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

No fee for recording pursuant to
Government Code Section 27383 and 27388.1

HOME REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(Veterans Square - HOME)

This HOME Regulatory Agreement and Declaration of Restrictive Covenants (the "HOME Regulatory Agreement") is dated September ____, 2020 and is between the County of Contra Costa, a political subdivision of the State of California (the "County"), and Veterans Square, L.P., a California limited partnership ("Borrower").

RECITALS

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

B. The County has received Home Investment Partnerships Act ("HOME") funds from the United States Department of Housing and Urban Development ("HUD") pursuant to the Cranston-Gonzales National Housing Act of 1990 ("HOME Funds"). The HOME Funds must be used by the County in accordance with 24 C.F.R. Part 92.

C. Pursuant to a Purchase and Sale Agreement dated July 22, 2020, between Satellite Affordable Housing Associates, a California nonprofit public benefit corporation ("SAHA") and Borrower, Borrower intends to purchase that certain real property located at 901 Los Medanos Street and 295 East 10th Street, in the City of Pittsburg, County of Contra Costa, State of California, as more particularly described in Exhibit A (the "Property"). Borrower intends to construct thirty (30) housing units on the Property, twenty-nine (29) of which are for rental to extremely low, very low and low income households, and one (1) manager's unit (the "Development"). The Development, as well as all landscaping, roads and parking spaces on the Property and any additional improvements on the Property, are the "Improvements".

D. Pursuant to a Development Loan Agreement of even date herewith between the County and Borrower (the "Loan Agreement"), the County is lending Borrower Two Million Two Hundred Thousand Four Hundred Dollars (\$2,200,400) of HOME Funds (the "County Loan") to assist in the construction of the Development. The County Loan funds are HOME

Funds that have been set aside for entities designated as a Community Housing Development Organization ("CHDO") as defined in 24 C.F.R. 92.2.

E. In addition to the Loan Agreement, the County Loan is evidenced by the following documents: (i) a deed of trust with assignment of rents, security agreement, and fixture filing of even date herewith, among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary; (ii) an intercreditor agreement of even date herewith among the Housing Authority of the City of Pittsburg, the County, and Borrower; (iii) a promissory note executed by Borrower of even date herewith in the amount of the County Loan; and (iv) the County Regulatory Agreement, executed by Borrower of even date herewith, (collectively, the "Loan Documents"). The Loan Documents are described in more detail in the Loan Agreement.

F. The County has the authority to lend the County Loan to Borrower pursuant to Government Code Section 26227, which authorizes counties to spend county funds for programs that will further a county's public purposes. In addition, the County has the authority to loan the HOME Funds pursuant to 24 C.F.R. 92.205.

G. The County has agreed to make the County Loan on the condition that Borrower maintain and operate the Development in accordance with restrictions set forth in this HOME Regulatory Agreement and the County Regulatory Agreement, and in the related documents evidencing the County Loan. Fourteen (14) of the Units are restricted by the County pursuant to this HOME Regulatory Agreement.

H. As it applies to the HOME-Assisted Units this HOME Regulatory Agreement will be in effect for the HOME Term. The County Regulatory Agreement as it applies to the HOME-Assisted Units will be in effect for fifty-five (55) years from the Completion Date which term overlaps with but is longer than the HOME Term. Pursuant to Section 6.16 below, compliance with the terms of this HOME Regulatory Agreement will be deemed compliance with the County Regulatory Agreement during the HOME Term with respect to the HOME-Assisted Units.

I. In consideration of receipt of the County Loan at an interest rate substantially below the market rate, Borrower agrees to observe all the terms and conditions set forth below.

The parties therefore agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

1.1 Definitions.

The following terms have the following meanings:

- (a) "Accessibility Requirements" has the meaning set forth in Section 2.1(c).

- (b) "Actual Household Size" means the actual number of persons in the applicable household.
- (c) "Adjusted Income" means with respect to the Tenant of each HOME-Assisted Unit, the Tenant's total anticipated annual income as defined in 24 CFR 5.609 and calculated pursuant to 24 CFR 5.611, and as further referenced in 24 CFR 92.203(b)(1).
- (d) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in Health & Safety Code Section 50052.5(h), used to calculate Rent, provided that if a different calculation is required by the HOME regulations, such calculation must be used for the HOME-Assisted Units.
- (e) "CHDO" has the meaning set forth in Paragraph D of the Recitals.
- (f) "City" means the City of Pittsburg, California, a municipal corporation.
- (g) "Completion Date" means the date a final certificate of occupancy, or equivalent document is issued by the City to certify that the Development may be legally occupied.
- (h) "County Loan" has the meaning set forth in Paragraph D of the Recitals.
- (i) "County Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, between the County and Borrower evidencing County requirements applicable to the County Loan, to be recorded against the Property concurrently herewith.
- (j) "Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary, that encumbers the Property to secure repayment of the County Loan and Borrower's performance of the Loan Documents.
- (k) "Development" has the meaning set forth in Paragraph C of the Recitals.
- (l) "Development Regulatory Documents" has the meaning set forth in Section 4.2(a).
- (m) "Extremely Low Income Household" means a household with an Adjusted Income that does not exceed thirty percent (30%) of Median Income, adjusted for Actual Household Size.
- (n) "Extremely Low Income Rent" means one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Median Income, adjusted for Assumed Household Size.
- (o) "Extremely Low Income Units" means the Units which, pursuant to Section 2.1(a) below, are required to be occupied by Extremely Low Income Households.

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

(q) "High HOME Rent" means a monthly Rent that does not exceed the maximum rent published by HUD for a Low Income Household for the applicable bedroom size as set forth in 24 C.F.R. 92.252(a).

(r) "HOME" has the meaning set forth in Paragraph B of the Recitals.

(s) "HOME-Assisted Units" means the fourteen (14) Units to be constructed on the Property that are (i) restricted to occupancy by Extremely Low Income Households in compliance with Section 2.1 below, and (ii) are "floating" Units as defined in 24 C.F.R. 92.252(j).

(t) "HOME Funds" has the meaning set forth in Paragraph B of the Recitals.

(u) "HOME Term" means the term of this HOME Regulatory Agreement which commences as of the date of this HOME Regulatory Agreement, and unless sooner terminated pursuant to the terms of this HOME Regulatory Agreement, expires on the twenty-first (21st) anniversary of the Completion Date; provided, however, if a record of the Completion Date cannot be located or established, the HOME Term will expire on the twenty-third (23rd) anniversary of this HOME Regulatory Agreement.

(v) "HOME Regulatory Agreement" has the meaning set forth in the first paragraph of this HOME Regulatory Agreement.

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

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

(y) "Investor Limited Partner" means, Raymond James Tax Credit Fund XX, LLC, a _____ limited liability company, its successors and assigns.

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

(aa) "Loan Documents" has the meaning set forth in Paragraph E of the Recitals.

(bb) "Low HOME Rent" means a monthly Rent that does not exceed the maximum rent published by HUD for a Very Low Income Household for the applicable bedroom size as set forth in 24 C.F.R. 92.252(b).

(cc) "Low Income Household" means a Tenant (i) with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low

family incomes, as such definition may be amended pursuant to 24 C.F.R. Section 92.2, and (ii) that is not an individual student not eligible to receive Section 8 assistance under 24 C.F.R. 5.612.

(dd) "Maintenance Standards" has the meaning set forth in Section 5.6 (a).

(ee) "Marketing Plan" has the meaning set forth in Section 4.3(a).

(ff) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of Contra Costa, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(gg) "Operating Budget" has the meaning set forth in Section 2.5(a).

(hh) "Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership that governs the operation and organization of Borrower as a California limited partnership.

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

(jj) "Rent" means the total monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities; any separately charged fees or service charges assessed by Borrower which are customarily charged in rental housing and required of all Tenants (subject to the limitations set forth in 24 C.F.R. 92.214(b)(3)), other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Borrower, and paid by the Tenant.

(kk) "Rental Subsidy" has the meaning set forth in Section 2.5(a).

(ll) "SAHA" has the meaning set forth in Paragraph C of the Recitals.

(mm) "Subsidy Units" has the meaning set forth in Section 2.5(a).

(nn) "Tenant" means the tenant household that occupies a Unit in the Development.

(oo) "Tenant Selection Plan" has the meaning set forth in Section 4.3(b).

(pp) "Transfer" has the meaning set forth in Section 6.1.

(qq) "Unit(s)" means one (1) or more of the units in the Development.

(rr) "Very Low Income Household" means a household (i) with an Adjusted Income that does not exceed fifty percent (50%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than fifty percent (50%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes as set forth in 24 C.F.R. Section 92.2, and (ii) that is not an individual student not eligible to receive Section 8 assistance under 24 C.F.R. 5.612.

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) Extremely Low Income Units. During the HOME Term Borrower shall cause fourteen (14) Units to be rented to and occupied by or, if vacant, available for occupancy by, Extremely Low Income Households.

(b) Intermingling of Units. Borrower shall cause the HOME-Assisted Units to be intermingled throughout the Development and of comparable quality to all other Units. All Tenants must have equal access to and enjoyment of all common facilities in the Development. The HOME-Assisted Units are all one bedroom Units.

(c) Disabled Persons Occupancy.

(1) Borrower shall cause the Development to be operated at all times in compliance with all applicable federal, state, and local disabled persons accessibility requirements including, but not limited to the applicable provisions of: (i) the Unruh Act, (ii) the California Fair Employment and Housing Act, (iii) Section 504 of the Rehabilitation Act of 1973, (iv) the United States Fair Housing Act, as amended, (v) the Americans With Disabilities Act of 1990, and (vi) Chapters 11A and 11B of Title 24 of the California Code of Regulations, which relate to disabled persons access (collectively, the "Accessibility Requirements").

(2) Borrower shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the County) the County, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Borrower's failure to comply with the Accessibility Requirements. This obligation to indemnify survives termination of this HOME Regulatory Agreement, repayment of the County Loan and the reconveyance of the Deed of Trust.

(d) HOME-Assisted Unit Compliance Deadline. Each HOME-Assisted Unit must be rented to and occupied by an Extremely Low Income Household pursuant to Section 2.1(a) on or before the date that occurs eighteen (18) months after the Completion Date. If Borrower fails to comply with this requirement, Borrower shall repay a portion of the New County Loan Funds, with interest, in accordance with Section 2.8(c) of the Loan Agreement.

2.2 Allowable Rent.

(a) Extremely Low Income Rent. Subject to the provisions of Section 2.4 below, the Rent paid by Tenants of Extremely Low Income Units may not exceed the Extremely Low Income Rent.

(b) No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the HOME-Assisted Units for any housing or other services provided by Borrower.

2.3 Rent Increases.

(a) Rent Amount. The initial Rent for all HOME-Assisted Units must be approved by the County prior to occupancy. The County will provide Borrower with a schedule of maximum permissible Rents for the HOME-Assisted Units and the maximum monthly allowances for utilities and services (excluding telephone) annually. The method of calculation of utility allowances will be determined by mutual agreement of the County and Borrower, using one of the methodologies permitted by the HOME Regulations.

(b) Rent Increases. All Rent increases for all HOME-Assisted Units are subject to County approval. No later than sixty (60) days prior to the proposed implementation of any Rent increase affecting a HOME-Assisted Unit, Borrower shall submit to the County a schedule of any proposed increase in the Rent charged for HOME-Assisted Units. The Rent for such Units may be increased no more than once annually based upon the annual income certification described in Article 3. The County will disapprove a Rent increase if it violates the schedule of maximum permissible Rents for the HOME-Assisted Units provided to Borrower by the County, or is greater than a 5% increase over the previous year's Rent, provided that the County may approve a request from Borrower for a rent increase greater than 5%, with a written explanation for the request from Borrower. Borrower shall give Tenants written notice at least thirty (30) days prior to any Rent increase, following completion of the County approval process set forth above.

2.4 Increased Income of Tenants.

(a) Increased Income above Extremely Low Income but below Low Income Limit. If, upon the annual certification of the income of a Tenant of an Extremely Low Income Unit, Borrower determines that the income of the Tenant has increased above the qualifying limit for an Extremely Low Income Household, but not above the qualifying income for a Low Income Household, the Tenant may continue to occupy the Unit and the Tenant's Rent will remain at the Extremely Low Income Rent. Borrower shall then rent the next available Unit to an Extremely Low Income Household to comply with the requirements of Section 2.1(a) above, at a Rent not exceeding the maximum Rent specified in Section 2.2(a), or re-designate another comparable Unit in the Development with an Extremely Low Income Household an Extremely Low Income Unit, to comply with the requirements of Section 2.1(a) above. Upon renting the next available Unit in accordance with Section 2.1(a) or re-designating another Unit in the Development as an Extremely Low Income Unit, the Unit with the over-income Tenant will no longer be considered a HOME-Assisted Unit.

(b) Non-Qualifying Household. If, upon the annual certification of the income a Tenant of a HOME-Assisted Unit, Borrower determines that the Tenant's income has increased above the qualifying limit for a Low Income Household, the Tenant may continue to occupy the Unit. Upon the expiration of such Tenant's lease, Borrower shall:

(1) With 60 days' advance written notice, increase such Tenant's Rent to the lesser of (i) one-twelfth (1/12) of thirty percent (30%) of the actual Adjusted Income of the Tenant, and (ii) the fair market rent (subject to 24 C.F.R. 92.252(i)(2) regarding low income housing tax credit requirements), and

(2) Rent the next available Unit to an Extremely Low Income Household to comply with the requirements of Section 2.1(a) above, at a Rent not exceeding the maximum Rent specified in Section 2.2(a), or designate another comparable Unit that is occupied by an Extremely Low Income Household as a HOME-Assisted Unit, to meet the requirements of Section 2.1(a) above. On the day that Borrower complies with Section 2.1(a) in accordance with this Section 2.4(b), the Unit with the over-income Tenant will no longer be considered a HOME-Assisted Unit.

(c) Termination of Occupancy. Upon termination of occupancy of a HOME-Assisted Unit by a Tenant, such Unit will be deemed to be continuously occupied by a household of the same income level as the initial income level of the vacating Tenant, until such unit is reoccupied, at which time categorization of the Unit will be established based on the occupancy requirements of Section 2.1.

2.5 Loss of Subsidy.

(a) It is anticipated that certain Units in the Development (the "Subsidy Units") will receive Project-Based Section 8 or other rental subsidy payments (the "Rental Subsidy") throughout the Term, as reflected in the Approved Development Budget. Notwithstanding Section 2.3(b), if any change in federal law occurs, or any action (or inaction) by Congress or any federal or State agency occurs, which results in a reduction, termination or nonrenewal of the Rental Subsidy through no fault of the Borrower, such that the Rental Subsidy shown on the Approved Development Budget is no longer available, Borrower may increase the Rent on one or more of the HOME-Assisted Units that overlap with a Subsidy Unit, to the Low HOME Rent and/or High HOME Rent as applicable, subject to the following requirements:

(1) At the time Borrower requests an increase in the Rent, Borrower shall provide the County with an operating budget for the Development for the County's approval pursuant to Section 4.4 of the Loan Agreement, showing the impact of the loss or reduction of the Rental Subsidy (the "Operating Budget");

(2) The number of HOME-Assisted Units subject to the Rent increase and the level of rent increase (i.e. Low HOME Rent or High HOME Rent) may not be greater than the amount required to ensure that the Development generates sufficient income to cover its operating costs and debt service as shown on the Operating Budget, and as is necessary to maintain the financial stability of the Development;

(3) The Rent of at least one (1) of the HOME-Assisted Units may not exceed the Low HOME Rent;

(4) Borrower shall use good faith efforts to ensure that the Tenants whose Rents are increased to the High HOME Rent have the highest incomes of the Tenants occupying the HOME-Assisted Units; and

(5) Any such Rent increase must be pursuant to a transition plan approved by the County, consistent with remedial measures set forth in California Code of Regulations Title 4, Division 17, Chapter 1, Section 10337(a)(3) or successor regulation applicable to California's Federal and State Low Income Housing Tax Credit Program.

(b) Borrower shall use good faith efforts to obtain alternative sources of rental subsidies and shall provide the County with annual progress reports on efforts to obtain alternative sources of rental subsidies that would allow the rents on the HOME Assisted Units to be reduced back to the Extremely Low Income Rent. Upon receipt of any alternative rental subsidies, Borrower shall reduce the rents on the County-Assisted Units back to the Extremely Low Income Rent, to the extent that the alternative rental subsidies provide sufficient income to cover the operating costs and debt service of the Development as shown on the Operating Budget.

ARTICLE 3 INCOME CERTIFICATION; REPORTING; RECORDS

3.1 Income Certification. Borrower shall obtain, complete, and maintain on file, within sixty (60) days before expected occupancy and annually thereafter, income certifications from each Tenant renting any of the HOME-Assisted Units. Borrower shall make a good faith effort to verify the accuracy of the income provided by the applicant or occupying household, as the case may be, in an income certification. To verify the information, Borrower shall take two or more of the following steps: (i) obtain a pay stub for the most recent pay period; (ii) obtain an income tax return for the most recent tax year; (iii) conduct a credit agency or similar search; (iv) obtain an income verification form from the applicant's current employer; (v) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (vi) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Where applicable, Borrower shall examine at least two (2) months of relevant source documentation. Copies of Tenant income certifications are to be available to the County upon request.

3.2 Reporting Requirements.

(a) Borrower shall submit to the County within one hundred eighty (180) days after the Completion Date, and not later than forty-five (45) days after the close of each calendar year, or such other date as may be requested by the County, a report that includes the following data for each Unit and specifically identifies which Units are HOME-Assisted Units: (i) Tenant income, (ii) the number of occupants, (iii) the Rent, (iv) the number of bedrooms, and (v) the

initial address of each Tenant. To demonstrate continued compliance with Section 2.1 Borrower shall cause each annual report after the initial report to include a record of any subsequent Tenant substitutions and any vacancies in HOME-Assisted Units that have been filled.

(b) Borrower shall submit to the County within forty-five (45) days after receipt of a written request, or such other time agreed to by the County, any other information or completed forms requested by the County in order to comply with reporting requirements of HUD, the State of California, and the County.

3.3 Tenant Records. Borrower shall maintain complete, accurate and current records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (i) separate and identifiable from any other business of Borrower, (ii) maintained as required by the County, in a reasonable condition for proper audit, and (iii) subject to examination during business hours by representatives of the County. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years. The County may examine and make copies of all books, records or other documents of Borrower that pertain to the Development.

3.4 Development Records.

(a) Borrower shall keep and maintain at the principal place of business of the Borrower set forth in Section 6.11 below, or elsewhere with the County's written consent, full, complete and appropriate books, records and accounts relating to the Development. Borrower shall cause all books, records and accounts relating to its compliance with the terms, provisions, covenants and conditions of the Loan Documents to be kept and maintained in accordance with generally accepted accounting principles consistently applied, and to be consistent with requirements of this HOME Regulatory Agreement. Borrower shall cause all books, records, and accounts to be open to and available for inspection and copying by HUD, the County, its auditors or other authorized representatives at reasonable intervals during normal business hours. Borrower shall cause copies of all tax returns and other reports that Borrower may be required to furnish to any government agency to be open for inspection by the County at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve such records for a period of not less than five (5) years after their creation in compliance with all HUD records and accounting requirements. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the County Loan is pending at the end of the record retention period stated herein, then Borrower shall retain the records until such action and all related issues are resolved. Borrower shall cause the records to include all invoices, receipts, and other documents related to expenditures from the County Loan funds. Borrower shall cause records to be accurate and current and in a form that allows the County to comply with the record keeping requirements contained in 24 C.F.R. 92.508. Such records are to include but are not limited to:

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

- (2) Records demonstrating compliance with the HUD property standards and lead-based paint requirements and the maintenance requirements set forth in Section 5.6 (which implements 24 C.F.R. 92.251);
- (3) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;
- (4) Financial records as required by 24 C.F.R. 92.505, and 2 C.F.R. Part 200;
- (5) Records demonstrating compliance with the HOME marketing, tenant selection, affordability, and income requirements;
- (6) Records demonstrating compliance with MBE/WBE requirements;
- (7) Records demonstrating compliance with 24 C.F.R. Part 135 which implements Section 3 of the Housing Development Act of 1968;
- (8) Records demonstrating compliance with applicable relocation requirements, which must be retained for at least five (5) years after the date by which persons displaced from the property have received final payments; and
- (9) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid.

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

ARTICLE 4 OPERATION OF THE DEVELOPMENT

4.1 Residential Use. Borrower shall operate the Development for residential use only. No part of the Development may be operated as transient housing.

4.2 Compliance with Loan Documents and Regulatory Requirements.

(a) Borrower's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Documents; (ii) all requirements imposed on projects assisted with HOME Funds as contained in 42 U.S.C. Section 12701, et seq., 24 C.F.R. Part 92, and other implementing rules and regulations; and (iii) any other regulatory requirements imposed on the Development including but not limited to regulatory agreements associated with the Low Income Housing Tax Credits provided by the California Tax Credit

Allocation Committee, and rental subsidies provided to the Development (the "Development Regulatory Documents").

(b) Borrower shall promptly notify the County in writing of the existence of any default under any Development Regulatory Documents, and provide the County copies of any such notice of default.

4.3 Marketing Plan; Tenant Selection Plan.

(a) Marketing Plan.

(1) No later than six (6) months prior to the date construction of the Development is projected to be complete, Borrower shall submit to the County for approval its plan for marketing the Development to income-eligible households as required by this HOME Regulatory Agreement (the "Marketing Plan"). The Marketing Plan must include information on affirmative marketing efforts and compliance with fair housing laws and 24 C.F.R. 92.351(a).

(2) Upon receipt of the Marketing Plan, the County will promptly review the Marketing Plan and will approve or disapprove it within fifteen (15) days after receipt. If the Marketing Plan is not approved, the County will give Borrower specific reasons for such disapproval and Borrower shall submit a revised Marketing Plan within fifteen (15) days of notification of the County's disapproval. Borrower shall follow this procedure for resubmission of a revised Marketing Plan until the Marketing Plan is approved by the County. If the Borrower does not submit a revised Marketing Plan that is approved by the County at least three (3) months prior to the date construction of the Development is projected to be complete, Borrower will be in default of this HOME Regulatory Agreement.

(3) If any HOME-Assisted Units have not been rented in accordance with Section 2.1 above on or before the date that is five (5) months after the Completion Date Borrower shall submit to the County a detailed report of ongoing marketing efforts, and if deemed appropriate by the County, any necessary amendments or updates to the Marketing Plan to cause the vacant HOME-Assisted Units to be rented in compliance with Section 2.1.

(4) If any HOME-Assisted Units have not been rented to in accordance with Section 2.1 above on or before the date that is twelve (12) months after the Completion Date Borrower shall submit to the County a detailed report of ongoing marketing efforts, and if deemed appropriate by the County, any necessary amendments or updates to the Marketing Plan to cause the vacant HOME-Assisted Units to be rented in compliance with Section 2.1.

(b) Tenant Selection Plan.

(1) No later than six (6) months prior to the date construction of the Development is projected to be complete, Borrower shall submit to the County, for its review and approval, Borrower's written tenant selection plan (the "Tenant Selection Plan"). Borrower's Tenant Selection Plan must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d), and any modifications thereto.

(2) Upon receipt of the Tenant Selection Plan, the County will promptly review the Tenant Selection Plan and will approve or disapprove it within fifteen (15) days after receipt. If the Tenant Selection Plan is not approved, the County will give Borrower specific reasons for such disapproval and Borrower shall submit a revised Tenant Selection Plan within fifteen (15) days of notification of the County's disapproval. Borrower shall follow this procedure for resubmission of a revised Tenant Selection Plan until the Tenant Selection Plan is approved by the County. If the Borrower does not submit a revised Tenant Selection Plan that is approved by the County at least three (3) months prior to the date construction of the Development is projected to be complete, Borrower will be in default of this HOME Regulatory Agreement.

4.4 Lease Provisions.

(a) No later than four (4) months prior to the date construction of the Development is projected to be complete, Borrower shall submit to the County for approval Borrower's proposed form of lease agreement for the County's review and approval. When leasing Units within the Development, Borrower shall use the form of lease approved by the County. Borrower may not permit the lease to contain any provision that is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto. Borrower's form of lease must include any provisions necessary to comply with the requirements of the Violence Against Women Reauthorization Act of 2013 (Pub. L. 113-4, 127 Stat. 54) applicable to HUD-funded programs. The form of lease must comply with all requirements of this HOME Regulatory Agreement, the other Loan Documents and must, among other matters:

(1) provide for termination of the lease for failure to: (i) provide any information required under this HOME Regulatory Agreement or reasonably requested by Borrower to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this HOME Regulatory Agreement, or (ii) qualify as an Extremely Low Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation;

(2) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Borrower, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Borrower and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3 above; and

(3) include a provision that requires a Tenant who is residing in a Unit required to be accessible pursuant to Section 3.9(b) of the Loan Agreement, and who is not in need of an accessible Unit to move to a non-accessible Unit when a non-accessible Unit becomes available and another Tenant or prospective Tenant is in need of an accessible Unit.

(b) During the HOME Term, Borrower shall comply with the Marketing Plan and Tenant Selection Plan approved by the County.

4.5 Lease Termination. Any termination of a lease or refusal to renew a lease for a HOME-Assisted Unit within the Development must be in conformance with 24 C.F.R. 92.253(c) and the requirements of the Violence Against Women Reauthorization Act of 2013 ((Pub. L. 113-4, 127 Stat. 54) applicable to HUD-funded programs, and must be preceded by not less than thirty (30) days written notice to the Tenant by Borrower specifying the grounds for the action.

4.6 HOME Requirements.

(a) Borrower shall comply with all applicable laws and regulations governing the use of the HOME Funds as set forth in 24 C.F.R. Part 92. In the event of any conflict between this HOME Regulatory Agreement and applicable laws and regulations governing the use of the County Loan funds, the applicable laws and regulations govern.

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

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

(2) Applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The applicable policies, guidelines, and requirements of 2 C.F.R. Part 200 and 24 C.F.R. 92.505;

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

(4) Civil Rights, Housing and Community Development, and Age Discrimination Acts. The Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964 as amended; Title VIII of the Civil Rights Act of 1968 as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended; Section 504 of the Rehabilitation Act of 1973 (29 USC 794, et seq.); the Age Discrimination Act of 1975 (42 USC 6101, et seq.); Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 C.F.R. Part 107; Executive Order 11246 as amended by Executive Orders 11375, 12086, 11478, 12107; Executive Order 11625 as amended by Executive Order 12007; Executive Order 12432; Executive Order 12138 as amended by Executive Order 12608;

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

(6) Relocation. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), and implementing regulations at 49 C.F.R. Part 24; Section 104(d) of the Housing and Community Development Act of 1974 and implementing regulations at 24 C.F.R. 42 et seq. (if applicable); and 24 C.F.R. 92.353;

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

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

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

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

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

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

(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in

24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

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

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

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

(10) Labor Standards. The labor requirements set forth in 24 C.F.R. 92.354; the prevailing wage requirements of the Davis-Bacon Act and implementing rules and regulations (40 U.S.C. 3141-3148); the Copeland "Anti-Kickback" Act (40 U.S.C. 276(c)) which requires that workers be paid at least once a week without any deductions or rebates except permissible deductions; the Contract Work Hours and Safety Standards Act – CWHSSA (40 U.S.C. 3701-3708) which requires that workers receive "overtime" compensation at a rate of 1-1/2 times their regular hourly wage after they have worked forty (40) hours in one (1) week; and Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended;

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

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

(13) Historic Preservation. The historic preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. Section 470) and the procedures set forth in 36 C.F.R. Part 800. If archeological, cultural, or historic period resources are discovered during construction, all construction work must come to a halt and Borrower shall immediately notify the County. Borrower shall not shall alter or move the

discovered material(s) until all appropriate procedures for "post-review discoveries" set forth in Section 106 of the National Historic Preservation Act have taken place, which include, but are not limited to, consultation with the California State Historic Preservation Officer and evaluation of the discovered material(s) by a qualified professional archeologist;

(14) Religious Organizations. If the Borrower is a religious organization, as defined by the HOME requirements, the Borrower shall comply with all conditions prescribed by HUD for the use of HOME Funds by religious organizations, including the First Amendment of the United States Constitution regarding church/state principles and the applicable constitutional prohibitions set forth in 24 C.F.R. 92.257;

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

(16) Conflict of Interest. The conflict of interest provisions set forth in 24 C.F.R. 92.356; and

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

ARTICLE 5 PROPERTY MANAGEMENT AND MAINTENANCE

5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The County has no responsibility for management of the Development. Borrower shall retain a professional property management company approved by the County in its reasonable discretion to perform Borrower's management duties hereunder. An on-site property management representative is required to reside at the Property.

5.2 Management Agent. Borrower shall cause the Development to be managed by an experienced management agent reasonably acceptable to the County, with a demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). The County has approved Satellite Affordable Housing Associates Property Management as the Management Agent. Borrower shall submit for the County's approval the identity of any proposed subsequent management agent. Borrower shall also submit such additional information about the background, experience and financial condition of any proposed management agent as is reasonably necessary for the County to determine whether the proposed management agent meets the standard for a qualified management agent set forth above. If the proposed management agent meets the standard for a qualified management agent set forth above, the County shall approve the proposed management agent by notifying Borrower in writing. Unless the proposed management agent is disapproved

by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.3 Periodic Performance Review. The County reserves the right to conduct an annual (or more frequently, if deemed necessary by the County) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the County to determine if the Development is being operated and managed in accordance with the requirements and standards of this HOME Regulatory Agreement. Borrower shall cooperate with the County in such reviews.

5.4 Replacement of Management Agent. If, as a result of a periodic review, the County determines in its reasonable judgment that the Development is not being operated and managed in accordance with any of the material requirements and standards of this HOME Regulatory Agreement, the County shall deliver notice to Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Borrower of such written notice, the County staff and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent.

If, after such meeting, County staff recommends in writing the replacement of the Management Agent, Borrower shall promptly dismiss the then-current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a management agent set forth in Section 5.2 above and approved by the County pursuant to Section 5.2 above.

Any contract for the operation or management of the Development entered into by Borrower shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section constitutes a default under this HOME Regulatory Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.5 below.

5.5 Approval of Management Policies. Borrower shall submit its written management policies with respect to the Development to the County for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this HOME Regulatory Agreement.

5.6 Property Maintenance.

(a) Borrower shall maintain, for the entire HOME Term of this HOME Regulatory Agreement, all interior and exterior improvements, including landscaping: (i) in decent, safe and sanitary condition, (ii) in good condition and repair, and (iii) free of all health and safety defects. Such maintenance must be in accordance with: (i) 24 C.F.R. Section 92.251, (ii) the lead-based paint requirements in 24 C.F.R. part 35, and (iii) all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, (collectively, the "Maintenance Standards"). Borrower shall

correct any life-threatening maintenance deficiencies, including those set forth in the Maintenance Standards immediately upon notification.

(b) At the beginning of each year of the HOME Term, Borrower shall certify to the County that the Development is in compliance with the Maintenance Standards.

5.7 Property Inspections.

(a) On-Site Physical Inspections. The County will perform on-site inspections of the Development during the HOME Term to ensure compliance with the Maintenance Standards. The County will perform an on-site inspection within twelve months after completion of construction of the Development and at least once every three (3) years during the HOME Term. If the Development is found to have health and safety violations, the County may perform more frequent inspections. Borrower shall cooperate in such inspections.

(b) Violation of Maintenance Standards. If after an inspection, the County determines that Borrower is in violation of the Maintenance Standards, the County will provide Borrower a written report of the violations. Borrower shall correct the violations set forth in the report provided to Borrower by County. The County will perform a follow-up inspection to verify that the violations have been corrected. If such violations continue for a period of ten (10) days after delivery of the report to Borrower by the County with respect to graffiti, debris, waste material, and general maintenance, or thirty (30) days after delivery of the report to Borrower by the County with respect to landscaping and building improvements, then the County, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the violation. Pursuant to such right of entry, the County is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the County and/or costs of such cure, which amount Borrower shall promptly pay to the County upon demand.

ARTICLE 6 MISCELLANEOUS

6.1 Transfers.

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

to execute assignment and assumption agreements on behalf of the County to implement any approved Transfer.

(b) Except as otherwise permitted in this Section 6.1, no Transfer is permitted without the prior written consent of the County, which the County may withhold in its sole discretion. The County Loan will automatically accelerate and be due in full upon any Transfer made without the prior written consent of the County.

(c) The County hereby approves the admission of the Investor Limited Partner to Borrower as a limited partner. The County hereby approves future Transfers of the limited partner interest of Borrower provided that: (i) such Transfers do not affect the timing and amount of the Investor Limited Partner capital contributions provided for in the Partnership Agreement; and (ii) in subsequent Transfers, the Investor Limited Partner or an affiliate thereof, retains a membership or partnership interest and serves as a managing member or managing general partner of the successor limited partner.

(d) The County hereby approves a Transfer of the Property from Borrower to SAHA, or a non-profit affiliate of SAHA, and an assumption of the County Loan by such transferee at or prior to the end of the Fifteen Year Compliance Period, provided that: (i) such Transfer is pursuant to an option or right of first refusal agreement referenced in the Partnership Agreement, (ii) the assignment and assumption agreement evidencing such Transfer requires the transferee to expressly assume the obligations of Borrower under the Loan Documents, and (iii) the County is provided executed copies of all documents evidencing the Transfer.

(e) The County hereby approves the purchase of the Investor Limited Partner interest by SAHA, or a non-profit affiliate of SAHA at or prior to the end of the Fifteen Year Compliance Period, provided that (i) such Transfer is pursuant to an option or right of first refusal agreement referenced in the Partnership Agreement, and (ii) the County is provided executed copies of all documents evidencing the Transfer.

(f) In the event the general partner of Borrower is removed by the limited partner of Borrower for cause following default under the Partnership Agreement, the County hereby approves the Transfer of the general partner interest to (i) a 501(c)(3) tax exempt nonprofit corporation or other entity with a 501(c)(3) tax exempt nonprofit corporation member or partner, which entity is also a qualified CHDO entity, that is selected by the Investor Limited Partner and approved by the County, and (ii) the Investor Limited Partner or an affiliate thereof, but only for a period not to exceed ninety (90) days from the date of removal of the general partner, during which time such entity shall diligently seek a replacement general partner meeting the requirements of subsection (i) above. If any Transfer results in the removal or withdrawal of Borrower's general partner (except for a Transfer to the Investor Limited Partner for a period not to exceed ninety (90) days as set forth in Subsection (ii) above), Borrower agrees to repay all principal and accrued interest on the County Loan in full if the general partner is not replaced with a qualified CHDO entity in accordance with this Subsection.

(g) The County hereby approves the grant of the security interests in the Development for Approved Financing as such term is defined in Section 1.1(g) of the Loan Agreement.

6.2 Nondiscrimination.

(a) All of the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Borrower may not give preference to any particular class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this HOME Regulatory Agreement. Borrower herein covenants by and for Borrower, assigns, and all persons claiming under or through Borrower, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, age, familial status (except for lawful senior housing in accordance with state and federal law), or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor will Borrower or any person claiming under or through Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any unit.

(b) Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. Borrower may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Borrower apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

6.3 Application of Provisions. The provisions of this HOME Regulatory Agreement apply to the Property for the entire HOME Term even if the County Loan is paid in full prior to the end of the HOME Term. This HOME Regulatory Agreement binds any successor, heir or assign of Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the County. The County is making the County Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

6.4 Covenants to Run With the Land. The County and Borrower hereby declare their express intent that the covenants and restrictions set forth in this HOME Regulatory Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the HOME Term said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the County expressly releases such conveyed portion of the Property from the requirements of this HOME Regulatory Agreement.

6.5 Enforcement by the County.

(a) If Borrower fails to perform any obligation under this HOME Regulatory Agreement, and fails to cure the default within thirty (30) days after the County has notified Borrower in writing of the default, the County may enforce this HOME Regulatory Agreement by any or all of the following actions, or any other remedy provided by law:

(1) Calling the County Loan. The County may declare a default under the Loan Documents, accelerate the indebtedness evidenced by the Loan Documents, and proceed with foreclosure under the Deed of Trust.

(2) Action to Compel Performance or for Damages. The County may bring an action at law or in equity to compel Borrower's performance of its obligations under this HOME Regulatory Agreement, and may seek damages.

(3) Remedies Provided Under Loan Documents. The County may exercise any other remedy provided under the Loan Documents.

(b) The County shall provide notice of a default to the Investor Limited Partner and any limited partner of Borrower who has requested written notice from the County in the manner set forth in Section 6.5 of the Loan Agreement.

6.6 Anti-Lobbying Certification.

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

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

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

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

6.7 Attorneys' Fees and Costs. In any action brought to enforce this HOME Regulatory Agreement, the prevailing party must be entitled to all costs and expenses of suit,

including reasonable attorneys' fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

6.8 Recording and Filing. The County and Borrower shall cause this HOME Regulatory Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Contra Costa.

6.9 Governing Law. This HOME Regulatory Agreement is governed by the laws of the State of California.

6.10 Waiver of Requirements. Any of the requirements of this HOME Regulatory Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of this HOME Regulatory Agreement extends to or affects any other provision of this HOME Regulatory Agreement, and may not be deemed to do so.

6.11 Amendments. This HOME Regulatory Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the County of Contra Costa.

6.12 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

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

Borrower: Veterans Square, L.P.
c/o Satellite Affordable Housing Associates
1835 Alcatraz Avenue
Berkeley, CA 94703
Attention: Chief Executive Officer

Investor Limited
Partner: Raymond James Tax Credit Fund XX L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Facsimile No.: 727-567-8455
Attention: Steven J. Kropf, President

with a copy to: Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109
Attn: Nathan A. Bernard

Such addresses may be changed by notice to the other party given in the same manner as provided above.

6.13 Severability. If any provision of this HOME Regulatory Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this HOME Regulatory Agreement will not in any way be affected or impaired thereby.

6.14 Multiple Originals; Counterparts. This HOME Regulatory Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

6.15 Revival of Agreement after Foreclosure. In the event there is a foreclosure of the Property, this HOME Regulatory Agreement will revive according to its original terms if, during the HOME Term, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Development or Property.

6.16 County Regulatory Agreement. The County and Borrower are entering into this HOME Regulatory Agreement concurrently with the County Regulatory Agreement. The County Regulatory Agreement as it applies to the HOME-Assisted Units will be in effect for fifty-five (55) years from the Completion Date which term overlaps with but is longer than the HOME Term. Compliance with the terms of this HOME Regulatory Agreement will be deemed compliance with the County Regulatory Agreement during the HOME Term as it applies to the HOME-Assisted Units. In the event of a conflict between this HOME Regulatory Agreement and the County Regulatory Agreement during the HOME Term as it applies to the HOME-Assisted Units, the terms of this HOME Regulatory Agreement will prevail.

[remainder of page intentionally left blank]

[signatures on following pages]

WHEREAS, this HOME Regulatory Agreement has been entered into by the undersigned as of the date first written above.

COUNTY:

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

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

Approved as to form:

SHARON L. ANDERSON
County Counsel

By: _____
Kathleen Andrus
Deputy County Counsel

BORROWER:

VETERANS SQUARE, L.P.,
a California limited partnership

By: Veterans Square LLC,
a California limited liability company,
its general partner

By: Satellite Affordable Housing Associates,
a California nonprofit public benefit
corporation, its manager

By: _____
Susan Friedland,
Chief Executive Officer

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

STATE OF CALIFORNIA)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A

Legal Description

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

Parcel One:

Lots 1, 2, 15 and 16 Block 79, Map of Resubdivision of Block 79, City of Pittsburg, filed May 18, 1926 in Map Book 19, Page 504, Contra Costa County Records.

APN: 085-182-001

Parcel Two:

Lots 8 and 9, Block 78, as delineated upon the certain Map entitled "Official Map of the City of Pittsburg", filed March 23, 1914, Contra Costa County Records.

APN: 085-196-001