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

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Government Code Section 27383 and 27388.1

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

This HOPWA Regulatory Agreement and Declaration of Restrictive Covenants (the "HOPWA Regulatory Agreement") is dated January 1, 2023, 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 HOPWA Regulatory Agreement.

B. The County has received Housing Opportunities for Persons with AIDS Program funds from the United States Department of Housing and Urban Development ("HUD") pursuant to the HOPWA program ("HOPWA Funds"). The HOPWA Funds are available to and administered by the County, as the subrecipient of the City of Oakland, which is the representative for the Alameda-Contra Costa County Eligible Metropolitan Area. The HOPWA Funds must be used by the County in accordance with 24 C.F.R. Part 574.

C. Borrower owns 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 has constructed 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. The County and Borrower entered into a Development Loan Agreement dated October 1, 2020 (the "Original Loan Agreement"), pursuant to which the County agreed to lend Borrower Two Million Two Hundred Thousand Four Hundred Dollars (\$2,200,400) of HOME Funds (the "HOME Loan").

E. Concurrently herewith, the County and Borrower are entering into a First Modification Agreement which is modifying the Original Loan Agreement to provide for an additional loan of Four Hundred Thousand Dollars (\$400,000) of HOPWA Funds (the "HOPWA Loan") from the County to Borrower, for a total loan amount of Two Million Six Hundred Thousand Four Hundred Dollars (\$2,600,400) (the "County Loan"). The Original Loan Agreement as modified by the First Modification Agreement is referred to as the "Loan Agreement."

F. In addition to the Loan Agreement and this HOPWA Regulatory Agreement, the County Loan is evidenced by the following documents: (i) a deed of trust with assignment of rents, security agreement, and fixture filing dated October 1, 2020, as amended by the First Modification Agreement of even date herewith, among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary; (ii) a subordination and intercreditor agreement dated October 1, 2020 as amended by the First Amendment to Subordination and 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 dated October 1, 2020 in the amount of the HOME Loan; (iv) a promissory note executed by Borrower of even date herewith in the amount of the HOPWA Loan; (v) the County Regulatory Agreement, dated October 1, 2020, as amended by the First Modification Agreement of even date herewith, executed by Borrower; and (vi) the HOME Regulatory Agreement, dated October 1, 2020, as amended by the First Modification Agreement of even date herewith, executed by Borrower (collectively, the "Loan Documents"). The Loan Documents are described in more detail in the Loan Agreement.

G. The County has the authority to lend the HOPWA 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 HOPWA Funds pursuant to 24 C.F.R.574.300.

H. The County has agreed to make the HOPWA Loan on the condition that Borrower maintain and operate the Development in accordance with restrictions set forth in this HOPWA Regulatory Agreement, the County Regulatory Agreement, the HOME Regulatory Agreement, and in the related documents evidencing the County Loan. Two (2) of the Units are restricted by the County pursuant to this HOPWA Regulatory Agreement. The HOPWA-Assisted Units overlap with the HOME-Assisted Units such that the total number of Units assisted by the County equals fourteen (14) Units.

I. As it applies to the HOPWA-Assisted Units this HOPWA Regulatory Agreement will be in effect for the HOPWA Term and the Remainder Term. The County Regulatory Agreement as it applies to the HOPWA-Assisted Units will be in effect for fifty-five (55) years from the Completion Date which term overlaps with but is longer than the HOPWA Term. Pursuant to Section 6.15 below, compliance with the terms of this HOPWA Regulatory Agreement will be deemed compliance with the County Regulatory Agreement during the HOPWA Term and the Remainder Term with respect to the HOPWA-Assisted Units.

J. In consideration of receipt of the HOPWA 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(d).
- (b) "Actual Household Size" means the actual number of persons in the applicable household.
- (c) "Adjusted Income" means, with respect to the Tenant of a HOPWA-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 574.310(d)(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.
- (e) "City" means the City of Pittsburg, California, a municipal corporation.
- (f) "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.
- (g) "County Loan" has the meaning set forth in Paragraph E of the Recitals.
- (h) "County Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower dated October 1, 2020, and recorded on October 20, 2020, against the Property as Instrument No. 2020-0243184, as amended by the First Modification Agreement of even date herewith, to be recorded against the Property concurrently herewith, evidencing County requirements applicable to the County Loan.
- (i) "Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing by and among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary, dated October 1, 2020, and recorded October 20, 2020, against the Property as Instrument No. 2020-0243186 in the official records of Contra Costa County, as amended by a First Modification Agreement executed by the County and Borrower of even date herewith, and recorded against the Property concurrently herewith, that encumbers the Property to secure repayment of the County Loan and Borrower's performance of the Loan Documents.
- (j) "Development" has the meaning set forth in Paragraph C of the Recitals.

(k) "Development Regulatory Documents" has the meaning set forth in Section 4.2(a).

(l) "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.

(m) "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.

(n) "Extremely Low Income Units" means the Units on the Property that are restricted to occupancy to Extremely Low Income Households.

(o) "HOME-Assisted Units" means the fourteen (14) Units on the Property that are governed by the HOME Regulatory Agreement.

(p) "HOME Loan" has the meaning set forth in Paragraph D of the Recitals.

(q) "HOME Regulatory Agreement" means that certain HOME Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower dated October 1, 2020, and recorded October 20, 2020, against the Property as Instrument No. 2020-0243185 in the official records of Contra Costa County, as amended by the First Modification Agreement dated as of the date hereof, and recorded against the Property concurrently herewith.

(r) "HOME Term" means the term of the HOME Regulatory Agreement which commences as of the date of the HOME Regulatory Agreement, and unless sooner terminated pursuant to the terms of the 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 the HOME Regulatory Agreement.

(s) "HOPWA" means the Housing Opportunities for Persons with AIDS Program pursuant to the AIDS Housing Opportunity Act (42 USC 12901 et. seq.), as amended by the Housing and Community Development Act of 1992 (42 USC 5301 et. seq.).

(t) "HOPWA-Assisted Units" means the two (2) Units on the Property that are (i) restricted to occupancy by Extremely Low Income Households in compliance with Section 2.1(a) below, and (ii) restricted to occupancy by HOPWA-Eligible Households during the HOPWA Term.

(u) "HOPWA-Eligible Household" means a household that (i) includes at least one Person with HIV/AIDS, and (ii) satisfies the definition of an Extremely Low Income Household in compliance with Section 2.1(a) below.

(v) "HOPWA Funds" has the meaning set forth in Paragraph B of the Recitals.

(w) "HOPWA Loan" has the meaning set forth in Paragraph E of the Recitals.

(x) "HOPWA Regulations" means the regulations set forth in 24 C.F.R. Part 574.

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

(z) "HOPWA Term" means the period of time that commences on the date of this HOPWA Regulatory Agreement and expires on the tenth (10th) anniversary of the Completion Date, unless earlier terminated pursuant to Section 2.5; provided, however, if a record of the Completion Date cannot be located or established, the HOPWA Term will expire on the twelfth (12th) anniversary of this HOPWA Regulatory Agreement.

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

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

(cc) "Loan Agreement" has the meaning set forth in Paragraph E of the Recitals.

(dd) "Loan Documents" has the meaning set forth in Paragraph F of the Recitals.

(ee) "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.

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

(gg) "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.

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

(ii) "Person with HIV/AIDS" means a person with the disease of acquired immunodeficiency syndrome or any conditions arising from the etiological agent for acquired immunodeficiency syndrome, including infection with the human immunodeficiency virus (HIV), as confirmed by a certification of HIV-positive test status to be delivered to and

maintained on file by Borrower as such definition may be amended as set forth in 24 C.F.R. 574.3.

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

(kk) "Remainder Term" means the period that begins on the date the HOPWA Term expires or is terminated by the County pursuant to Section 2.5 and ends on the last day of the HOME Term.

(ll) "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, 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.

(mm) "Social Services Plan" has the meaning set forth in Section 4.3(c).

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

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) HOPWA-Assisted Units. During the HOPWA Term, Borrower shall cause two (2) Units to be rented to and occupied by or, if vacant, available for occupancy by, Extremely Low Income Households that are HOPWA-Eligible Households. The HOPWA-Assisted Units overlap with the HOME-Assisted Units such that the total number of Units assisted by the County equals fourteen (14) Units.

(b) During the Remainder Term. During the Remainder Term the HOPWA-Assisted Units will be treated as HOME-Assisted Units that are Extremely Low Income Units under the HOME Regulatory Agreement.

(c) Intermingling of Units. Borrower shall cause the HOPWA-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 HOPWA-Assisted Units must be one-bedroom Units.

(d) 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 HOPWA Regulatory Agreement, repayment of the County Loan and the reconveyance of the Deed of Trust.

2.2 Allowable Rent.

(a) HOPWA Rent

(1) During the HOPWA Term. Subject to the provisions of Section 2.4 (a) below, the total monthly Rent paid by a Tenant of a HOPWA-Assisted Unit during the HOPWA Term may not exceed the amount that is equal to the greater of:

(i) thirty percent (30%) of the household's monthly Adjusted Income, as adjusted pursuant to 24 C.F.R. 574.310(d)(1);

(ii) ten percent (10%) of the household's monthly gross income; and

(iii) if the household is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the household's actual housing costs, is specifically designated by the agency to meet the household's housing costs, the portion of the payments that is so designated.

(2) During the Remainder Term. During the Remainder Term the HOPWA-Assisted Units will be treated as HOME-Assisted Units that are Extremely Low Income Units under the HOME Regulatory Agreement provided that the Rent paid by a HOPWA-Eligible Household that occupied a HOPWA-Assisted Unit during the HOPWA Term and that continues to reside in the Unit during the Remainder Term, must be equal to the amount specified in Section 2.2(a)(1).

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

2.3 Rent Increases.

(a) Rent Amount. The initial Rent for all HOPWA-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 HOPWA-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.

(b) Rent Increases. All Rent increases for all HOPWA-Assisted Units are subject to County approval. No later than sixty (60) days prior to the proposed implementation of any Rent increase affecting a HOPWA-Assisted Unit, Borrower shall submit to the County a schedule of any proposed increase in the Rent charged for HOPWA-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 HOPWA-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 of HOPWA-Eligible Household During HOPWA Term. If, upon the annual certification of the income of a HOPWA-Eligible Household during the HOPWA Term, Borrower determines that the Tenant has an Adjusted Income exceeding the maximum qualifying income of an Extremely Low Income Household, the Tenant may continue to occupy the Unit and Borrower shall continue to charge such Tenant Rent consistent with Section 2.2(a)(1) above. Borrower shall then rent the next available HOPWA-Assisted Unit to an Extremely Low Income Household that is also a HOPWA-Eligible Household, to comply with the requirements of Section 2.1(a)(1) above. Any Rent increase is subject to Section 2.3 above.

(b) Increased Income of HOPWA-Eligible Household During Remainder Term. During the Remainder Term the HOPWA-Assisted Units will be treated as HOME-Assisted Units under the HOME Regulatory Agreement provided that if, upon the annual certification of the income of a HOPWA-Eligible Household during the Remainder Term, Borrower determines that the Tenant has an Adjusted Income exceeding the maximum qualifying income of an Extremely Low Income Household, the Tenant may continue to occupy the Unit and Borrower shall continue to charge such Tenant Rent consistent with Section 2.2(a)(1) above.

(c) Non-Qualifying Household. Subject to Section 2.4(a) through Section 2.4(b) above for HOPWA-Assisted Units, if during the HOPWA Term, upon the annual certification of the income a Tenant of a HOPWA-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, and

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

(d) Termination of Occupancy. Upon termination of occupancy of a HOPWA-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 Cure for AIDS. If, in the sole determination of the County, there is a cure for AIDS and therefore no need for the HOPWA-Assisted Units, the County shall provide to Borrower a written notice that sets forth the termination date of the HOPWA Term.

ARTICLE 3 INCOME CERTIFICATION; REPORTING; RECORDS

3.1 Income Certification.

(a) 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 HOPWA-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.

(b) For each HOPWA-Assisted Unit during the HOPWA Term, Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy and annually thereafter, a certification from the Tenant that the HOPWA-Assisted Unit is occupied by a HOPWA-Eligible Household.

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 HOPWA-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 HOPWA-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 HOPWA 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. 574.450 and 24 C.F.R. 574.530. 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 that each activity undertaken with the HOPWA Funds meets one of the eligible activities of the HOPWA program set forth in 24 C.F.R. Section 574.300 and 24 C.F.R. Section 574.310;
- (3) Records demonstrating compliance with the HUD property standards and lead-based paint requirements including the property standards of 24 C.F.R. Section 574.310(b) and the lead-based paint requirements of 24 C.F.R. Section 574.635, and the maintenance requirements set forth in Section 5.6;
- (4) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;
- (5) Financial records as required by 2 C.F.R. Part 200, and during the HOPWA Term, financial records and other documents necessary to document compliance with the requirements of 24 C.F.R. Part 574 et seq;
- (6) Records demonstrating compliance with the HOPWA marketing, tenant selection, affordability, and income requirements;
- (7) Records demonstrating compliance with MBE/WBE requirements;
- (8) Records demonstrating compliance with 24 C.F.R. Part 135 which implements Section 3 of the Housing Development Act of 1968;
- (9) 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;
- (10) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid; and
- (11) Records documenting compliance with the Social Services Plan approved by the County.

(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 under the HOPWA Program as contained in 42 U.S.C. Section 12901, et seq., 24 C.F.R. Part 574, 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, regulatory agreements associated with financing and subsidies provided by the California Department of Housing and Community Development, 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; and Social Services 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 and HOPWA-Eligible Households as required by this HOPWA Regulatory Agreement (the "Marketing Plan"). The Marketing Plan must include information on affirmative marketing efforts and compliance with fair housing laws.

(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 HOPWA Regulatory Agreement.

(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. Part 574, 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 HOPWA Regulatory Agreement.

(c) Social Services Plan.

(1) No later than the date of this HOPWA Regulatory Agreement, Borrower shall submit to the County for approval its plan for providing social services from qualified service providers to the HOPWA-Eligible Households of the Development as required by 24 C.F.R. Section 574.310(a)(1) and this HOPWA Regulatory Agreement (the "Social Services Plan").

(2) Upon receipt of the Social Services Plan, the County will promptly review the Social Services Plan and will approve or disapprove it within fifteen (15) days after receipt. If the Social Services Plan is not approved, the County will give Borrower specific reasons for such disapproval and Borrower shall submit a revised Social Services Plan within fifteen (15) days of notification of the County's disapproval. Borrower shall follow this procedure for resubmission of a revised Social Services Plan until the Social Services Plan is approved by the County. If the Borrower does not submit a revised Social Services 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 HOPWA 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'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 HOPWA 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 HOPWA 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 HOPWA Regulatory Agreement, (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, or (iii) qualify as a HOPWA-Eligible Household when and if applicable as a result of any material misrepresentation made by such Tenant with respect to HIV/AIDS status;

(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 HOPWA Term, Borrower shall comply with the Marketing Plan, Tenant Selection Plan, and Social Services Plan approved by the County.

4.5 HOPWA Tenant Requirements. During the HOPWA Term Borrower shall:

(a) ensure the confidentiality of the name of any individual requesting or receiving assistance through this project pursuant to 24 C.F.R. 574.440;

(b) ensure that qualified service providers in the area make available appropriate supportive services to HOPWA-Eligible Households pursuant to 24 C.F.R. 574.310(a)(1);

(c) conduct an ongoing assessment of the services required by HOPWA-Eligible Households pursuant to 24 C.F.R. 574.500(b)(2);

(d) comply with the Social Services Plan approved by the County detailing the services provided to HOPWA-Eligible Households; and

(e) ensure that the Development meets the Housing Quality Standards pursuant to 24 C.F.R. 574.310(b).

4.6 Lease Termination.

(a) Any termination of a lease or refusal to renew a lease for a HOPWA-Assisted Unit within the Development must be in conformance with 24 C.F.R. 574.310(e) during

the HOPWA Term, and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

(b) During the HOPWA Term Borrower shall ensure that surviving members of a household that included a Person with HIV/AIDS at the time of his or her death is permitted to continue to occupy the unit and receive supportive services for a reasonable period of up to one (1) year from the time of the death, and is provided with notice of their grace period and with assistance to obtain information about other available housing assistance programs. In addition, in the event such surviving members of a household would be eligible for occupancy in one of the other units within the Development, upon approval from Borrower, such surviving members may remain in their current unit and the next available unit within the Development will become a HOPWA-Assisted Unit.

4.7 HOPWA Requirements.

(a) Borrower shall comply with all applicable laws and regulations governing the use of the HOPWA Funds, as set forth in 24 C.F.R. Part 574 et. seq. In the event of any conflict between this HOPWA 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;

(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.; 24 C.F.R. 92.353; 24 C.F.R. 574.630; and California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq.;

(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) Uniform Administrative Requirements. The provisions of 24 C.F.R. 574.650 regarding cost and auditing requirements;

(10) Housing Quality Standards. The housing quality standards set forth in 24 C.F.R. Section 574.310(b);

(11) Supportive Services. The supportive service requirements of 24 C.F.R. Section 574.310(a)(1). Borrower shall procure services to satisfy such service requirements;

(12) Training Opportunities. The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and implementing Regulations at 24 C.F.R. 75 ("Section 3");

(i) Pursuant to Section 3, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations Borrower shall ensure:

(A) that employment and training opportunities arising in connection with the Development are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the Development is located. Where feasible, priority for opportunities and training described above should be given to: (i) Section 3 workers residing within the service area or the neighborhood of the project, and (ii) participants in YouthBuild programs; and

(B) that contracts for work awarded in connection with the Development are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the Development is located. Where feasible, priority for opportunities and training described above should be given to: (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the Development, and (ii) participants in YouthBuild programs.

(ii) Borrower will be considered to have complied with the Section 3 requirements, in the absence of evidence to the contrary, if it certifies that it has followed the prioritization of effort set forth in subsection (i) above, and meets or exceeds the applicable Section 3 benchmark as described in 24 C.F.R. 75.23(b).

(iii) Borrower shall maintain records of its Section 3 activities and cause such records to be accurate and current and in a form that allows the County to comply with the reporting requirements of 24 C.F.R. 75.25.

(iv) Borrower shall require all contractors and subcontractors performing work on the Development to comply with the Section 3 requirements.

(13) 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;

(14) 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;

(15) 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;

(16) 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;

(17) Religious Organizations. If the Borrower is a religious organization, as defined by the HOPWA requirements, the Borrower shall comply with all conditions prescribed by HUD for the use of HOPWA 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. 574.300(c);

(18) 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;

(19) Conflict of Interest. The conflict of interest provisions set forth in 24 C.F.R. Section 574.625;

(20) Carbon Monoxide Alarms or Detectors. The requirements of 42 U.S.C. 12905(i) and Notice CPD-22-15 which require the installation of carbon monoxide alarms or detectors that meet or exceed the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council in the HOPWA-Assisted Units; and

(21) 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 and Maintenance Responsibilities. Borrower shall comply with the Property management and maintenance requires set forth in Article 5 of the HOME Regulatory Agreement during the term of this HOPWA Regulatory Agreement.

ARTICLE 6 MISCELLANEOUS

6.1 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 and to HOPWA Eligible Households pursuant to this HOPWA Regulatory Agreement or any Development Regulatory Document. 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.

6.2 Application of Provisions. The provisions of this HOPWA Regulatory Agreement apply to the Property for the entire HOPWA Term even if the County Loan is paid in full prior to the end of the HOPWA Term. This HOPWA 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.

6.3 Covenants to Run With the Land. The County and Borrower hereby declare their express intent that the covenants and restrictions set forth in this HOPWA Regulatory Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the HOPWA 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 HOPWA Regulatory Agreement.

6.4 Enforcement by the County.

(a) If Borrower fails to perform any obligation under this HOPWA 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 HOPWA 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 HOPWA 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, and the Investor Limited Partner shall have the right, but not the obligation, to cure any default under this HOPWA Regulatory Agreement and the County shall accept such cure on behalf of the Borrower.

6.5 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.

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

6.7 Governing Law. This HOPWA Regulatory Agreement is governed by the laws of the State of California.

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

6.9 Amendments. This HOPWA 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.

6.10 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
Facsimile No.: 617-345-1000

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

6.11 Severability. If any provision of this HOPWA 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 HOPWA Regulatory Agreement will not in any way be affected or impaired thereby.

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

6.13 Revival of Agreement after Foreclosure. In the event there is a foreclosure of the Property, this HOPWA Regulatory Agreement will revive according to its original terms if, during the HOPWA 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.

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

[remainder of page intentionally left blank]

[signatures on following pages]

WHEREAS, this HOPWA 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:

Thomas L. Geiger
Chief Assistant
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

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