Maturity Date
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This Capital Contribution shall be used to _____.

Fourth Capital Contribution	\$_____	After the Construction Loan Maturity Date
-----------------------------	---------	-------------------------------------------

This Capital Contribution shall be used in accordance with the Partnership Agreement.

EXHIBIT C-2

Schedule of Development Fee Payments

Fee Installment	Amount of Fee Payable	Fee Due Date	Payment Source
	\$ _____		
	\$ _____		

EXHIBIT D

Compliance Certificate

To: Umpqua Bank

This Compliance Certificate is delivered pursuant to Section 7.10 of the Construction and Term Loan Agreement executed on _____, 2020 (the “**Loan Agreement**”), among Coggins Square Apartments, L.P., a California limited partnership (the “**Borrower**”), the County of Contra Costa, California (“**Issuer**”) and Umpqua Bank, an Oregon banking corporation (“**Bondowner Representative**”). All capitalized terms have the meanings set forth in the Loan Agreement:

The undersigned, being the General Partner of Borrower, hereby certify that as of the end of the Fiscal Year and as of the date of this Compliance Certificate: (a) there were and are no defaults that occurred under the Regulatory Agreements; (b) there were and are no Prospective Defaults or Events of Default in regards to the Loan; and (c) the Property was, and continues to be, exempt from real property taxation.

If, however, there were any such defaults under the Regulatory Agreements or Prospective Defaults or Events of Default in regards to the Loan, they are listed below along with the action we propose to take in respect to each such default, Prospective Default, or Event of Default.

With respect to the Credits:

1. The LIHTC documents are in full force and effect.
2. There have been no occurrences which would result in a loss or material reduction in the amount of any LIHTC.
3. The Borrower has not received a Form 8823 or any other notice of non-compliance from the Credit Agency or any other Governmental Agency.
4. The Form 8609 has been or is anticipated to be received by the date required in the Partnership Agreement.
5. Borrower has provided Bondowner Representative with all required LIHTC documents.
6. If required by the Internal Revenue Code, the Tax Credit LURA has been recorded in the appropriate filing office.

Dated: _____, 20__.

BORROWER:

COGGINS SQUARE APARTMENTS, L.P.,
a California limited partnership

By: Coggins Square Apartments LLC,
a California limited liability company,
its General Partner

By: Bridge Housing Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
[Name]
[Title]

EXHIBIT E

Insurance Requirements

Borrower: Coggins Square Apartments, L.P., a California limited partnership

Loan Number: [_____]

Project Address: 1316 Las Juntas Way, Walnut Creek, California

Bondowner Representative shall have received evidence acceptable to Bondowner Representative that Borrower or the applicable third-party has procured insurance as set forth below, as required by Bondowner Representative in its sole discretion:

1. General Liability Insurance. A Commercial General Liability insurance policy on the Project shall be evidenced by an ACORD Form 25 insuring against claims of bodily injury, death or property damage on an “occurrence” rather than “claims made” basis (combined single limit form), in an amount not less than \$1,000,000 per occurrence, and providing coverage in an aggregate amount of at least \$2,000,000 (per location) and umbrella coverage of not less than \$2,000,000, with a deductible amount, if any, not in excess of \$15,000 all naming Bondowner Representative as an additional insured.

2. Builder’s Risk Policy. A Builder’s All Risk insurance policy on the Project, during the construction of the Improvements, shall be evidenced by an ACORD Form 28. Such insurance shall name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy, shall be for the full insurable value of the Improvements, with a deductible amount, if any, not in excess of \$10,000 and shall be effective upon the date of the Notice to Proceed, the date of site mobilization or the start of any shipment of materials, machinery or equipment to the Project, whichever is earlier and is to remain in effect until replaced by permanent Property/All-Risk Hazard Insurance. The term “full insurable value” means 100 percent of the actual replacement cost of the insurable Improvements. The policy shall contain: the replacement cost endorsement, no coinsurance clause, in-transit coverage/temporary storage (based on each occurrence), demolition and increased cost of construction coverage, delay in completion and delay in rents/startup coverage. Unless waived by Bondowner Representative, the policy shall include: no exclusions for acts of terrorism, earthquake coverage, boiler and machinery coverage, sprinkler leakage coverage and vandalism and malicious mischief coverage and such other endorsements and coverages as Bondowner Representative may require.

3. Property/All-Risk Policy. An “All-Risk” hazard insurance policy on the Project shall be evidenced by an ACORD Form 28, name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy and shall be for the full insurable value of the completed improvements, with a deductible amount, if any, not in excess of \$10,000 and shall include the replacement cost endorsement, no coinsurance clause, demolition and increased cost of construction coverage. The term “full insurable value” means 100 percent of the actual replacement cost of the insurable Improvements without the deduction for depreciation. Unless waived by Bondowner Representative, the policy shall include: no exclusions for acts of terrorism, earthquake coverage, boiler and machinery coverage, sprinkler

leakage coverage, vandalism and malicious mischief coverage and other such endorsements and coverages as Bondowner Representative may require.

4. Business Interruption. If the Project is owner-occupied, a one year's business interruption insurance policy in an amount acceptable to Bondowner Representative. The policy shall name Bondowner Representative as mortgagee and loss payee.

5. Loss of Rents. If the Project is occupied by tenants, a loss of rents/business income policy with coverage for a minimum of 12 months of Rental Value. The policy shall name Bondowner Representative as mortgagee and loss payee. Borrower shall not be required to provide loss of rents coverage until the initial occupancy of the Project.

6. Flood Coverage. A flood insurance policy in the maximum amount available, as required by applicable law, if the Property is located in an area designated by the United States Federal Emergency Management Agency as a special flood hazard area. The policy shall name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy.

7. Contractor's Coverage. During the construction of the Improvements, the following policies of insurance are to be maintained by the Contractor for the Project, which policies may be combined with the policies required to be maintained by Borrower as set forth above:

a. Public Liability/Property Damage Coverage for at least \$1,000,000 per occurrence (\$2,000,000 annual aggregate) to be written on Comprehensive General Liability form including all broad form coverages or other form providing like coverage on an "occurrence" rather than "claims made" basis naming Bondowner Representative as an additional insured;

b. Worker's Compensation Coverage per applicable state law and employers liability at minimum limits of \$500,000/\$500,000/\$500,000 naming the Contractor;

c. Excess Liability Policy for not less than \$2,000,000; and

d. Automotive Liability Limits of no less than \$1,000,000 for any automobile.

8. Other Insurance Required by Bondowner Representative. Insurance against such similar or other hazards, casualties, liabilities and contingencies, in such forms and amounts, as Bondowner Representative may from time to time reasonably require.

9. All Policies of Insurance. Each insurance policy required under this section shall be in form acceptable to Bondowner Representative and issued by a company or companies approved by Bondowner Representative and rated A- or better in the most current issue of Best's Insurance Reports and licensed to do business in the state in which the Property is located. Each hazard insurance policy will include a Form 438 BFU, ISO 1218, or equivalent mortgagee endorsement in favor of and in form acceptable to Bondowner Representative. All required policies will provide for at least 10 days written notice to Bondowner Representative prior to the

Exhibit E

[Coggins Square]

effective date of any cancellation, non-renewal or material amendment, which term shall include any reduction in the scope or limits of coverage. Any policy with a co-insurance clause shall include an endorsement with a waiver of such co-insurance clause. All policies are to include waiver of subrogation against any party whose interest are covered in the policy and must be primary and non-contributory. The certificates and endorsements shall set forth the coverage, the limits of liability, the carrier, the policy number, the expiration date, the deductible amounts, loan number and Project address and/or description of the collateral insured. Borrower shall provide certified copies of the actual policies and endorsements when requested by Bondowner Representative.

10. Insurance Mailing Address. All documents and other materials relating to the insurance required hereunder shall be delivered to: Umpqua Bank, Post Office Box 1580, Roseburg, Oregon 97470.

EXHIBIT F

Conversion Election Notice

[Date]

Umpqua Bank
One Capitol Mall, Suite 610
Sacramento, California 95814
Attention: Monica Sharp

Umpqua Bank
Post Office Box 1580
Roseburg, Oregon 97470-9972
Loan No. _____

County of Contra Costa, California
Department of Conservation and Development
30 Muir Road
Martinez, California 94553
Attention: Community Development Bond Program Manager

[Bond Trustee]

Attention: _____
Ref: _____

Reference is made to that certain Construction and Term Loan Agreement among Coggins Square Apartments, L.P., a California limited liability company (“**Borrower**”), the County of Contra Costa, California (“**Issuer**”) and Umpqua Bank (“**Bondowner Representative**”) dated _____, 2020 (the “**Loan Agreement**”). Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Loan Agreement. Borrower hereby requests that Convertible Loan be converted from a floating interest rate construction loan to a fixed interest rate term loan pursuant to the terms and conditions of the Loan Agreement. Borrower hereby certifies to Bondowner Representative that the Conditions to Conversion set forth in Section 8.1 of the Loan Agreement either have been satisfied as of the date hereof or will be satisfied on or before the Conversion Date, including but not limited to:

1. No Event of Default or Prospective Default exists as of the date hereof and no Event of Default or Prospective Default will exist as of the Conversion Date;
2. The representations and warranties made in the Loan Agreement continue to be true and correct in all material respects as if made on and as of the date hereof and will continue to be true and correct as of the Conversion Date, except _____

_____;

3. Borrower accepts the Project as complete;
4. Borrower has received a final certificate of occupancy (or other written assurance) from the appropriate government agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy;
5. Bondowner Representative has received certificates from the Architect and, to Borrower's knowledge, Bondowner Representative's inspector, that, based upon personal inspections at adequate intervals (not less than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the plans and specifications and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders;
6. Bondowner Representative has received the Contractor's final certificate of construction, certifying that the Project has been completed in accordance with the Plans, the Construction Documents and all applicable Laws;
7. The period for filing construction lien claims has expired, and Borrower has provided to Bondowner Representative releases of liens from all potential lien claimants;
8. The Title Policy has been, or will be by the Conversion Date, endorsed by the Title Insurance Company to show that the Deed of Trust shall continue to be a first priority lien immediately after the Conversion Date, except for Permitted Encumbrances, and, if applicable, updated tax parcel endorsements;
9. Borrower has paid, or will pay by the Conversion Date, to Bondowner Representative all costs and expenses incurred by Bondowner Representative in connection with the conversion, including reasonable attorney fees;
10. This notice is being given to Bondowner Representative at least 30 days before the anticipated Conversion Date and Borrower has provided, or will provide by the Conversion Date, to Bondowner Representative any additional documentation reasonably required by Bondowner Representative in connection with the conversion;
11. The Project has achieved for the three consecutive months immediately preceding the anticipated Conversion Date (a) a minimum Debt Service Coverage Ratio of 1.15 to 1.00 and (b) stabilized occupancy of _____ percent (____%);
12. No Material Adverse Occurrence has occurred since the Closing Date and none shall occur prior to the Conversion Date;
13. Borrower has received the _____ Capital Contribution and the _____ Capital Contribution, and Borrower will receive the _____ Capital Contribution in Equity Deposits on or before the Conversion Date, as set forth on Exhibit C-1 to the Loan Agreement, in the aggregate amount of \$ _____;

Exhibit F

[Coggins Square]

14. Borrower has received all Subordinate Loan proceeds and all other Funding Sources set forth in the Project Sources Schedule in the amounts and at the times set forth therein;
15. The Construction Loan has been, or will be on or prior to the Conversion Date, repaid in full, together with all other amounts due and owing under the Loan Documents as of the Conversion Date;
16. All reserves required under the Reserve and Security Agreement as of the Conversion Date have been, or will be on or prior to the Conversion Date, funded in accordance with the Reserve and Security Agreement;
17. Borrower has provided to Bondowner Representative evidence that the Property continues to be exempt from real property taxation as required pursuant to Section 7.7.2 of the Loan Agreement;
18. All conditions to the final Disbursement set forth in Section 3.3 have been satisfied; and
19. The following items are being delivered to Bondowner Representative with this notice and are true, correct and complete as of the date hereof: (a) a rent roll covering the Project for the prior three consecutive, full calendar months immediately preceding the date hereof, (b) operating statements for the Project for each of those three consecutive calendar months, and (c) computations and other supporting documentation evidencing satisfaction of all financial covenants set forth in the Loan Agreement, the other Loan Documents and the other Conditions to Conversion requiring computation and/or supporting documentation.

Date: _____

BORROWER:

COGGINS SQUARE APARTMENTS, L.P.,
a California limited partnership

By: Coggins Square Apartments LLC,
a California limited liability company,
its General Partner

By: Bridge Housing Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
[Name]
[Title]

EXHIBIT G

Conversion Election Notice

[Date]

Coggins Square Apartments, L.P.
c/o BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, California 94108
Attention: Rebecca Hlebasko

Re: Commercial Real Estate Loan Number _____

NOTICE OF CONVERSION

Reference is made to that certain Construction and Term Loan Agreement dated _____, 2020, among you, the County of Contra Costa, California (“**Issuer**”) and Umpqua Bank (the “**Loan Agreement**”). Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Loan Agreement. We are pleased to notify you that we agree that all Conditions to Conversion set forth in Section 8.1 of the Loan Agreement have been satisfied, and we are now able to convert your existing Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan upon the following updated terms:

The Conversion Date shall be _____.

The next Payment Date shall be _____.

The Convertible Loan Maturity Date shall be _____.

The amortization schedule attached as Exhibit A to the Convertible Note is hereby replaced with the amortization schedule attached hereto as Exhibit A.

Additionally, we confirm that, pursuant to Section 12 of that certain Unsecured Payment and Performance Guaranty dated _____, 2020, and executed by BRIDGE HOUSING CORPORATION (“**Guarantor**”), for the benefit of Umpqua Bank (the “**Guaranty**”), Guarantor’s obligations under the Guaranty are terminated except for, and subject to, those continuing obligations set forth in Section 12(b) of such Guaranty.

Please do not hesitate to contact us regarding any questions you may have regarding the conversion and/or above information. We would like to take this opportunity to thank you again for working with Umpqua Bank, the World’s Greatest Bank!

Sincerely,

Umpqua Bank

Exhibit G

[Coggins Square]