



Contract Number

22-187

SAP Number

Community Development and Housing

Department Contract Representative Telephone Number	Gary Hallen 909-387-4411
Contractor	Rialto Metrolink South Housing Partners, L.P.
Contractor Representative Telephone Number	Kevin Lao, Project Manager 206-818-4546
Contract Term	3/15/2022 – 12/31/2079
Original Contract Amount	\$2,250,000
Amendment Amount	_____
Total Contract Amount	\$2,250,000
Cost Center	621.000.2472

Briefly describe the general nature of the contract: *This contract is a HOME Investment Partnerships Program Loan Agreement not to exceed \$2,250,000 to finance, in part the Rialto Metrolink South apartment community. The Rialto Metrolink South apartment community will consist of 55 affordable units located on the north side of the Bonnie View Avenue, adjacent to the Rialto Metrolink Station, in the City of Rialto (Project). This project furthers the Board of Supervisor's (Board) objective of building more affordable housing with the goal of ending homelessness and providing housing for low-income households.*

FOR COUNTY USE ONLY

Approved as to Legal Form

 Suzanne Bryant Deputy County Counsel
 Date 3-9-2022

Reviewed for Contract Compliance

 Date _____

Reviewed/Approved by Department

 Gary Hallen, Director
 Date 3/10/2022

HOME INVESTMENT PARTNERSHIP ACT LOAN AGREEMENT

BY AND AMONG

SAN BERNARDINO COUNTY;

AND

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P.,

Dated as of March 15, 2022

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HOME INVESTMENT PARTNERSHIP ACT LOAN AGREEMENT
(Rialto Metrolink South Housing Partners, L.P.)

This HOME Investment Partnership Act Loan Agreement (the "Agreement") is entered into as of March 15, 2022 (the "Effective Date"), by and between San Bernardino County, a political subdivision of the State of California (the "County") and Rialto Metrolink South Housing Partners, L.P., a California limited partnership (the "Borrower"), with reference to the following facts, understandings and intentions of the parties:

RECITALS

A. These Recitals refer to and utilize certain capitalized terms that are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

B. The Rialto Housing Authority (the "Authority") and the Borrower entered into that certain June 28, 2016 Affordable Housing, Financing and Disposition and Project Agreement, and subsequent amendments, pursuant to which Authority agreed to fund the acquisition, predevelopment and construction, and sell to Borrower specified real property located in in the City of Rialto, San Bernardino County, State of California (the "Property"). The Property consists of a 1.59 acre site as more fully described on Exhibit A-1 attached hereto and incorporated herein by this reference ("Project Site"). Borrower is to develop a 55-unit affordable rental project on the Project Site for Very Low and Low-Income Households ("Project"): The Project, as well as any additional improvements on the Property, will be the "Project Improvements."

C. The County has received Home Investment Partnerships Act funds from the United States Department of Housing and Urban Project ("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 (the "HOME Regulations"). Borrower desires to borrow from the County and the County desires to lend Borrower Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000) of HOME Investment Partnerships Act funds ("HOME Funds") to fund eligible activities for the Project as allowed under 24 C.F.R. 92.206 through 24 C.F.R. 92.209 (the "County Loan"). The County Loan will be evidenced by the Promissory Note and secured by the Deed of Trust, as defined below.

D. The Borrower intends to finance the costs of developing the Project with sources that may include, but are not limited to, the County Loan, the Authority Loan, and Tax Credit Funds. This Agreement shall govern the disbursement of the County Loan for the development costs associated with the Project.

E. The County Loan is being made to finance construction costs associated with the Project Improvements in order to help achieve financial feasibility for the Project. The Project will increase the supply of affordable rental housing in San Bernardino County. Due to the assistance provided to the Borrower pursuant to this Agreement, the County has classified 9 units as HOME-Assisted Units (each such unit a "HOME-Assisted Unit"). The HOME-Assisted Units are required to be three-bedroom units. The rent for the HOME-Assisted Units shall not exceed

30% of 50% of the area median income. The HOME-Assisted Units shall be fixed units and are to be intermingled throughout the Project and of comparable quality to all other Units and must meet the Uniform Federal Accessibility Standards and Section 3.8(f) below. The balance of the Units is to be made available to, and occupied by, Very Low and Low-Income Households pursuant to the terms of the Regulatory Agreement.

F. The amount of the "County Assistance" consisting of the County Loan, provided pursuant to this Agreement does not exceed the amount of County Assistance necessary for the construction and operation of the Project, as restricted by this Agreement, financially feasible.

G. Pursuant to the California Environmental Quality Act and its implementing guidelines, the County (in its capacity as "lead agency"), prepared, reviewed and following a duly noticed public hearing approved the Mitigated Negative Declaration (the "Mitigated Negative Declaration") on June 22, 2021, for the Project, of which the transactions contemplated by this Agreement are a part.

H. In December 2021, pursuant to the National Environmental Policy Act, the City of Rialto as the responsible entity prepared an Environmental Assessment and made the finding that the Project will not result in a significant impact on the quality of the human environment (the "FONSI"). In accordance with NEPA, prior to approval of this Agreement, County staff prepared and circulated for public review an environmental assessment and notice of intent to adopt the FONSI for this Agreement and the development contemplated by this Agreement. The County thereafter approved the FONSI, on January 18, 2022, after concluding that any mitigation measures set forth in the mitigated FONSI will mitigate any significant environmental impacts associated with the development contemplated by this Agreement to a level of insignificance.

THEREFORE, the County and the Borrower agree as follows:

ARTICLE 1.
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following definitions shall apply throughout this Agreement.

(a) "Affiliate" " means an entity that is controlling or controlled by Borrower. For the purposes of this definition "Control" means (1) direct or indirect management or control of the managing member or members in the case of a limited liability company; (2) direct or indirect management or control of a general partner or general partners in the case of a partnership; and (3) direct or indirect control of a majority of the directors in the case of a corporation.

(b) "Agreement" means this HOME Investment Partnerships Act Loan Agreement, including the attached Exhibits and all subsequent operating memoranda and amendments to this Agreement.

(c) "Annual Operating Expenses" with respect to a particular calendar year means the following costs reasonably and actually incurred for operation and maintenance of the

Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles:

- (1) Property taxes and assessments imposed on the Project;
- (2) Debt service and associated fees currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Project) on loans associated with the development of the Project and approved by the County in the Approved Financing Plan;
- (3) Property management fees (including deferred payments of previously approved property management fees to the extent deferral is required by a Project lender or Borrower's limited partner and is approved in writing by the County) and reimbursements on-site property management office expenses, and salaries of property management and maintenance personnel payable to a property manager approved by the County pursuant to the Regulatory Agreement, not to exceed amounts which are standard in the industry, and pursuant to a management contract approved by the County pursuant to the Regulatory Agreement;
- (4) Premiums for property damage and liability insurance;
- (5) Any annual license or certificates of occupancy fees required for operation of the Project;
- (6) Annual regulatory compliance monitoring fee of \$7,500 payable to the County;
- (7) Security services;
- (8) Advertising and marketing costs;
- (9) Cash deposited into reserves for capital replacements of the Project in an amount to be approved by the County as part of the Approved Financing Plan, as the same may increase during the Term with the approval of the County pursuant to Section 3.16;
- (10) Cash deposited into an operating reserve in an amount to be approved by the County as part of the Approved Financing Plan, as the same may increase during the Term with the approval of the County pursuant to Section 3.16, and annual operating budgets, but with the operating reserve capped at six (6) months of gross rent from the Project (as such rent may vary from time to time);
- (11) Asset management fee and, for the first fifteen (15) years of the Term, a partnership management fee, in the amount approved by the County as part of the Approved Financing Plan;
- (12) Utility services not paid for directly by Tenants, including without limitation, water, sewer, and trash collection;

(13) Maintenance and repair, including pest control, landscaping, grounds maintenance, painting and decorating, cleaning, common systems repair, janitorial supplies and services,

(14) Social services fees in the amount approved by the County as part of the Approved Financing Plan;

(15) Annual audit fees, inspection fees, or monitoring fees required in relation to any Approved Financing;

(16) Extraordinary operating costs specifically approved by the County in its reasonable discretion; and

(17) Payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves,

(18) Reasonable accounting fees and legal fees; and

(19) Other ordinary and reasonable operating expenses approved by the County in its reasonable discretion and not listed above.

(20) Annual Operating Expenses shall exclude the following: depreciation, amortization, depletion, or other non-cash expenses or, any amount expended from a reserve account.

(d) "Annual Payment" has the meaning set forth in Section 2.7(a).

(e) "Approved Financing" means the loans, grants, and other financing to be secured by the Borrower, and approved by the County for the purpose of financing the costs of the Project which shall be consistent with the Approved Financing Plan, which at the time of this Agreement is intended to include:

(1) A construction loan in the approximate amount of sixteen million two hundred thirty-nine thousand eight hundred twenty dollars (\$16,239,820) (the "Construction Loan");

(2) Permanent loans in the approximate amount of six hundred twenty-one thousand dollars (\$621,000) and eight hundred fifty-eight thousand dollars (\$858,000) or such other amount approved in the Affordable Housing Financing Plan (collectively, the "Permanent Loan");;

(3) Low Income Housing Tax Credits, Tax Credit Investor limited partner capital contribution in the approximate amount of seventeen million four hundred thirty-five thousand five hundred seventy-three dollars (\$17,435,573), or such other amount approved in the Affordable Housing Financing Plan (the "Tax Credit Investor Equity"); and

(4) the Authority Loan.

(f) "Approved Financing Plan" means the Financing Plan approved by the County as of the date of this Agreement, attached to this Agreement as Exhibit G, incorporated herein by this reference, as the same may be amended pursuant to Section 3.16.

(g) "Assignment Agreement" means the agreement, evidencing the Borrower's assignment of all rights in and to certain plans, specifications and other work product as security for the Loan Documents.

(h) "Authority Loan" means the Hard Money Loan of four million five hundred fifty thousand dollars (\$4,550,000) and Purchase Money Loan of three million thirty thousand dollars (\$3,030,000), as defined in the Affordable Housing, Financing & Disposition & Project Agreement, as may be amended from time to time, entered into by and between the Authority and the Borrower on June 28, 2016.

(i) "Bid Package" means the package of documents Borrower's general contractor is required to distribute to potential bidders as part of the process of selecting subcontractors for the Major Trades for the Project. The Bid Package is to include the following: (1) an invitation to bid; (2) copy of the proposed construction contract; (3) a form of bid guarantee that is reasonably acceptable to the County; and (4) all Construction Plans.

(j) "Board of Supervisors" means San Bernardino County's Board of Supervisors.

(k) "Borrower" means Rialto Metrolink South Housing Partners, L.P., a California limited partnership, and its permitted successors and assigns; and may also herein be referred to as the Partnership.

(l) "CEQA" means The California Environmental Quality Act, California Public Resources Code §21000- §21177, as amended.

(m) "Certificate of Completion" means the final Certificate of Completion issued by the County, or comparable County sign-off on the completion of construction of the Project Improvements. The form of Certificate of Completion is attached hereto as Exhibit H and incorporated herein by this reference.

(n) "Certificate of Occupancy" means the final certificate of occupancy, or equivalent document is issued by the City to certify completion of the construction of the Project Improvements.

(o) "Certified Access Specialist" means a certified access specialist registered with the State of California Department General Services Division of State Architect and who has met the requirements of Government Code Section 4459.5.

(p) "Close of Escrow" means the date the Deed of Trust is recorded against the Borrower's interest in the Property.

(q) "Commencement of Construction" means the date on which the construction commences on the Project, which commencement may include grading work.

(r) "Completion Component" has the meaning set forth in Section 2.6.

(s) "Completion Date" means the date that all of the following have occurred: (1) the Certificate of Occupancy is issued by the City of Rialto; (2) the Notice of Completion is issued by the County to certify completion of the construction of the Project Improvements; (3) the final disbursement of HOME funds for the Project has been made; (4) the County has verified the Project complies with the property standards set forth in 24 CFR 92.251, and all other requirements in Subpart F of the HOME Regulations; and (5) all project completion information has been entered by the County into the Integrated Disbursement and Information System (IDIS). County shall process completion information promptly after receiving complete information from the Borrower.

(t) "Completion of Construction" means the date the Certificate of Completion for the Project is issued by the County.

(u) "Conceptual Site Plan" means the schematic documents showing the basic physical characteristics of the Project and the location of improvements on the Property, including preliminary building plans and section and elevations of the Project. The Conceptual Site Plan is attached hereto as Exhibit A-2, incorporated herein by this reference.

(v) "Construction Component" has the meaning set forth in Section 2.6.

(w) "Construction Contract" means the construction contract approved by the County pursuant to the terms of Section 3.4 hereof.

(x) "Construction Loan" has the meaning set forth in Section 1.1(e)(i).

(y) "Construction Plans" means all construction documentation upon which Borrower and the General Contractor rely in constructing the Project Improvement (including the units in the landscaping, parking, and common areas) as approved by the County, as applicable, and includes, but is not limited to, final architectural drawings, landscaping plans and specifications, final elevations, building plans and specifications, and scope of construction working drawings. Construction Plans shall also mean the Plans and Specifications approved by the County.

(z) "Construction Closing" means the date upon which the financing necessary for the construction of the Project Improvements closes, and any deeds of trust related to such financing, are recorded against the Property.

(aa) "County" means San Bernardino County, a political subdivision of the State of California.

(bb) "County Executive Officer" means the County's Chief Executive Officer.

(cc) "County Loan" means the loan, made from the County to the Borrower pursuant to the terms of this Agreement, in an amount not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) of County HOME funds.

(dd) "County's Prorata Share of Lender's Share of Residual Receipts" means, as determined at the Close of Escrow, the percentage resulting from dividing the County Loan funds disbursed to the Borrower in accordance with this Agreement by the sum of such County Loan funds, and any other residual receipts loans included as Approved Financing and disbursed to the Borrower in accordance with the applicable agreements.

(ee) "Deed of Trust" means the deed of trust that will encumber the Borrower's interest in the Property to secure repayment of the Promissory Note, substantially in the form attached hereto as Exhibit E.

(ff) "Default Rate" has the meaning set forth in Section 2.2(b).

(gg) "Developer Fee" means the fee paid to the Borrower as developer or any Affiliates thereof, in the amount and for the purposes set forth in Section 3.17.

(hh) "Escrow" means the escrow established with the Title Company.

(ii) "Event of Default" has the meaning set forth in Section 6.1.

(jj) "Final Cost Certification" has the meaning set forth in Section 4.2.

(kk) "Gross Revenue" with respect to a particular calendar year, means all revenue, income, receipts, and other consideration actually received from operation and leasing of the Project, including but not limited to:

(1) all rents, fees and charges paid by tenants, payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income;

(2) The proceeds of business interruption or similar insurance, subject to the rights of Senior Lenders

(3) Any payment received in consideration for the leasing or other use of any portion of the Project;

(4) Subject to the rights of Senior Lenders, the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Project (or applied toward the cost of recovering such proceeds);

(5) Subject to the rights of Senior Lenders, condemnation awards for a taking of part or all of the Project for a temporary period; and

(6) Gross Revenue shall exclude tenants' security deposits, loan proceeds, capital contributions or other similar advances.

(ll) "Guarantor" means both of the following:

(1) National Community Renaissance of California, a California nonprofit public benefit corporation; and

(2) The Related Development Company of California, LLC, a California limited liability company. The guaranty provided by The Related Development Company of California, LLC, is limited to the amount of the Developer Fee.

(mm) "Hazardous Materials" means any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations, except such of the foregoing as may be customarily used in construction of projects like the Project or kept and used in and about residential property of this type.

(nn) "Hazardous Materials Claim" means any and all claims made by any third party against the Borrower or the Project relating to the damage, contribution, cost recovery compensation, loss, injury, enforcement, cleanup, or removal resulting from any Hazardous Materials or other governmental or regulatory actions instituted, completed or threatened against the Borrower or the Project pursuant to Hazardous Materials Laws.

(oo) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Project or any portion thereof.

(pp) "HCD" means the California Department of Housing and Community Development.

(qq) "HOME-Assisted Units" means the 9 units classified as HOME-Assisted Units (each such unit a "HOME-Assisted Unit"). The HOME-Assisted Units consist of three-bedroom units and the rent shall not exceed 30% of 50% of the area median income. The HOME Assisted Units shall be fixed units and are to be intermingled throughout the Project and of comparable quality to all other Units and must meet the Uniform Federal Accessibility Standards.

(rr) "HOME Funds" means Home Investment Partnerships Act funds from HUD pursuant to the Cranston-Gonzales National Housing Act of 1990 (42 U.S.C. 12705 et. seq). The HOME Funds must be used by the County in accordance with 24 C.F.R. Part 92.

(ss) "HOME Term" means the period beginning on the date of this Agreement and ending on the twentieth (20th) anniversary of the Completion Date.

(tt) "HOME Regulations" has the meaning set forth in Recital C.

(uu) "HUD" means the United States Department of Housing and Urban Project.

(vv) "Investor Limited Partner" means the limited partner entity admitted to the Borrower and benefiting from federal Low Income Housing Tax Credits established pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

(ww) "Lender's Share of Residual Receipts" means fifty percent (50%) of the Residual Receipts.

(xx) "Loan Documents" shall mean, collectively, this Agreement, the Promissory Note, the Deed of Trust, the Regulatory Agreement.

(yy) "Low Income Household" means a household with an income that does not exceed eighty percent (80%) of area median income, adjusted for actual household size.

(zz) "Low Income Housing Tax Credits" means the low income housing tax credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Sections 50199, et seq.

(aaa) "Major Trades" means the following construction trades for which the general contractor must bid out work: mechanical, roofing, concrete, electrical, plumbing, and framing trades.

(bbb) "Management Agent" means a management agent retained by the Borrower and approved by the County in accordance with the provisions of Section 4.11 to manage the Project.

(ccc) "Management Plan" shall have the meaning specified in Section 4.10 below.

(ddd) "Marketing Plan" has the meaning set forth in Section 3.18 below.

(eee) "NEPA" means the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347).

(fff) "Net Excess Proceeds" means the portion of the Approved Financing for the construction of the Project that is not required to pay the costs of acquisition or construction of the Project (including but not limited to the funding of reserves and repayment of construction financing). Net Excess Proceeds, if any, shall be determined pursuant to the procedure set forth in Section 2.7.

(ggg) "Notice of Completion" means the Notice of Completion executed by Borrower in the form specified in California Civil Code Section 8182.

(hhh) "Official Records" means the official records of the San Bernardino County, California.

(iii) "Parties" means the County and the Borrower, and the term Party shall refer to each of them individually.

(jjj) "Partnership" means Rialto Metrolink South Housing Partners, L.P., a California limited partnership, a partnership created for the purpose of syndicating the Low Income Housing Tax Credits, which will own the Project and is herein also referred to as the Borrower.

(kkk) "Partnership Agreement" means that certain amended and restated agreement of limited partnership of the Borrower that will be executed concurrent with the Close of Escrow, meeting the requirements hereof.

(lll) "Permanent Closing" means the date that all deeds of trust (or assignments of deeds of trust) associated with the Permanent Financing (as shown on the Approved Financing Plan), have been recorded against the Borrower's interest in the Property, or if previously recorded, are converted to permanent loan deeds of trust, which shall also be referenced as the "Conversion Date".

(mmm) "Permanent Financing" means the sources of approved permanent financing for the Project as listed in the Approved Financing Plan for the Project approved by the County pursuant to Section 3.16 and as may be amended.

(nnn) "Permitted Limited Partner" has the meaning set forth in Section 6.5.

(ooo) "Permitted Transfer" has the meaning set forth in Section 4.17.

(ppp) "Plans and Specifications" means the plans and specifications for construction of the Project Improvements.

(qqq) "Project" means the Property and the Project Improvements.

(rrr) "Project Improvements" means the fifty-five (55) units of affordable multi-family rental housing used in accordance with this Agreement, including one (1) manager's unit, all common areas, amenities, appurtenances, improvement easements, buildings and fixtures associated with the Project.

(sss) "Project Site" has the meaning set forth in Recital B, above.

(ttt) "Promissory Note" shall mean the promissory note that will evidence the Borrower's obligation to repay the County Loan as set forth in this Agreement, substantially in the form of Exhibit D.

(uuu) "Property" has the meaning set forth in Recital B, above.

(vvv) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants that will be recorded against the Borrower's interest in the Property and will restrict the Project and use of the Property to affordable housing, the form of which is attached hereto as Exhibit C.

(www) "Residual Receipts" in a particular calendar year shall mean the amount by which Gross Revenue exceeds Annual Operating Expenses.

(xxx) "Risk Management" means the San Bernardino County's Department of Risk Management.

(yyy) "Schedule of Performance" means the summary schedule of actions to be taken by the Parties pursuant to this Agreement to achieve the disposition of the various parcels and the development of the Project, as such may be modified pursuant to Section 3.1. The Schedule of Performance is attached to this Agreement as Exhibit B.

(zzz) "Senior Lender" has the meaning set forth in Section 2.5 below.

(aaaa) "Statement of Residual Receipts" means an itemized statement of Residual Receipts, in the form attached here to as Exhibit F, incorporated herein by this reference. The first Statement of Residual Receipts will cover the period that begins on the Completion Date and ends on December 31st of that same year. Subsequent statements of Residual Receipts will cover the twelve-month period that ends on December 31 of each year.

(bbbb) "Tax Credit Funds" means the proceeds from the sale of a limited partnership interest in the Partnership to a Tax Credit Investor in the anticipated amount set forth in the Approved Financing Plan, or such other amount as may be approved by the County in an amendment to the Approved Financing Plan.

(cccc) "TCAC" means the California Tax Credit Allocation Committee.

(dddd) "Tenant" means the tenant household that occupies a Unit in the Project.

(eeee) "Term" means the period of time that commences on the date of this Agreement, and expires, unless sooner terminated in accordance with this Agreement, on the fifty-fifth (55th) anniversary of the Completion Date, but in no event later than December 31, 2079.

(ffff) "Title Company" means the Newport Beach, California office of Fidelity National Title Company, located at 4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660.

(gggg) "Transfer" has the meaning set forth in Section 4.17.

(hhhh) "Unit" shall mean one of the rental units included in the Project, other than the one (1) manager's unit.

(iiii) "Very-Low Income Household" means a household with an income that does not exceed fifty percent (50%) of area median income, adjusted for actual household size.

Section 1.2 Exhibits. The following exhibits are attached to and incorporated in the Agreement:

- Exhibit A-1: Legal Description of Property
- Exhibit A-2: Conceptual Site Plan
- Exhibit B: Schedule of Performance
- Exhibit C: Regulatory Agreement

- Exhibit D: Promissory Note
- Exhibit E: Deed of Trust
- Exhibit F: Statement of Residual Receipts Report
- Exhibit G: Approved Financing Plan
- Exhibit H: Form of Certificate of Completion
- Exhibit I: Certificate of Continuing Program Compliance
- Exhibit J: Section 3 Compliance
- Exhibit K: Completion Guaranty

ARTICLE 2.
COUNTY LOAN PROVISIONS

Section 2.1 County Loan. The County shall provide the County Loan to the Borrower as predevelopment, construction, and permanent financing for the Project in the principal amount not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000). The Borrower's obligation to repay the County Loan shall be evidenced by the Promissory Note and secured by the Assignment Agreement, which shall be executed by the Borrower concurrently herewith.

Section 2.2 Interest.

(a) Subject to the provisions of Section 2.2(b) below, the County Loan shall bear three percent (3%) simple interest.

(b) Upon the occurrence of a Default by Borrower that remains uncured after expiration of the applicable cure period, at the County's option, the principal amount of the County Loan shall be immediately due and payable, and shall bear interest at the lesser of ten percent (10%) per annum or the maximum rate permitted by law (the "Default Rate"), which will accrue, as of the date of Default and continue until such time as the County Loan funds are repaid in full or the Default is cured. In this regard, payments received from the Borrower shall be applied first to interest accrued and the remaining balance, if any, to principal.

Section 2.3 Use of County Loan.

(a) Allowable Uses. The Borrower may use the County Loan to fund the predevelopment, construction and permanent financing of the Project consistent with the Approved Financing Plan and consistent with eligible activities requirements under 92.206 through 24 C.F.R. 92.209 and 24 C.F.R. 301(b). Borrower shall use the County Loan only to fund costs associated with the affordable residential portions of the Project.

(b) Prior Incurred Costs. No portion of the County Loan shall be used to fund costs incurred more than twenty-four (24) months prior to the Effective Date or for any costs not allowed under 24 C.F.R. 92.206.

(c) Other Uses Prohibited. The Borrower shall not use the County Loan funds for any other purpose without the prior written consent of the County.

(d) Use in Compliance with Regulations and Notice. During the entire Term, the Borrower shall comply with the applicable HOME Regulations, the Regulatory Agreement and this Agreement in the use of the County Loan funds.

Section 2.4 Security.

(a) Assignment of Documents. The Borrower's obligations under this Agreement shall be secured by the Assignment of Documents, in a form to be provided by the County, to be executed by the Borrower pursuant to this Section. The Assignment of Documents shall become effective upon an uncured Event of Default as defined in Section 6.1 below. The County shall not have any obligation under any contracts or agreements assigned pursuant to the Assignment of Documents until it expressly agrees in writing to be bound by such contracts or agreements. Upon an Event of Default that has not been cured pursuant to this Agreement, the County may use any of the documents, assigned to the County under an Assignment of Documents, for any purpose for which the Borrower could have used them for construction of the Project.

(b) During Construction. The Deed of Trust will secure the County Loan. At the Close of Escrow, the Deed of Trust shall be recorded against the Borrower's interest in the Property. Borrower shall secure its obligation to repay the County Loan, as evidenced by the Promissory Note, by executing the Deed of Trust, and causing or permitting it to be recorded as a lien against the Property in lien priority approved by the County in such relationship to the other Approved Financing liens as the County approves. The Deed of Trust will be recorded in a lien position junior to the City's deed of trust and regulatory agreement. Borrower shall also cause or permit the Regulatory Agreement to be recorded the Property, in a lien position junior to the City's deed of trust and regulatory agreement.

Section 2.5 Subordination.

(a) Any agreement by the County to subordinate the Deed of Trust and/or Regulatory Agreements to an encumbrance securing and/or evidencing Approved Financing (each such Approved Financing, a "Senior Loan"), will be subject to the satisfaction of each of the following conditions:

(1) All of the proceeds of the proposed Senior Loan, less any transaction costs, are used to provide acquisition, construction and/or permanent financing for the Project, or any combination thereof;

(2) The proposed lender of a Senior Loan (each a "Senior Lender") must be a state or federally chartered financial institution, a nonprofit corporation or a public entity that is not affiliated with Borrower;

(3) Borrower demonstrates to the County's satisfaction that subordination of the Deed of Trust and/or Regulatory Agreement is necessary to secure adequate acquisition, construction and/or permanent financing to ensure the viability of the Project, including the operation of the Project as affordable housing, as required by the Loan Documents. To satisfy this requirement, Borrower must provide to the County, in addition to any other information reasonably required by the County, evidence demonstrating that the proposed

amount of the Senior Loan is necessary to provide adequate construction and/or permanent financing to ensure the viability of the Project, and adequate financing for the Project would not be available without the proposed subordination;

(4) The subordination agreement(s) is structured to minimize the risk that the Deed of Trust and/or Regulatory Agreement will be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Loan. To satisfy this requirement, the subordination agreement must provide the County with adequate rights to cure any defaults by Borrower, including: (i) providing the County or its successor with copies of any notices of default at the same time and in the same manner as provided to Borrower; and (ii) providing the County with a cure period of at least sixty (60) days to cure any default;

(5) The subordination(s) of the County Loan is effective only during the original term of the Senior Loan and any extension of its term that is approved in writing by the County;

(b) No subordination may limit the effect of the Deed of Trust and/or the Regulatory Agreement before a foreclosure, nor require the consent of the Senior Lender prior to the County exercising any remedies available to the County under the Loan Documents; and

(c) Upon a determination by the County Executive Officer that the conditions in this Section have been satisfied, the County Executive Officer or his/her designee, will be authorized to execute the approved subordination agreement without the necessity of any further action or approval by the Board of Supervisors. Execution of any subordination agreement will evidence and constitute the determination of the County that all requirements of this Section 2.5 have been satisfied or waived.

(d) Notwithstanding anything to the contrary contained in the Loan Documents, with prior 30-days written notice to County, Borrower may refinance the Senior Loan with a non-profit, commercial, governmental or institutional lender without the prior consent of the County ("Refinanced Senior Indebtedness"), and the County hereby agrees to subordinate the lien of its Deed of Trust and the Regulatory Agreement to the Refinanced Senior Indebtedness and the lien of any deed of trust or mortgage securing the Refinanced Senior Indebtedness, provided that the principal balance of the Refinanced Senior Indebtedness does not exceed the then outstanding principal balance of the Senior Loan plus the costs incurred in securing the Refinanced Senior Indebtedness, the Refinanced Senior Indebtedness does not increase the interest rate of the Senior Loan, and the Refinanced Senior Indebtedness does not change the term of the Senior Loan.

Section 2.6 Conditions Precedent to Disbursement of Loan Funds.

(a) The disbursements made pursuant to this Section 2.6 may not exceed the amount of the County Loan and shall only be requested at such time they are needed by the Borrower to pay eligible costs. The County shall disburse the County Loan into Escrow in two components: (i) a "Construction Component" in the amount Two Million Twenty-Five Thousand Dollars (\$2,025,000) and (ii) a "Completion Component" in the amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000). The division of the County Loan between the Construction Component and the Completion Component may be readjusted by the County

Executive Officer on behalf of the County without the need for formal amendment of this Agreement. The County will disburse the Construction Component at the Construction Closing subject to the conditions precedent set forth in subsection (b) below (but in no event before the Construction Closing) and the Completion Component at Permanent Closing subject to the conditions precedent set forth in subsection (c).

(b) Construction Component. The County is not obligated to make a disbursement of the Construction Component prior to the Construction Closing, or to take any other action under the Loan Documents unless the following conditions precedent are satisfied prior to each such disbursement of the County Loan funds:

(1) There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement, or any other financing agreements or contracts between the County and Borrower or its Affiliates relating to the Project;

(2) This Agreement has been executed by the Borrower and the County and delivered to the County;

(3) Borrower has delivered to the County a copy of Borrower's organizational documents and a corporate authorizing resolution authorizing Borrower's execution of this Agreement and the transactions contemplated by this Agreement;

(4) Borrower has caused to be executed and delivered to the County the Loan Documents and any other instruments, and policies required under the Loan Documents;

(5) The County has received and approved any necessary updates to the Approved Financing Plan;

(6) The County has received and approved the general contractor's construction contract that the Borrower has entered or proposed to enter for construction of the Project Improvements as required under the terms of Section 3.4 of this Agreement, including evidence that the Major Trades have been properly bid, and, if applicable, all contractors and subcontractors have registered with the DIR in compliance with Labor Code Section 1771.1;

(7) County has approved or received copies of the Plans and Specifications for the Project, provided the foregoing shall not be a condition to the Construction Closing or closing of the Loan;

(8) The County has received copies of labor and material payment and performance bonds or alternative security as required pursuant to Section 3.5 below;

(9) Borrower has obtained all permits and approvals necessary for the construction of the Project Improvements, (or a permit ready letter indicating the Project is entitled to receive such building permits subject to the payment of fees therefor) necessary to perform the construction work pursuant to the terms of this Agreement;

(10) The Borrower has submitted a certification from the architect or the Certified Access Specialist certifying that the HOME-Assisted Units have been designed in compliance with Section 3.8(f) of this Agreement or has provided the County with other evidence that the Project has been designed to comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.) and the Uniform Federal Accessibility Standards (UFAS);

(11) Borrower has executed a Partnership Agreement approved by the County, with the Investor Limited Partner, in which the Investor Limited Partner is obligated to provide Borrower the Tax Credit Investor Equity;

(12) Borrower has closed, or is concurrently closing, on the Construction Loan and is eligible to receive the proceeds of all construction loans and has received, or is concurrently receiving, the amount of Tax Credit Investor Equity stated as the first installment in the Partnership Agreement;

(13) The County has received reasonable evidence that the local match requirements set forth in 24 C.F.R. Section 92.218 et seq., have been satisfied pursuant to Section 4.1 of this Agreement;

(14) Borrower has furnished the County with evidence of the insurance coverage meeting the requirements of Section 4.18 below;

(15) The Deed of Trust and the Regulatory Agreement have been recorded against the Borrower's interest in the Property in the Office of the Recorder of the San Bernardino County in a lien position approved by the County, in accordance with the terms of this Agreement, and recorded copies have been arranged to be delivered to the County;

(16) Borrower is in compliance with the Schedule of Performance;

(17) All environmental review necessary for the construction of the Project has been completed, and Borrower has provided the County evidence of compliance with all CEQA and NEPA mitigation measures;

(18) There exists no material adverse change in the financial condition of Borrower from that shown by the financial statements and other data and information furnished by Borrower to the County prior to the date of this Agreement;

(19) The County has determined the undisbursed proceeds of the County Loan, together with other funds or firm commitments for funds that the Borrower has obtained, or reasonably expects to obtain, in connection with the acquisition and construction of the Project, are not less than the amount the County determines is necessary to pay for the acquisition and construction of the Project and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement;

(20) A title insurer reasonably acceptable to the County is unconditionally and irrevocably committed to issuing an LP-10 2006 ALTA Lender's Policy of title insurance insuring the priority of the Deed of Trust in the amount of the County Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the County,

and containing such endorsements as the County may reasonably require. The Borrower shall provide whatever documentation (including an indemnification agreement), deposits or surety is reasonably required by the title company in order for the Deed of Trust to be senior in lien priority to any mechanics liens in connection with any start of construction that has occurred prior to the recordation of the Deed of Trust against the Property in the Office of the Recorder of the San Bernardino County;

(21) The County has received a written draw request from the Borrower, including certification that the condition set forth in Section 2.6(b)(i) continues to be satisfied, and setting forth the proposed uses of funds consistent with the Approved Financing Plan for the Project, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred;

(c) Completion Component. The County is not obligated to make a disbursement of the Completion Component at Permanent Closing, or to take any other action under the Loan Documents unless the following conditions precedent are satisfied prior to each such disbursement of the County Loan funds:

(1) All requirements set forth in Section 2.6(b) have been and continue to be satisfied and there exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement;

(2) The County has received satisfactory evidence that the Units are rented to eligible tenants at the required rents in compliance with the requirements of this Agreement and the Regulatory Agreement;

(3) The Borrower has satisfied all conditions for the receipt of the completion installment of the Tax Credit Investor Equity, consistent with Borrower's Partnership Agreement;

(4) The County has issued the Certificate of Completion for the Project and the Notice of Completion has been recorded against title to the Property;

(5) The County has received from Borrower current evidence of the insurance coverage meeting the requirements of Section 4.18 below;

(6) The County has received and approved a report setting forth: (i) the income, household size, race, and ethnicity of Tenants of the HOME-Assisted Units; (ii) the unit size, rent amount and utility allowance for all HOME-Assisted Units; and (iii) the accessible units in the Project pursuant to Section 3.8;

(7) The County has received a draft of the Final Cost Certification for the Project from Borrower showing all uses and sources;

(8) The County has received from Borrower and approved a form of Tenant lease;

(9) The County has received from Borrower and approved the Marketing Plan;

(10) The County has received from the Borrower evidence of marketing for any vacant units in the Project such as copies of flyers, list of media ads, list of agencies and organizations receiving information on availability of units, as applicable;

(11) The County has received from Borrower all relevant contract activity information (including items included in Exhibit J of this Agreement, incorporated herein by this reference) and MBE/WBE requirements;

(12) Borrower has submitted a certification from the architect or a County approved Certified Access Specialist certifying that the Project has been constructed in compliance with Section 3.8(f) of this Agreement or has provided the County with other evidence that the Project, as built, complies with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.) and the Uniform Federal Accessibility Standards (UFAS);

(13) The County has received from Borrower a copy of the management agreement and contact information for the property manager of the Project and the name and phone number of the on-site property manager;

(14) If Borrower is required to pay prevailing wages under the Davis-Bacon Act (40 U.S.C. 3141-3148), the Borrower has submitted copies of all certified payrolls to the County, and any identified payment issues have been resolved, or Borrower is working diligently to resolve any such issues;

(15) If Borrower is required to pay prevailing wages under the California Labor Code, the Borrower has submitted copies of all certified payrolls and provided the County all information required by Labor Code Section 1773.3, and any identified payment issues have been resolved, or Borrower is working diligently to resolve any such issues; and

(16) The County has received a written draw request from Borrower, including (1) certification that the conditions set forth in Section 2.6 continue to be satisfied, (2) certification that the proposed use of funds is consistent with the Approved Financing Plan, (3) the amount of funds needed, and, (4) where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by: (1) certification by the Borrower's architect reasonably acceptable to the County that the work for which disbursement is requested has been completed (although the County reserves the right to inspect the Property and make an independent evaluation); and (2) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the County.

(d) The Borrower hereby agrees and acknowledges that the County will have forty-five days (45) days from the date the County receives a completed draw request to disburse funds under this Section 2.6.

(e) All funds to be disbursed pursuant to this Agreement shall be available to be disbursed to a Senior Lender, if and to the extent, the Senior Lender takes over the

construction of the Improvement, the Senior Lender agrees to be bound to the terms hereof and the Senior Lender has cured any Event of Default of the Borrower.

(f) Notwithstanding any other provisions of this Agreement, the County shall have no further obligation to disburse any portion of the County Loan to Borrower under this Agreement following: (i) termination of this Agreement; (ii) notification by the County to the Borrower of an Event of Default (excluding any Event of Default of the County) under terms of this Agreement until such time as the Event of Default has been cured.

Section 2.7 Repayment Schedule. The County Loan shall be repaid as follows:

(a) Annual Payments. Commencing on the May 1 following Completion of Construction, and on each May 1 of each year thereafter for the Term, the Borrower shall make repayments of the County Loan in the amount of the County's Pro Rata Share of Lender's Residual Receipts for the previous calendar year (each, an "Annual Payment"). Payment of the County's Pro Rata Share of the Lender's Residual Receipts shall be credited first against unpaid accrued interest generated pursuant to Section 2.2 above, and then against outstanding principal, and shall be accompanied by the Borrower's Statement of Residual Receipts (including the independent auditor's report regarding the auditor's review of Annual Operating Expenses required by this Section). On or prior to the date that Borrower pays its Annual Payment, the Borrower shall provide the County in the form attached hereto as Exhibit F, within sixty (60) days following the end of each calendar year, the Statement of Residual Receipts for the relevant period, for the subject property and the status of all reserve funds, including without limitation:

(1) A report showing the actual income and expenditures with respect to the Project for the immediately preceding calendar year;

(2) A statement from the independent public accountant that audited the Borrower's financial records for the relevant period;

(3) The calculation of Annual Operating Expenses, Gross Revenue, and Residual Receipts and the status of all reserve funds, including without limitation, an annual audited financial statement for the Project prepared by a certified public accountant approved by the County which statement must confirm that Borrower's calculation of the Lenders' Share of Residual Receipts is accurate based on Gross Revenue and Annual Operating Expenses; and

(4) Any additional documentation reasonably required by the County to substantiate Borrower's calculation of Lenders' Share of Residual Receipts.

(b) Special Repayment For Un-leased Units. As required under 24 C.F.R. 92.252, if the Borrower fails to lease any one of the HOME-Assisted Units within eighteen (18) months of the Completion of Construction of the Project, the Borrower shall pay to the County a proportionate share of the indebtedness of Borrower to the County under this Agreement and the Note attributable to each of the HOME-Assisted Units (up to the amount of HOME funds invested in the HOME-assisted Unit) that has remained un-leased for the entire eighteen (18) month period, together with any accrued interest thereon calculated pursuant to Section 2.2, which amount shall be immediately due and payable. Amounts required to be repaid pursuant to

this subsection that are not immediately repaid as required hereunder as a result of the limitations set forth by Senior Lenders shall be added to the outstanding principal of the County Loan and become part of the secured obligation of the Borrower.

(c) Special Repayments from Net Excess Proceeds. Subject to the rights of Senior Lenders and approval by the California Tax Credit Allocation Committee, and to the extent of additional subordinate loan proceeds, equity or surplus development sources following the Final Cost Certification, no later than ten (10) days after the date the Borrower receives its final Tax Credit Investor Equity contribution, the Borrower shall pay to the County, subject to the last sentence of this paragraph, one-hundred percent (100%) of the Net Excess Proceeds, as a special repayment of the County Loan. Notwithstanding anything to the contrary, the County Executive Officer is authorized to approve a reduced special repayment from Net Excess Proceeds of the County Loan pursuant to this subsection in the event the County Executive Officer determines in the County Executive Officer's sole and absolute discretion that such funds are required to pay project costs reasonably incurred by the Borrower and approved by the County pursuant to the Approved Financing Plan (including as needed to capitalize the Supplemental Replacement Reserve or the Capitalized Operating Reserve). Any amounts required to be paid hereunder, shall be apportioned among subordinate lenders, to the extent required by such subordinate lender's loan documents.

(d) Determination of Net Excess Proceeds. The amount of the Net Excess Proceeds shall be determined by the Borrower and submitted to the County for approval on the date the Borrower submits the final cost audit for the Project to TCAC. The Borrower shall also submit to the County any additional documentation sufficient to verify the amount of the Net Excess Proceeds. The County shall reasonably approve or disapprove the Borrower's determination of the amount of the Net Excess Proceeds in writing within sixty (60) days of the receipt of the Borrower's cost audit and supplemental documentation. If the County disapproves the Borrower's determination of the amount of Next Excess Proceeds, the County shall specify in writing the reasons for the disapproval. If the Borrower's determination is disapproved by the County, the Borrower shall re-submit documentation to the County until the County approval is obtained. The County's share of the Net Excess Proceeds shall be due the County from the Borrower within ten (10) days after the Borrower receives the final equity contribution from its Tax Credit Investor.

(e) Payment in Full. Borrower shall pay all outstanding principal and accrued interest on the County Loan, in full, on the earliest to occur of: (1) an Event of Default; and (2) the expiration of the Term.

(f) Prepayment. The Borrower shall have the right to prepay the County Loan at any time without premium or penalty. However, this Agreement and the Regulatory Agreement shall remain in effect for their entire respective terms, regardless of any prepayment or timely payment of the County Loan.

Section 2.8 Non-Recourse.

(a) Except as provided below, upon recordation of the Deed of Trust against the Property, neither Borrower, nor any partner of Borrower, will have any direct or indirect personal liability for payment of the principal of, and interest on, the County Loan or the

performance of the covenants of Borrower under the Deed of Trust. Following recordation of the Deed of Trust, the sole recourse of the County with respect to the principal of, or interest on, the Promissory Note and defaults by Borrower in the performance of its covenants under the Deed of Trust will be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall:

(1) Limit or impairs the enforcement of all the rights and remedies of the County against all such security for the Promissory Note;

(2) Be deemed in any way to impair the right of County to assert the unpaid principal amount of the Promissory Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto;

(3) Be deemed in any way to limit the rights of the County to obtain specific performance by the Borrower of its covenants under the Loan Documents, other than the covenants to pay the County principal and interest due under the Promissory Note.

(b) The foregoing limitation of liability is intended to apply only to the obligation to repay the principal of, and payment of interest on the Promissory Note and the performance of Borrower's obligations under the Deed of Trust. Except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the County under this Agreement, or liability for:

(1) Fraud or willful misrepresentation of the Borrower;

(2) The failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges);

(3) The fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and/or

(4) The misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain; or by reason of damage, loss, or destruction to any portion of the Property.

ARTICLE 3.
CONSTRUCTION OF THE IMPROVEMENTS

Section 3.1 Schedule of Performance.

Borrower shall perform the tasks described in the Schedule of Performance no later than the dates set forth in the Schedule of Performance, subject to Section 8.8. The Schedule of Performance may be modified in writing by Borrower and the County Executive Officer on behalf of the County without the need for formal amendment of this Agreement or further

approval by the Board of Supervisors.

Section 3.2 Permits and Approvals.

Borrower shall obtain all permits and approvals necessary for the construction of the Project no later than the date set forth in the Schedule of Performance. The applications for permits and approvals shall be consistent with and incorporate the approved Plans and Specifications.

Section 3.3 Bid Package.

No later than thirty (30) days prior to Borrower's proposed date for advertising the Bid Package, Borrower shall submit to the County a copy of Borrower's general contractor's proposed Bid Package. The County Executive Officer, or his/her designee, shall approve or disapprove the Bid Package within fifteen (15) days after receipt of the Bid Package by the County. If the County rejects the proposed Bid Package the reasons therefore must be given to Borrower. Borrower will then have fifteen (15) days to review and approve Borrower's new or corrected Bid Package. The provisions of this Section will continue to apply until a proposed Bid Package has been approved by the County. Borrower may not publish a proposed Bid Package until it has been approved by the County.

Section 3.4 Construction Contract.

(a) No later than the date set forth in the Schedule of Performance, the Borrower shall submit to the County for its limited approval the proposed construction contract for the Project. All construction and professional services are to be performed by persons or entities licensed or otherwise authorized in the State of California. The County's review and approval shall be limited exclusively to a determination whether: (i) the guaranteed maximum construction cost or stipulated sum set forth in the construction contract is consistent with the Approved Financing Plan; (ii) the Major Trades were properly bid and that the contract is with National Community Renaissance of California, as contractor; or a contractor approved by the County; (iii) the construction contract contains provisions consistent with Sections 3.8(c), 3.9, and 3.10 of this Agreement; and (iv) the construction contracts require a retention of ten percent (10%) of hard costs until completion of the Project; or as approved by the County at its sole discretion, provided that that Borrower may release retention for the following trades prior to completion of the Project: demolition, grading, structural concrete, foundations, framing, dry utilities, sewer, sanitary sewage, storm drainage, water, general contractor's insurance, general conditions, window materials, appliances, tot lot materials, window coverings, termite treatment, and erosion control.

(b) The County's approval of the construction contract for the Project shall in no way be deemed to constitute approval of or concurrence with any other term or condition of the construction contract, except as such term or condition may be required by this Agreement.

(c) Upon receipt by the County of the proposed construction contract, the County shall promptly review same and approve it within ten (10) days if the contract satisfies the limited criteria set forth above. If the construction contract is not approved by the County, the County shall set forth in writing and notify the Borrower of the County's reasons for

withholding such approval. The Borrower shall thereafter submit a revised construction contract for County approval, which approval shall be granted or denied in ten (10) days in accordance with the criteria and procedures set forth above. Any construction contract executed by the Borrower for the Project shall be in a form approved by the County.

(d) Borrower and their contractors shall use best efforts to coordinate with the local County Workforce Project Department (WDD) and any other entity identified by the County (including but not limited to the Housing Authority), to maximize the practicable opportunity to participate in the construction of the Project. Borrower shall, at a minimum, make contact with the County WDD and provide project information for local hire opportunities. Documentation of such notifications must be maintained by Borrower and available to the County as requested.

Section 3.5 Construction Bonds.

(a) As a condition precedent to the first draw request under the Construction Component of the County Loan, the Borrower shall deliver to the County copies of labor and material bonds and performance bonds for the construction of the Project in an amount equal to one hundred percent (100%) of the scheduled cost of the construction of the Project. The bonds required under this Section 3.5 shall be issued by a surety licensed to do business in California and reasonably acceptable to the County. Such bonds must name the County as a co-obligee.

(b) The County shall either reasonably approve or disapprove the submitted proposed Construction Bonds within fifteen (15) days from the date the County receives the Construction Bonds. If the proposed Construction Bonds are not approved by the County, then the County shall notify the Borrower in writing of the reasons for disapproval and the required revisions to the previously submitted Construction Bonds. The Borrower shall thereafter submit revised proposed Construction Bonds within fifteen (15) days of the notification of disapproval. The County shall either approve or disapprove the submitted revised Construction Bonds within fifteen (15) days of the date such revised Construction Bonds are received by the County. The County shall approve the initial or revised Construction Bonds if they meet the standards set forth in subsection (a) above. Such County-approved bonds shall be delivered to the County prior to, or in conjunction with, the Construction Closing.

(c) Notwithstanding the foregoing, the County shall consider other reasonable forms of security for the completion of the construction of the Project Improvements, including (1) from either the Borrower or the Borrower's general contractor, in lieu of such Construction Bonds described in this section provided that: (A) the Investor and all lenders set forth on the Approved Financing Plan have agreed to such other security, and (B) the County has the same enforcement rights under such security as the Investor and all lenders set forth in the Approved Financing Plan; or (2) delivery of the executed Completion Guaranty Agreement, executed by the Guarantor and in the form attached hereto as Exhibit K. If and to the extent the Senior Lender or limited partner requires additional guaranties from the Related Development Company of California, LLC, the Related Development Company of California agrees to provide to County the equivalent guaranties, naming the County as a beneficiary to the guaranty. Further, if the Senior Lender or limited partner requires payment and performance bonds, Borrower hereby agrees to name the County as an additional insured.

Section 3.6 Commencement of Construction.

Borrower shall cause the Commencement of Construction of the Project no later than the date set forth in the Schedule of Performance, which in no event shall be any later than twelve (12) months from the Effective Date.

Section 3.7 Completion of Construction.

(a) The Developers shall diligently prosecute to completion the construction of the Project no later than the date set forth in the Schedule of Performance, but in no event later than July 31, 2024, unless the County and the Borrower agree to extend such date pursuant to Section 8.8.

(b) For purposes of this Agreement, "Completion of Construction" means the following:

(1) Borrower shall diligently prosecute construction of the Project to completion and shall cause the completion of the construction of the Project no later than the date set forth in the Schedule of Performance, subject to Section 8.8 hereof.

(2) Borrower shall record a Notice of Completion within ten (10) days of completion of construction of the Project and provide the County a copy of the recorded Notice of Completion.

Section 3.8 Construction Pursuant to Plans and Laws; Prevailing Wages; Accessibility.

(a) Changes. Borrower shall construct the Project substantially in accordance with the conceptual site plans and the Plans and Specifications and the terms and conditions of the land use permits and approvals and building permits, including any variances granted. Borrower shall notify the County in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the Construction Plans. Consent to any additions, changes, or deletions to the work do not relieve or release Borrower from any other obligations under this Agreement, or relieve or release Borrower or its surety from any surety bond.

(b) Compliance with Laws. To the extent applicable, Borrower shall cause all work performed in connection with the Project to be performed in compliance with all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter including without limitation and to the extent applicable, (1) the property standards set out in 24 C.F.R. 5.701 et seq. and 24 C.F.R. 92.251 or adopted by the County in conformance therewith; and (2) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work will proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and Borrower shall be responsible to the agency for the procurement and maintenance thereof, as may be required of Borrower and all entities engaged in work on the Project.

(c) Prevailing Wages. To the extent required by law, in the construction of the Project, Borrower shall and shall cause its respective contractors and subcontractors to pay prevailing wages in performing the development activities as may be required under federal Davis-Bacon Act (40 USC 3141-3148) and the labor compliance provisions in the attached Exhibit H incorporated herein by this reference, and pursuant to Labor Code Sections 1720 et seq. (the "Prevailing Wage Requirements"), and the implementing regulations of the Department of Industrial Relations (the "DIR"), to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the DIR and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., 1810-1815, and implementing regulations of the DIR. To the extent Prevailing Wage Requirements are applicable, Borrower shall and shall cause its respective contractors and subcontractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq., and that apprentices have been employed as required by Labor Code Section 1777.5 et seq., and shall, from time to time upon the request of the County provide to the County such records and other documentation reasonably requested by the County. Copies of the currently applicable per diem prevailing wages are available from the County. To the extent Prevailing Wage Requirements are applicable, Borrower shall post the applicable prevailing rates of per diem wages at the project site. To the extent Prevailing Wage Requirements are applicable, Borrower shall cause its respective contractors and subcontractors to be registered as set forth in Labor Code Section 1725.5. In addition, and only to the extent Prevailing Wage Requirements are applicable, Borrower shall cause its respective contractors and subcontractors to do all the following:

(1) All calls for bids, bidding materials and the construction contract documents for the Project must specify that: (i) No contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the Project unless registered with the DIR pursuant to Labor Code Section 1725.5; and (ii) The Project is subject to compliance monitoring and enforcement by the DIR;

(2) To the extent required by law: (i) Borrower is required to provide the County all information required by Labor Code Section 1773.3 as set forth in the DIR's online form PWC-100 within two (2) days of the award of the contract (<https://www.dir.ca.gov/pwc100ext/>); (ii) Borrower shall cause its respective contractors to post job site notices, as prescribed by applicable DIR regulations; and (iii) Borrower shall cause its respective contractors to furnish payroll records required by Labor Code Section 1776 directly to the Labor Commissioner, at least monthly in the electronic format prescribed by the Labor Commissioner.

(d) Borrower shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the County) the County and its board members, officers and employees against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Borrower, its contractors and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq. and prevailing wage requirements of the federal Davis-Bacon Act (40 USC 3141-3148), to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with the

performance of the development activities or any other work undertaken or in connection with the Property. The requirements in this subsection survive the repayment of the County Loan, and the reconveyance of the Deed of Trust.

(e) The prime contractor and all subcontractors shall be required to pay their laborers and mechanics employed under this Agreement, a wage not less than minimum wage classification, as specified in the applicable Federal law when the contract amount for the prime contract exceeds \$2,000. The prime contractor is responsible for ensuring subcontractor compliance with Davis-Bacon Act and related requirements. Federal Labor Standards Provisions (HUD 4010) apply to the Project. A weekly certified payroll submitted through LCP Tracker (as defined in Exhibit J) is required during the term of construction of the Project. Payment of disbursement components may be delayed when certified payrolls are not properly submitted.

(f) For purposes of this Section 3.8, the "initial construction" of the Project shall mean the work required in order to construct such improvements and obtain the Certificate of Completion for the Project.

(g) Accessibility Requirements. The Borrower shall construct the Project to comply with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act, Section 504 of the Construction Act of 1973, Title II and/or Title III of the Americans with Disabilities Act of 1990, Title 24 of the California Code of Regulations and the Uniform Federal Accessibility Standards ("UFAS"). In compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.), a minimum of three (3) Units, representing five percent (5%) of the Units in the Project, shall be constructed to be readily accessible and usable by households with a mobility impaired member and a minimum of two (2) Units, representing two percent (2%) of the Units in the Project) shall be constructed and to be readily accessible and usable by households with a hearing or visually impaired member. All Units in the Project shall also be built to comply with the Uniform Federal Accessibility Standards under 49 C.F.R. 31528.

Section 3.9 Equal Opportunity.

(a) During the construction of the Project there shall be no discrimination on the basis of race, color, creed, religion, sex, sexual orientation, gender identity, marital status, national origin or ancestry, or source of income, in the hiring, firing, promoting or demoting of any person engaged in the construction work.

(b) In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. A faith-based organization that is a recipient or subrecipient of HOME funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from federal, state, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as

worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HOME program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(c) Nothing in this Section prohibits the Borrower from requiring Units in the Project to be available to and occupied by income eligible households in accordance with the Regulatory Agreements.

Section 3.10 Minority and Women-Owned Contractors.

Borrower shall use its best efforts to afford minority-owned and women-owned business enterprises the maximum practicable opportunity to participate in the construction of the Project. Borrower shall, at a minimum, notify applicable minority-owned and women-owned business firms located in San Bernardino County of bid opportunities for the construction of the Project. A listing of minority owned and women owned businesses located in the County and neighboring counties is available from the County. Documentation of such notifications must be maintained by Borrower and available to the County as requested.

Section 3.11 Progress Reports.

(a) From the date of commencement of construction and until such time as Borrower has received a Certificate of Completion for the Project, Borrower shall provide the County with quarterly progress reports regarding the status of the construction of the Project.

(b) The Borrower shall provide any information reasonably requested by the County in connection with the Project.

Section 3.12 Construction Responsibilities.

(a) Borrower is responsible for the coordination and scheduling of the work to be performed so that commencement and completion of the construction of the Project will take place in accordance with this Agreement.

(b) Borrower is solely responsible for all aspects of Borrower's conduct in connection with the Project, including (but not limited to) the quality and suitability of the Plans and Specifications, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the County with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations to the County, and may not be relied upon by Borrower or by any third parties as a warranty or representation by the County as to the quality of the design or construction of the Project.

Section 3.13 Certificates of Completion. Promptly after completion of the Project, and upon written request from the Borrower, in accordance with those provisions of this Agreement relating solely to the obligations of the Borrower to construct the Project; and the County's determination that the Borrower various obligations with regards to completion of the Project under this Agreement have been met; the County will provide the Borrower with one or more Certificates of Completion for the Project. If upon the written request from the Borrower, the County determines, at its sole discretion, that the requesting Borrower is not entitled to a Certificate of Completion, the County shall within twenty (20) days of such request, provide such Borrower with a written response stating with specificity the obligations required to be completed as a condition for issuing the Certificate of Completion. If the County fails to issue or fails to provide a written response stating with specificity the reasons the County will not issue a Certificate of Completion to a requesting Borrower within twenty (20) days of a request hereunder, then the requesting Borrower shall be deemed to be entitled to receive such Certificate of Completion.

(b) Such Certificates of Completion shall be conclusive evidence that the covenants in this Agreement with respect to the obligations of Borrower to construct their portions of the Project described in such certificates and the dates for the beginning and completion thereof have been met; provided, however, such certifications shall not be conclusive evidence regarding Borrower satisfaction of the prevailing wage requirements of Section 3.8(c) above. Such Certificates of Completion shall be in the form attached hereto as Exhibit H. Such certifications and determinations shall not constitute evidence of compliance with or satisfaction of any obligation of the Borrower to any holder of a deed of trust securing money loaned to finance any portion of the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code.

Section 3.14 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or a stop notice affecting the County Loan is served on the County or any other lender or other third party in connection with the Project, then Borrower shall, within twenty (20) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the County a surety bond in sufficient form and amount, or provide the County with other assurance satisfactory to the County that the claim of lien or stop notice will be paid or discharged.

(b) If Borrower fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section or obtain a surety bond, then in addition to any other right or remedy, the County may (but is under no obligation to) discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternately, the County may require Borrower to immediately deposit with the County the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The County may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

(c) Borrower shall file a valid notice of cessation or notice of completion upon cessation of construction work on the Project for a continuous period of thirty (30) days or more, and take all other steps necessary to forestall the assertion of claims of lien against the Property. Borrower authorizes the County, but the County has no obligation, to record any

notices of completion or cessation of labor, or any other notice that the County deems necessary or desirable to protect its interest in the Project.

Section 3.15 Inspections.

(a) The Borrower shall permit and facilitate, and shall require its contractors to permit and facilitate, observation and inspection of the Project by the County and by public authorities during reasonable business hours upon forty-eight (48) hours' written notice for the purposes of determining compliance with this Agreement, provided, however, that nothing in this Agreement shall entitle the County to enter an occupied unit in the Project without notice to the tenant thereof, which the Borrower shall deliver on behalf of the County, and permission from such tenant to the extent such permission is required by law. Such inspections do not relieve the Borrower, or its contractors, from any applicable requirement to obtain other County inspections in connection with the construction of the Project Improvements.

(b) After the completion of an inspection the County shall deliver a copy of the inspection report to the Borrower. If the County determines as a result of such inspection that there are any life-threatening health and safety related deficiencies, Borrower has the obligation to correct such deficiencies immediately, in accordance with 24 C.F.R. 92.251. If the County determines as a result of the inspection that there are any deficiencies for any of the inspectable items in the Project, the Borrower shall correct such deficiencies within fifteen (15) days from the delivery of the inspection report 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. In addition, the Borrower acknowledges that the County may re-inspect the Project to verify all deficiencies have been corrected or rely on third party documentation submitted by the Borrower for non-hazardous deficiencies in conformance with 24 C.F.R. 92.504(d).

Section 3.16 Approved Financing Plan.

As of the date of this Agreement, the County has approved the Approved Financing Plan set forth in Exhibit G. Borrower shall submit any proposed or required amendments to the Approved Financing Plan, along with evidence that the changes to the Approved Financing Plan are reasonable and necessary, to the County for approval within fifteen (15) days of the date Borrower receives information indicating that actual costs of the Project materially vary or will vary from the costs shown on the Approved Financing Plan, which approval shall not be unreasonably withheld or delayed. Written consent of the County will be required to amend the Approved Financing Plan. The County will make best efforts to respond in writing within seven (7) days after receipt of a proposed amendment to the Approved Financing Plan.

Section 3.17 Developer Fee.

(a) The maximum cumulative Developer Fee that may be paid to any entity or entities providing development services to the Project, whether paid up-front or on a deferred basis, may not exceed One Million Eight Hundred Thousand (\$1,800,000) and as approved by the County. For the purposes of this Agreement "Developer Fee" has the meaning set forth in California Code of Regulations, Title 4, Section 10302. Except for the Developer Fee and amounts payable to the General Contractor under the Construction Contract, no compensation

from any source shall be received by or be payable to the Borrower or any affiliate of the Borrower in connection with the provision of development and construction management services for the acquisition and construction of the Project.

(b) Cost savings at completion. Subject to the rights of Senior Lenders, pursuant to Section 2.7(d), the Borrower may request to reduce the outstanding balance of the deferred Developer Fee subject to the County's reasonable approval. Although no County approval is required in order to increase the deferred Developer Fee from the amount listed in Section 3.17(a), the Borrower shall notify the County of any change to the amount of deferred Developer Fee.

Section 3.18 Marketing Plan.

(a) No later than six (6) months prior to the projected date of the Completion of Construction of the Project Improvements, Borrower shall submit to the County for approval its plan for marketing the Project to income-eligible households as required pursuant to the Regulatory Agreement, including information on affirmative marketing efforts and compliance with fair housing laws and 24 C.F.R. 92.351(a) (the "Marketing Plan").

(b) Upon receipt of the Marketing Plan, the County will promptly review the Marketing Plan and will approve or disapprove it within fifteen (15) business days after submission. If the Marketing Plan is not approved, Borrower shall submit a revised Marketing Plan within fifteen (15) business days. Borrower shall follow this procedure for resubmission of a revised Marketing Plan until the Marketing Plan is approved by the County.

(c) If after five (5) months after the Completion of Construction any HOME-Assisted Unit remains unoccupied, the Borrower shall submit a detailed report of the ongoing marketing efforts, and if deemed appropriate by the County, any necessary amendments or updates to the Marketing Plan aimed at ensuring any unoccupied HOME-Assisted Unit is promptly leased. If any of the HOME-Assisted Units remain unoccupied eleven (11) months after the Completion of Construction, the Borrower shall submit a detailed report of the ongoing marketing efforts and submit to the County an update to the Marketing Plan. Failure to lease all of the HOME-Assisted Units to an eligible tenant within eighteen (18) months of Completion of Construction shall trigger the special repayment pursuant to Section 2.7(b).

ARTICLE 4.
LOAN REQUIREMENTS

Section 4.1 HOME Match and Per Unit Subsidy Requirement.

(a) The Borrower shall ensure that the County Loan is matched with a minimum of four-hundred fifty-thousand dollars (\$450,000) in other, non-federal sources to be used to fund the construction of the Project.

(b) The total amount of the County Loan may not exceed the maximum per unit subsidy for HOME-Assisted Units amount established under 24 C.F.R. §92.250. The County has determined that the applicable maximum per unit subsidy applicable to the HOME-

Assisted Units at the time of this Agreement is two hundred seventy-six thousand four hundred and eighty-two dollars (\$276,482) per unit.

Section 4.2 Financial Accountings and Post-Completion Audits.

(a) No later than ninety (90) days following Completion of Construction of the Project and issuance of the Certificate of Completion for the Project, Borrower shall provide to the County a financial accounting of all sources and uses of funds for the Project. No later than one hundred eighty (180) days following Completion of Construction of the Project, or such other period as may be allowed by TCAC for a similar requirement, Borrower shall submit to the County a copy of the cost certification report prepared by the Borrower's accountant and submitted to TCAC showing the sources and uses of all funds utilized for the Project Improvements. However, if the cost certification report prepared by the Borrower's accountant and submitted to TCAC will not be available to submit to the County within one hundred eighty (180) days following Completion of Construction of the Project, Borrower shall submit to the County an audited financial report showing the sources and uses of all funds utilized for the Project Improvements.

(b) This requirement may be satisfied by providing the Final Cost Certification to the County. "Final Cost Certification" means the Final Cost Certification Sources and Uses of Funds prepared by Borrower for the Project that: (1) Borrower submits to TCAC; and (2) has been prepared using generally accepted accounting procedures in effect in the United States from time to time, consistently applied.

Section 4.3 Annual Operating Budget.

At the beginning of each year of the Term, Borrower shall provide to the County an annual budget for the operation of the Project.

Section 4.4 Information.

Borrower shall provide any information related to the Project reasonably requested by the County in connection with the Project, including (but not limited to) any information required by HUD in connection with Borrower's use of the County Loan funds.

Section 4.5 Records.

(a) Borrower shall keep and maintain at the Project, or at the corporate offices of the Borrower's general partner, or elsewhere with the County's written consent, full, complete and appropriate books, records and accounts relating to the Project, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail Borrower's calculation of Residual Receipts, and disbursements of Residual Receipts. Books, records and accounts relating to Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement. All applicable financial documents are to be kept and maintained in accordance with generally accepted accounting principles consistently applied. All such books, records, and accounts shall at reasonable times 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 and forty-eight hours' prior written notice to Borrower.

Borrower shall preserve such records for a period of not less than five (5) years after the creation of such records in compliance with all HUD records and accounting requirements. Copies of all tax returns and other reports that Borrower may be required to furnish to any governmental agency are 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. 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. The records are 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 such a form as to allow 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 County and HUD property standards and lead-based paint requirements, including, as applicable, the Uniform Physical Conditions Standards established by HUD pursuant to 24 C.F.R. 5.703;
- (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 Uniform Grant Guidance (2 C.F.R. Part 200);
- (5) Records demonstrating compliance with the Tenant Selection Plan requirements pursuant to 24 C.F.R. 92.253(d), and HOME affordability and income requirements;
- (6) Records demonstrating compliance with MBE/WBE requirements;
- (7) Records demonstrating compliance with 24 C.F.R. Part 75 which implements Section 3 of the Housing Project Act of 1968 (including those in Exhibit J of this Agreement);
- (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;
- (9) Records demonstrating compliance with applicable labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid.
- (10) Records demonstrating compliance with 24 C.F.R. 8.20.

(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.

Section 4.6 County Audits.

(a) Each year, Borrower shall provide the County with a copy of Borrower's annual audited financial statements, which is to include information on all of Borrower's activities, in addition the Borrower's general partners shall submit audited financial statements and the Borrower and the Borrower's general partners shall submit all other financial information pertaining to the Project as is reasonably requested by the County determined by the County as necessary for compliance with the requirements of 24 C.F.R. 504(d). Borrower shall also follow audit requirements of the Single Audit Act and Uniform Grant Guidance (UGG) 2 C.F.R. Part 200.

(b) The receipt by the County of any statement pursuant to subsection (a) above or any payment by the Borrower or acceptance by the County of any loan repayment for any period shall not bind the County as to the correctness of such statement or such payment. In addition, within three (3) years after the receipt of any such statement the County or any designated agent or employee of the County at any time, upon three (3) business days' prior written notice, is entitled to audit the Residual Receipts of the Project, and all of Borrower's books, records, and accounts pertaining to the Project, excluding any privileged or confidential materials. Such audit is to be conducted during normal business hours at the principal place of business of Borrower and other places where records are kept. Immediately after the draft completion of an audit, the County shall deliver a copy of the results of the audit to Borrower. If it is determined as a result of such audit that there has been a deficiency in a loan repayment to the County, then such deficiency will become immediately due and payable with interest at the Default Rate from the date the deficient amount should have been paid. In addition, if any audit conducted pursuant to this Section 4.6 determines that Residual Receipts have been understated for any fiscal year by more than five percent (5%) and the County is entitled to any additional County Loan repayment as a result of said understatement, then the Borrower shall pay, in addition to the amounts set forth above, all of the reasonable costs and expenses incurred by the County in connection with the audit and review of Borrower's accounts or records. In addition, upon the occurrence of an uncured Event of Default, the County or any designated agent or employee of the County at any time, upon three (3) business days' prior written notice, is entitled to audit all of books, records, and accounts pertaining to any of the Sponsor's development activities, excluding any privileged or confidential materials.

(c) If Borrower contests the draft conclusions of any audit, Borrower shall have thirty (30) days to provide the County and its auditor with a detailed explanation of its position and supporting documentation. The County and its auditor shall consider Borrower's position in good faith. At any party's request, Borrower and the County (and/or their respective auditors or accountants) shall meet to resolve factual or interpretive disputes, following which the County shall notify Borrower of final audit conclusions. Borrower shall be deemed to have acceded to such conclusions unless Borrower within fifteen (15) days notifies the County of its objection, in which event either party would have such rights and remedies as provided in this Agreement and by applicable law. The County's cost of any review or contest pursuant to this paragraph shall be borne by Borrower unless the final audit determines that any understatement

of Residual Receipts by Borrower in any fiscal year was less than five percent (5%). Notwithstanding anything to the contrary herein, the Borrower shall bear its own costs to review or contest findings made hereunder.

Section 4.7 HOME Requirements.

(a) Borrower shall comply with all applicable laws and regulations governing the use of the HOME Loan funds as set forth in 24 C.F.R. Part 92, including the requirements of the Regulatory Agreement. In the event of any conflict between this Agreement and applicable laws and regulations governing the use of the County Loan funds, the applicable laws and regulations govern. During the HOME Term, these requirements are federal requirements, implemented by the County; thereafter, these requirements are deemed local County requirements.

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

(1) Eligible Project Costs. Restrictions on funding only eligible project costs as defined under 24 C.F.R. 92.206 (subject to Section 2.3 above).

(2) Environmental and Historic Preservation. 24 C.F.R. Part 50 and 24 C.F.R. Part 58 et seq., 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.

(3) Applicability of Super Circular. The applicable policies, guidelines, and requirements of Title 2, C.F.R Part 200- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

(4) Debarred, Suspended or Ineligible Contractors and Participants. The prohibition on the use of debarred, suspended, or ineligible contractors and participants set forth in 24 C.F.R. Part 2424.

(5) Civil Rights, Housing and Community Project, and Age Discrimination Acts. The requirements set forth in 24 C.F.R. §5.105(a), including but not limited to, the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by

Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise), and 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 Project Act of 1974 as amended; Executive Order 13672 concerning Gender Identity.

(6) 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 et seq. and 24 C.F.R. 92.355.

(7) 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; 24 C.F.R. 570.606; Section 104(d) of the Housing and Community Project Act of 1974 and implementing regulations at 24 C.F.R. 42 et seq.; 24 C.F.R. 92.353; and California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq. If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, then Borrower shall comply with all applicable local, state, and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. If and to the extent applicable, Borrower shall prepare and submit a relocation plan to the County for approval. Borrower is solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. Borrower shall indemnify, defend (with counsel reasonably chosen by the County), and hold harmless the County against all claims that arise out of relocation obligations to residential tenants, homeowners, or businesses permanently or temporarily displaced by the Project.

(8) 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), the Uniform Federal Accessibility Standards (24 C.F.R. 8.20, et seq. 8.51) 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.

(9) 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.

(10) Uniform Administrative Requirements. The provisions of 2 C.F.R. 200 regarding Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards.

(11) Training Opportunities. The requirements of Section 3 of the Housing and Urban Project Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3") and implementing regulations 24 C.F.R. 135 et seq., 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 Agreement:

(A) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Project 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.

(B) 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.

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

(1) 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

(2) 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.

(D) 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.

(E) 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.

(F) 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.

(G) Developer 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 (1) above, and meets or exceeds the applicable Section 3 benchmark as described in 24 C.F.R. 75.23(b).

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

(I) 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.

(J) As applicable, 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).

(12) 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 1.5 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.

(13) Drug Free Workplace. The requirements set forth in 24 C.F.R. §5.105(d), including but not limited to, the requirements of the Drug Free Workplace Act of 1988 (P.L. 100-690, 41 U.S.C. 701, et seq.) and HUD's implementing regulations at 24 C.F.R. Part 2429.

(14) Anti-Lobbying; Disclosure Requirements. The requirements set forth in 24 C.F.R. §5.105(b), including but not limited to, the disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 C.F.R. Part 87 and the requirements for funding competitions established by the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et seq.).

(15) 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 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.

(16) Flood Disaster Protection. The requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234) (the "Flood Act"). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of the Flood Act, for use in an area identified by HUD as having special flood hazards which is not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of the Flood Act. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program is subject to the mandatory purchase of flood insurance requirements of Section 102(a) of the Flood Act. If the Property is located in an area identified by HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., the property owner and its successors or assigns must obtain and maintain, during the ownership of the Property, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(s) of the Flood Act. Such provisions are required notwithstanding the fact that the construction on the Property is not itself funded with assistance provided under this Agreement.

(17) 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.

(18) HUD Regulations. Any other HUD regulations present or as may be amended, added, or waived in the future pertaining to the County Loan funds including but not limited to HUD regulations as may be promulgated regarding subrecipients.

(19) Physical Needs Assessment. The Borrower shall conduct, or caused to be conducted, a physical needs assessment on the Project once every five (5) years from the date that the Construction of the Project is completed. The Borrower shall comply with all HUD requirements for conducting and documenting the physical needs assessment and shall provide the County with a copy of all documentation related to each physical needs assessment conducted, or caused to be conducted, by the Borrower. Borrower may pay for such physical needs assessment from the annual regulatory compliance monitoring fee funds paid pursuant to Section 1.1(c).

(20) Housing Counseling. Compliance with the requirements of 24 C.F.R. §5.111, any housing counseling, including homeownership counseling or rental housing counseling, as defined in 24 C.F.R. §5.100, required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling, consistent with 12 U.S.C. 1701x.

(21) VAWA Requirements. The requirements of the Violence Against Women Act at 24 C.F.R. part 5, subpart L. The owner of HOME-assisted rental housing must provide the notice and certification form described in 24 CFR 5.2005(a) to the applicant for a HOME-Assisted Unit at the time the applicant is admitted to a HOME-Assisted Unit, or denied admission to a HOME-Assisted Unit based on the owner's tenant selection policies and criteria. The owner of HOME-assisted rental housing must also provide the notice and certification form described in 24 CFR 5.2005 with any notification of eviction from a HOME-Assisted Unit.

Section 4.8 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and may not cause or permit the Property to be in violation of, any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower may not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the Project or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the County in writing if at any time it receives written notice of: (1) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (2) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (1) and (2) above are hereinafter referred to as "Hazardous Materials Claims"); and (3)

Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code, Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The County has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the County and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (1) all foreseeable consequential damages; (2) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans and (3) all reasonable costs and expenses incurred by the County in connection with clauses (1) and (2), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (A) losses attributable to diminution in the value of the Property; (B) loss or restriction of use of rentable space on the Property; (C) adverse effect on the marketing of any rental space on the Property; and (D) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement.

(d) Without the County's prior written consent, which will not be unreasonably withheld, Borrower may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims.

Section 4.9 Maintenance and Damage.

(a) During the course of both construction and operation of the Project, Borrower shall maintain the Project in good repair and in a neat, clean and orderly condition, consistent with quality affordable housing developments owned or operated by Borrower's Affiliates. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving written notice from the County of such a condition, if Borrower is incapable of curing a default within such thirty (30) day period, the County will give the Borrower ninety (90) days to cure such default provided Borrower has commenced to cure within such thirty (30) day period and is diligently proceeding to cure such default through the end of such period, then in addition to any other rights available to the County, the County may perform all acts necessary to cure such condition, and to establish or

enforce a lien or other encumbrance against the Property, subject to the provisions provided in subsection (b) below.

(b) Subject to the requirements of Senior Lenders, and if economically feasible in the County's judgment after consultation with Borrower, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the Plans and Specifications approved by the County with such changes as have been approved by the County. Such work or repair is to be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the County in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and is to be completed within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction are to be applied to the cost of such repairs or restoration and, if such insurance proceeds are insufficient for such purpose, then Borrower shall make up the deficiency. If Borrower does not promptly make such repairs then any insurance proceeds collected for such damage or destruction are to be promptly delivered by Borrower to the County as a special repayment of the County Loan, subject to the rights of HUD and the Senior Lenders, as applicable.

Section 4.10 Management Plan and Procedures.

(a) No later than the date set forth in the Schedule of Performance, the Borrower shall submit to the County an initial proposed Management Plan for the Project which shall identify the name and qualifications of a proposed management agent, and include a proposed management agreement and written guidelines or procedures for tenant selection, operation and management of the Project, and implementation of the income certification and reporting requirements of the Regulatory Agreement (collectively, the "Management Plan"). The County shall approve or disapprove the Management Plan in writing within fifteen (15) calendar days following the County's receipt of the complete Management Plan, which approval shall not be unreasonably denied. If the Management Plan is disapproved by the County, the County shall deliver a written notice to the Borrower setting forth, in reasonable detail, the reasons for such disapproval. The Borrower shall have fifteen (15) calendar days following the receipt of such notice to submit a revised Management Plan.

(b) The provisions of this Section relating to time periods for approval, disapproval, and resubmission of the new Management Plan shall continue to apply until the Management Plan has been approved by the County; provided, however, that if the County's reasonable approval of the Management Plan has not been obtained by the date set forth in the Schedule of Performance the County may terminate this Agreement.

Section 4.11 Management Agent; Periodic Reports.

(a) Management Agent. The Project shall at all times be managed by an experienced Management Agent reasonably acceptable to the County, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing. The Borrower shall submit to the County for approval the name and qualifications of a proposed management agent. For any change in the Management Agent, the Borrower shall submit for the County's approval the identity of any proposed Management Agent. The 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 the Borrower in writing. National Community Renaissance of California, a California nonprofit public benefit corporation, is hereby approved as the initial management agent.

(b) Performance Review. The County reserves the right to conduct a periodic review of the management practices and financial status of the Project within thirty (30) days after each anniversary of the issuance of the Certificate of Completion. The purpose of each periodic review will be to enable the County to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. The Borrower shall cooperate with the County in such reviews.

(c) Books, Records and Reports. For purposes of such periodic reviews, the Borrower and the Management Agent shall make available to the County for inspection all books and records with respect to the Project. In addition, the Borrower shall provide the County with: (i) by not later than thirty (30) days prior to commencement of each calendar year, the annual budget for the upcoming calendar year; (ii) within ninety (90) days following the end of each calendar year, a report showing the actual income and expenditures with respect to the Project for the immediately preceding calendar year and the status of all reserve funds; and (iii) within one hundred twenty (120) days following the end of each calendar year, a copy of the Borrower's federal income tax filings for the calendar year.

(d) Replacement of Management Agent. If, as a result of a periodic review, the County determines in its reasonable judgment that the Project is not being operated and managed in accordance with any of the requirements and standards of this Agreement and the Regulatory Agreement, the County shall deliver notice to the Borrower of such operational issues which notice shall describe the County's findings with specificity and the County may in same notice, notify the Borrower its intention to cause replacement of the Management Agent, subject to the rights of partners of the Partnership. Within thirty (30) days of receipt by the Borrower of such written notice, County staff and the Borrower, and any partners of the Partnership, shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent.

(e) If, after such meeting, County staff recommends in writing the replacement of the Management Agent, with the reasonable concurrence of the partners of the Partnership, the Borrower shall promptly dismiss the then Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a Management Agent set forth in subsection (a) above and approved by the County pursuant to subsection (a) above.

(f) Any contract for the operation or management of the Project entered into by the Borrower shall provide that the contract can be terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section shall constitute an Event of Default under Section 6.1 of this Agreement.

Section 4.12 Approval of Management Plan Modifications.

Pursuant to Section 4.10, County is to review and approve the initial written Management Plan for the Project. Each year thereafter, within sixty (60) days of the end of the calendar year, the Borrower shall submit to the County any proposed changes to the Management Plan. The County shall approve or disapprove the proposed changes to the Management Plan in writing within fifteen (15) calendar days following the County's receipt of the request to amend the Management Plan, which approval shall not be unreasonably denied. If the change to the Management Plan is disapproved by the County, the County shall deliver a written notice to the Borrower setting forth, in reasonable detail, the reasons for such disapproval. The Borrower shall have fifteen (15) calendar days following the receipt of such notice to submit a revised Management Plan modification in any way necessary to ensure that such policies comply with the provisions of this Agreement. The County's approval of the amendments to the Management Plan shall not be unreasonably withheld.

Section 4.13 Fees and Taxes.

Borrower is solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles.

Section 4.14 Notice of Litigation.

Borrower shall promptly notify the County in writing of any litigation related to the Project, and any litigation related to the Borrower for which the amount claimed or at issue is in excess of Fifty Thousand Dollars (\$50,000), and of any claims or disputes that involve a material risk of such litigation.

Section 4.15 Operation of Project as Affordable Housing.

(a) Promptly after completion of construction Borrower shall operate the Project as an affordable housing development consistent with: (1) HUD's requirements for use of the HOME Funds; (2) the Regulatory Agreement; and (3) any other regulatory requirements imposed on Borrower including but not limited to regulatory agreements associated with the Authority Loan, and Low Income Housing Tax Credits provided by TCAC.

(b) Before leasing any HOME-Assisted Unit in the Project, Borrower shall submit its proposed form of lease agreement for the County's review and approval. The Lease must not contain any provision which is prohibited by 24 C.F.R. 92.253(b) and any modifications thereto. The initial term of the lease for any Unit in the Project is to be for no less than one (1) year, except by mutual agreement between Borrower and the Tenant. Any Borrower termination of a lease agreement for any unit in the Project or refusal to renew must be in conformance with 24 C.F.R. 92.253(c), and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

(c) Before leasing any HOME-Assisted Unit in the Project, Borrower shall provide the County, for its review and approval, with Borrower's written tenant selection plan (the "Tenant Selection Plan"), which plan shall be in compliance with the requirements of 24 C.F.R. 92.253(d), and the Marketing Plan.

(d) Borrower shall evaluate the income eligibility of each Tenant household in Units pursuant to the County's approved Tenant certification procedures within sixty (60) days before the household's expected occupancy of one of the Units. For all HOME-Assisted Units, Borrower shall certify or cause the property manager to certify each Tenant household's income on an annual basis.

(e) Borrower shall maintain all documents setting forth the household income of each household occupying a Unit, and the total amount for rent, utilities, and related services charged to each household occupying the Project, as prescribed by the Regulatory Agreement and all other recorded regulatory restrictions.

Section 4.16 Nondiscrimination.

(a) Borrower herein covenants by and for itself, its heirs, executors, administrators, successors and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor may 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, subtenants, sublessees or vendees in the Property. Borrower shall comply with Executive Orders 11246, 11375, 11625, 12138, 12431, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and local laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted. The foregoing covenant will run with the land.

Section 4.17 Transfer.

(a) Definition. For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of: (1) any rights and/or duties under this Agreement; and/or (2) any interest in the Project, 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 Project is transferred and Borrower retains title. The term "Transfer" excludes the leasing of a Unit in the Project to an occupant in compliance with the Regulatory Agreement, and the leasing of any unrestricted units. The County Executive Officer is authorized to execute assignment and assumption agreements on behalf of the County to implement any approved Transfer.

(b) Prohibition. Except as expressly permitted in this Agreement, the Borrower represents and agrees that the Borrower shall not make or create, or suffer to be made

or created, any Transfer, either voluntarily or by operation of law without the prior written approval of the County.

(1) The limitations on Transfers set forth in this Section shall apply throughout the Term.

(2) Any Transfer made in contravention of this Section shall be void and shall be deemed to be a default under this Agreement whether or not the Borrower knew of or participated in such Transfer.

(c) Permitted Transfers. Notwithstanding the foregoing, the following are permitted Transfers approved by the County (each a "Permitted Transfer"):

(1) The grant of the security interests in the Project for Approved Financing.

(2) The Borrower anticipates syndicating partnership interests based in part on the Low Income Housing Tax Credits that will be generated by the Project. The County hereby approves the admission of an Investor Limited Partner into the Borrower, provided that: (i) all documents associated with the admission of an Investor Limited Partner to the Borrower, including the Partnership Agreement, are submitted to the County for review and approval, which approval shall not be unreasonably withheld or delayed; (ii) that the Partnership Agreement and other partnership documents are consistent with and do not conflict with the Loan Documents and the Approved Financing Plan; and (iii) the partnership documents provide for capital contributions by the Investor Limited Partner in the partnership in amounts not less than those set forth in the Approved Financing Plan or as otherwise approved by the County in its reasonable discretion. The County hereby approves the admission of Wells Fargo Affordable Housing Community Development Corporation as Investor Limited Partner.

(3) In the event the Borrower admits an Investor Limited Partner, the County hereby approves future Transfers of the limited partner interest in the partnership provided that: (i) such Transfers do not affect the timing and amount of the limited partner capital contributions provided for in the Partnership Agreement last approved by the County pursuant to Section 4.17(c)(2); and (ii) either (A) in subsequent Transfers, an affiliate of the initial Investor Limited Partner retains a membership or partnership interest and serves as a managing member or managing general partner of the successor limited partner; or (B) in subsequent Transfers the initial limited partner remains liable for all unpaid capital contributions. Notwithstanding anything to the contrary, once all capital contributions provided for in the Partnership Agreement have been made, the limited partner interest in the Borrower may be transferred with prior written notice to the County.

(4) The removal, or withdrawal in lieu of removal, of any of Borrower's general partners for cause pursuant to the Partnership Agreement shall not require the County's consent or constitute a default under this Agreement. Notwithstanding anything to the contrary set forth in this Agreement or any of the Loan Documents, in the event that any general partner of Borrower is removed by the limited partner of Borrower, or withdraws in lieu of being removed, for cause following default under the Borrower's Partnership Agreement, the County hereby approves the transfer of such general partner interest to an affiliate of the Investor

Limited Partner of Borrower (which affiliate is not a 501(c)(3) tax-exempt public benefit corporation) to act as the interim replacement general partner for a period of time not longer than one hundred twenty (120) days, with the understanding and agreement that the replacement general partner following the interim general partner shall be approved in advance and in writing by the County, which approval shall not be unreasonably withheld, provided that: (i) all documents associated with the removal of the general partner, including the Partnership Agreement, are submitted to the County for review and approval, which approval shall not be unreasonably withheld or delayed; (ii) that the Partnership Agreement and other partnership documents are consistent with and do not conflict with the Loan Documents and the approved Financing Plan.

(d) During the term of the County Loan, subject to Section 2.5(d) hereof, Borrower will not refinance, re-syndicate, take out a line of credit or otherwise further encumber the property or restructure the debt constituting the Approved Financing without prior notification and approval of the County. Notwithstanding anything to the contrary, Borrower will make best efforts to provide written notification to the County at least one hundred twenty (120) days prior to submittal of applications, and in no event will provide written notification to the County no later than ninety (90) days prior to the closing, for refinancing, tax credits, lines of credit and any other application in which the property may be used as security.

Section 4.18 Insurance Requirements.

(a) Borrower shall maintain the following insurance coverage throughout the Term of the County Loan written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII". If the Borrower uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Borrower agrees to amend, supplement, or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

(b) Without in anyway affecting the indemnity herein provided and in addition thereto, the Borrower shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

(1) Workers' Compensation/Employers Liability.

(A) Workers' Compensation A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Borrower and all risks to such persons under this Agreement.

(B) If Borrower has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the Director of Risk Management.

(C) With respect to borrowers that are non-profit corporations organized under California or federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

(2) Comprehensive General Liability. General Liability Insurance covering all operations performed by or on behalf of Borrower providing coverage for bodily injury and property damage with a combined single limit of not less than One Million Dollars (\$1,000,000), per occurrence. The policy coverage must include:

- (A) Premises operations and mobile equipment.
- (B) Products and completed operations.
- (C) Broad form property damage (including completed operations).
- (D) Explosion, collapse, and underground hazards.
- (E) Personal injury.
- (F) Contractual liability.
- (G) \$2,000,000 general aggregate limit.

(3) Comprehensive Automobile Liability.

(A) Primary insurance coverage must be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol I (any auto).

(B) The policy must have a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

(C) If the Borrower is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy must have a combined single limit of Two Million Dollars (\$2,000,000) for bodily injury and property damage per occurrence.

(D) If the Borrower owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

(4) Builders' Risk/Property Insurance. Builders' Risk insurance during the course of construction, and upon completion of construction, property insurance covering the Project, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the County, naming the County as a Loss Payee, as its interests may appear. Flood insurance must be obtained if required by applicable federal regulations.

(5) Commercial Crime. Commercial crime insurance covering all officers and employees, for loss of Loan proceeds caused by dishonesty, in an amount approved by the County, naming the County a Loss Payee, as its interests may appear.

(c) Borrower shall cause any general contractor, agent, or subcontractor working on the Project under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described in subsections (1), (2), and (3) above, meeting all of the general requirements of subsections (e) and (f) below and naming the County as an additional insured. The Borrower agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

(d) An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy must apply to bodily injury/property damage, personal injury/advertising injury and must include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage must also apply to automobile liability.

(e) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsections (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(f) Comprehensive General Liability and Comprehensive Automobile Liability insurance policies must be endorsed to name as an additional insured the County and its officers, agents, employees and members of the Board of Supervisors. The additional insured endorsements must not limit the scope of coverage for the County to vicarious liability but must allow coverage for the County to the full extent provided by the policy. Such additional insured coverage must be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

(g) All policies and bonds are to contain: (1) the agreement of the insurer to give the County at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (2) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the County; (3) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (4) a waiver by the insurer of all rights of subrogation against the County and its authorized parties in connection with any loss or damage thereby insured against.

(h) Construction contracts for projects over Three Million Dollars (\$3,000,000) and less than Five Million Dollars (\$5,000,000) require limits of not less than Five Million Dollars (\$5,000,000) in General Liability and Auto Liability coverage.

(i) The Borrower shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit

the Borrower and Borrower's employees or agents from waiving the right of subrogation prior to a loss or claim. The Borrower hereby waives all rights of subrogation against the County.

(j) All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

(k) The Borrower shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage prior to the close of Escrow, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Borrower shall maintain such insurance from the time Borrower commences performance of services hereunder until the completion of such services. Within fifteen (15) days following the close of Escrow, the Borrower shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

(l) The Borrower agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Borrower and the County or between the County and any other insured or additional insured under the policy.

(m) Any and all deductibles or self-insured retentions in excess of Ten Thousand Dollars (\$10,000) shall be declared to and approved by Risk Management.

(n) In the event that any policy of insurance required in this Section does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to obtain such insurance it deems necessary and any premiums paid by the County will be promptly reimbursed by Borrower or County disbursements to Borrower will be reduced to pay for the County purchased insurance.

(o) Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced and available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk. Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Borrower agrees to execute any such amendment within thirty (30) days of receipt. Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

Section 4.19 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 this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement 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.

Section 4.20 Covenants Regarding Approved Financing.

(a) Borrower shall promptly pay the principal and interest when due on any Approved Financing.

(b) Borrower shall promptly notify the County in writing of the existence of any default under any documents evidencing Approved Financing, including formally declared defaults and defaults that have not been formally declared by the lender but the existence of the potential default has been communicated to the Borrower by the lender in writing or otherwise, and provide the County copies of any notice of default.

(c) Borrower may not materially amend, modify, supplement, cancel or terminate any of the documents evidencing Approved Financing without the prior written consent of the County, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) Borrower may not incur any indebtedness of any kind other than Approved Financing or encumber the Project with any liens (other than liens for Approved Financing approved by the County or as otherwise allowed under the County approved Partnership Agreement) without the prior written consent of the County.

Section 4.21 Affordability and Project Monitoring.

(a) Throughout the Term, the Borrower shall comply with all applicable record keeping and monitoring requirements set forth in (24 C.F.R. Section 92.508) of the HOME Regulations and shall annually complete and submit to County a Certification of Continuing Program Compliance in the form attached hereto as Exhibit I, and incorporated herein.

(b) Representatives of the County (and HUD or its authorized representatives) shall be entitled to enter the Property upon at least forty-eight (48) hours' notice at reasonable times to monitor compliance with this Agreement, to inspect the records of the Project with respect to the HOME-Assisted Units, and to conduct an independent audit of such records. The Borrower agrees to cooperate with the County in making the Property available for such inspection. If for any reason the County is unable to obtain the Borrower's consent to such an inspection, the Borrower understands and agrees that the County may obtain, at the Borrower's expense, an administrative inspection warrant or other appropriate legal order to obtain access to and search the Property. The Borrower agrees to maintain records in a business-like manner and to make such records available to the County upon forty-eight (48) hours' notice at reasonable times. Unless the County otherwise approves, such records shall be maintained for the most recent five years until five years after the expiration of the HOME Term.

(c) Throughout the Term, the Borrower grants the County inspection rights as set forth in Section 3.15 above, and Borrower shall make best efforts to allow the County to comply with all applicable physical monitoring requirements set forth in (24 C.F.R. Section 92.504(d) and 24 C.F.R. 92.251) of the HOME Regulations.

(d) The County will enforce a per-unit affordability monitoring charge on all HOME assisted developments. HOME assisted developments will be charged as follows:

- 1-20 HOME-Assisted units = \$35.00 per unit/ annually
- 20+ HOME-Assisted units = \$25.00 per unit/ annually

(e) The County will enforce a physical inspection charge on all HOME assisted developments. The inspection charge for HOME assisted development will be the lesser of: (1) Five Thousand Dollars (\$5,000) per inspection; or (2) the actual costs incurred by the County to secure a qualified third party, independent of the Borrower, to conduct the physical inspections in accordance with the requirements set forth in this Agreement, and any related staffing costs incurred by the County in association therewith. The amounts due under subsections (d) and (e) shall be credited against the \$7,500 annual regulatory compliance monitoring fee paid to the County.

(f) The Borrower shall pay such charge within seven (7) days of receipt of an invoice from the County.

(g) The County reserves the right to waive or defer a portion of the monitoring charge if a development is unable to pay these costs. All waivers must be submitted in writing, with adequate supporting financial documentation, for review by the County EDA Administrator.

Section 4.22 Crime-Free Multi-Housing Unit Program Participation.

For the entire Term, the Borrower shall cause the property managers to participate in the San Bernardino County Sheriff Department's Crime Free Multi-Housing Unit Program, wherein specialized training and other resources are provided to multi-family property owners and managers to reduce the potential for onsite criminal activity. Completion of the Department's four (4) training phases and a Final Certification (Phase V) shall be achieved and maintained by the on-site property manager.

ARTICLE 5.
REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 5.1 Representations and Warranties.

Borrower hereby represents and warrants to the County as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 5 are deemed to be continuing during all times when any or all of the County Loan remains outstanding. The Borrower shall immediately advise the County in writing if there is any material change relating to any matters set forth or referenced in the items set forth below:

(a) Organization. Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted. Copies of the documents evidencing the organization of the Borrower delivered to the County are true and correct copies of the originals.

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. This Agreement and the Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Borrower, or any provision of the organizational documents of Borrower, or will conflict with or constitute a breach of or a default under any agreement to which Borrower is a party, or will result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The construction of the Project will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Project, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the County Loan or impair the security to be given to the County pursuant hereto.

(h) Title to Land. At the time of recordation of the Deed of Trust, Borrower will have good and marketable title to the Project and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than liens for current real property taxes and liens ancillary to the Approved Financing and liens in favor of the County or approved in writing by the County.

(i) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the County fairly and accurately present the information contained therein. As of the date of this Agreement, there has not been any material adverse change in the financial condition of Borrower from that shown by such financial statements and other data and information.

(j) Sufficient Funds. Borrower holds or reasonably expects to receive firm financial commitments for sufficient funds to complete the acquisition of the Property and the construction of the Project in accordance with the Plans and Specifications approved by the County.

(k) Taxes. Borrower and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Borrower or any of its subsidiaries that could, if made, be reasonably expected to have a

material adverse effect upon the Property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower and its subsidiaries, taken as a whole, which would be expected to result in a material impairment of the ability of Borrower to perform under any Loan Document to which it is a party, or a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document.

ARTICLE 6.
DEFAULT AND REMEDIES

Section 6.1 Events of Default.

(a) Subject to Section 8.8, each of the following constitutes an "Event of Default" by Borrower under this Agreement:

(1) Failure to Construct. Failure of Borrower to obtain permits, commence, and prosecute to completion, construction of the Project within the times set forth in the Schedule of Performance, subject to extensions for reasons of force majeure under Section 8.8.

(2) Failure to Make Payment. Failure to repay the principal and any interest on the County Loan within ten (10) days of when such payment is due pursuant to the Loan Documents.

(3) Failure to Comply with the Management Plan. Failure to comply with the Management Plan approved by the County and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the County to the Borrower, which notice provides reasonable detail of the default and the required cure for such default.

(4) Failure to Comply with the Marketing Plan. Failure to comply with the Marketing Plan approved by the County and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the County to the Borrower, which notice provides reasonable detail of the default and the required cure for such default.

(5) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, and Borrower fails to cure such default within forty-five (45) days after receipt of written notice thereof from the County to Borrower, if Borrower is incapable of curing a default within such forty-five (45) day period, the County will give the Borrower one hundred twenty (120) days to cure such default provided Borrower has commenced to cure within such forty-five (45) day period and is diligently proceeding to cure such default through the end of such period; provided, however, that if a different period or notice requirement is specified under any other section of this Article 6, the specific provisions shall control.

(6) Default Under Other Loans. A default is declared under any other financing for the Project by the lender of such financing and such default remains uncured following any applicable notice and cure period.

(7) Insolvency. A court having jurisdiction makes or enters any decree or order: (1) adjudging Borrower to be bankrupt or insolvent; (2) approving as properly filed a petition seeking reorganization of Borrower, or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (3) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties; (4) directing the winding up or liquidation of Borrower if any such decree or order described in clauses (1) to (4), inclusive, is unstayed or undischarged for a period of ninety (90) calendar days; or (5) Borrower admits in writing its inability to pay its debts as they fall due or will have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive.

(8) Assignment; Attachment. Borrower assigns its assets for the benefit of its creditors or suffers a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon is returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution.

(9) Suspension; Termination. Borrower or its general partner shall have: (1) the operation of their business voluntarily or involuntarily suspended by the State of California, (2) voluntarily stopped or terminated the operation of their business; (3) the Borrower shall have the operation of the partnership voluntarily or involuntarily dissolved, suspended or terminated by the State of California.

(10) Liens on Property and the Project. Any claim of lien (other than liens approved in writing by the County) is filed against the Project or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the County Loan and the continued maintenance of said claim of lien or notice to withhold for a period of thirty (30) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the County.

(11) Unauthorized Transfer. Any Transfer other than as permitted pursuant to Section 4.17.

(12) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the County in connection with any of the Loan Documents, proves to have been incorrect in any material respect when made.

(13) Failure to Timely Lease. Failure of Borrower to lease all of the HOME-Assisted Units within eighteen (18) months of the Completion of Construction of the Project unless Borrower makes the repayment required under Section 2.7(b) above.

(14) Applicability to General Partner. The occurrence of any of the events set forth in subsection (vii), subsection (viii), or subsection (ix) in relation to Borrower's managing general partner.

Section 6.2 Remedies.

(a) Upon the occurrence of an Event of Default and following the expiration of all applicable notice and cure periods the County: (1) is relieved of any obligation to make or continue the County Loan; and (2) has the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(A) Acceleration of Note. The County may cause all indebtedness of Borrower to the County under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The County may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the County as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. Borrower is liable to pay the County on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the County in connection with the collection of the County Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the County Loan.

(B) Assignment of Documents. Subject to the rights of Senior Lenders, the County may exercise all rights under the Assignment of Documents executed in connection with the Loan Documents. Subject to the rights of Senior Lenders, the Borrower shall promptly deliver to the County copies of all Plans and Specifications for the Project, all permits and approvals obtained in connection with the Project, and all applications for permits and approvals not yet obtained but needed in connection with the Project.

(C) Specific Performance. The County has the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents.

(D) Termination. The County has the right to terminate this Agreement and, at its sole option, to seek any remedies at law or equity available hereunder.

(E) Right to Cure at Borrower's Expense. The County has the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the County Loan. However, if the Borrower is in good faith contesting a claim of default under a loan or grant and the County's interest is not imminently threatened by such default, in the County's sole judgment, the County shall not have the right to cure such default. Borrower shall reimburse the County for any funds advanced by the County to cure a monetary default by Borrower upon demand therefor, together with interest thereon at the Default Rate from the date of expenditure until the date of reimbursement.

Section 6.3 Right of Contest.

Borrower may contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest is to be prosecuted diligently and in a manner unprejudicial to the County or the rights of the County hereunder.

Section 6.4 Remedies Cumulative.

No right, power, or remedy given to the County by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy will be cumulative and in addition to every other right, power, or remedy given to the County by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the County to exercise any such rights and remedies will operate as a waiver thereof, nor does any single or partial exercise by the County of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 6.5 Limited Partner Cure Rights.

In addition to the provisions of Section 8.13 below, the County agrees to provide any limited partner of Borrower who has requested written notice from the County, including Wells Fargo Affordable Housing Community Development Corporation ("Permitted Limited Partner") a duplicate copy of all notices of default that the County may give to or serve in writing upon Borrower pursuant to the terms of the Loan Documents, at the address provided to the County, provided, the County shall have no liability to the Permitted Limited Partner for its failure to do so. The Permitted Limited Partner shall have the right, but not the obligation, to cure any Default of Borrower set forth in such notice, during any applicable cure period described in the Loan Documents, and the County will accept tender of such cure as if delivered by Borrower. If the Permitted Limited Partner is unable to cure a default because Borrower's general partner is in bankruptcy and/or because the cure requires removal of the general partner of Borrower and the Permitted Limited Partner is proceeding diligently to remove the general partner of Borrower in order to effect a cure of the Default, the cure period will be extended for such reasonable time as is necessary for the Permitted Limited Partner to effect a cure of the Default, but in no event longer than 60 days after the date of receipt by the Permitted Limited Partner of written notice of the default.

ARTICLE 7.
GENERAL PROVISIONS

Section 7.1 Relationship of Parties.

Nothing contained in this Agreement is to be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the County and Borrower or its agents, employees or contractors, and Borrower will at all times be deemed an independent contractor and to be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regard to the construction and operation of the Project, Borrower is solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and must include requirements in each contract that contractors are solely responsible for similar matters relating to their employees. Borrower is solely responsible for its own acts and those of its agents and employees.

Section 7.2 No Claims.

Nothing contained in this Agreement creates or justifies any claim against the County by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the lease of the Property, the construction or operation of the Project, and Borrower shall include similar requirements in any contracts entered into for the construction or operation of the Project.

Section 7.3 Discretion Retained By County.

The County's execution of this Agreement in no way limits the discretion of the County in the permit and approval process in connection with the construction of the Project.

Section 7.4 Indemnification.

The Borrower agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers ("Indemnities") from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of Indemnities, except as provided in the following sentence. The Borrower's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "gross negligence" or "willful misconduct" within the meaning of Civil Code Section 2782. This indemnification provision is not intended to and does not limit, negate, modify, nullify, or change the nonrecourse provisions of this Agreement or any other agreement, document, instrument, certificate or covenant executed by Borrower. The provisions of this Section will survive the expiration of the Term and the reconveyance of the Deed of Trust.

Section 7.5 Non-Liability of County Officials, Employees and Agents.

No board member, official, employee or agent of the County is personally liable to Borrower in the event of any default or breach by the County or for any amount that may become due to Borrower or its successor or on any obligation under the terms of this Agreement.

Section 7.6 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

Section 7.7 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 7.7(b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or financial benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during,

or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 7.7(a) is followed.

(b) The conflict of interest provisions of Section 7.7(a) above apply to any person who is an employee, agent, consultant, officer of the County, or any immediate family member of such person, or any elected or appointed official of the County, or any person related within the third (3rd) degree of such person.

(c) In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Borrower, or immediate family member of any of the preceding, may make or participate in a decision, made by the County or a County board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Borrower. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

(d) Borrower shall comply with the conflict of interest provisions set forth in 24 C.F.R. 92.356.

ARTICLE 8.
GENERAL PROVISIONS

Section 8.1 Notices, Demands and Communications. Formal notices, demands, and communications between the County and the Borrower shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally, to the principal office of the County and the Borrower as follows:

County: Community Development and Housing Agency
 San Bernardino County
 385 North Arrowhead Ave Third Floor
 San Bernardino, CA 92415-0043
 Attn: Community Development and Housing Director

with a copy to:
 Goldfarb & Lipman, LLP
 1300 Clay Street, 11th Floor
 Oakland, CA 94612
 Attn: Rafael Yaquian

Borrower:
 Rialto Metrolink South Housing Partners, L.P.
 18201 Von Karman Ave. Suite 900,
 Irvine, CA 92612
 Attn: Frank Cardone

Copy to: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer

Copy to: LBI Metro South LLC
c/o LaBarge Industries, LLC
3105 East Guasti Road, Suite 100
Ontario, California 91761
Attn: Joshua LaBarge

Copy to: HPI Rialto, LLC
c/o Housing Partners I, Inc.
715 East Brier Drive
San Bernardino, CA 92408
Attn: Anthony Perez

Copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, 64th Floor
Los Angeles, CA 90071
Attn: Lance Bocarsly

Copy to: Gresham Savage LLP
550 E. Hospitality Lane, Suite 300
San Bernardino, CA 92408
Attn: Robert R. Ritter

Investor Limited Partner:

Wells Fargo Affordable Housing Community Development Corporation
550 S. Tryon Street
23rd Floor, D1086-239
Charlotte, NC 28202-4200
Attention: Director of Tax Credit Asset Management

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section.

Section 8.2 Amendments.

No alteration or variation of the terms of this Agreement is valid unless made in writing by the Parties. The County Executive Officer is authorized to execute on behalf of the County amendments to the Loan Documents or amended and restated Loan Documents as long as any material change in the amount or terms of this Agreement is approved by the Board of Supervisors.

Section 8.3 County Approval.

The County has authorized the County Executive Officer to execute the ancillary Loan documents and deliver such approvals or consents as are required by this Agreement, and to execute estoppel certificates concerning the status of the County Loan and the existence of Borrower defaults under the Loan Documents, including subordination agreements substantially consistent with the terms of Section 2.5 above.

Section 8.4 Applicable Law and Venue.

This Agreement is governed by the laws of the State of California. Any action brought claiming a breach of this Agreement or interpreting this Agreement shall be brought and venued in San Bernardino County, California

Section 8.5 Parties Bound.

Except as otherwise limited herein, this Agreement binds and inures to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and to bind Borrower and its successors and assigns in the Property and the Project for the entire Term, and the benefit hereof is to inure to the benefit of the County and its successors and assigns.

Section 8.6 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit from the other party.

Section 8.7 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 8.8 Force Majeure.

In addition to specific provisions of this Agreement, performance by either party will not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, pandemics, epidemics, quarantine restrictions, freight embargoes, lack of transportation, court order, governmental restrictions or priority; litigation (including suits filed by third parties concerning or arising out of this Agreement), or any other similar causes (other than the Borrower's inability to obtain financing for the Project Improvements) beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other party within ten (10) days

of receipt of the notice. In no event will the County be required to agree to cumulative delays in excess of one hundred eighty (180) days be allowed under this Section.

Section 8.9 Waivers.

Any waiver by the County of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the County to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement does not operate as a waiver or release from any of its obligations under this Agreement. Consent by the County to any act or omission by Borrower may not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the County's written consent to future waivers.

Section 8.10 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 8.11 Entire Understanding of the Parties.

The Loan Documents constitute the entire agreement of the Parties with respect to the County Loan.

Section 8.12 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 8.13 Limited Partner Rights.

The County agrees to the following provisions for the benefit of the Borrower's Investor Limited Partner:

(a) The County will give the Investor Limited Partner a copy of any written notice that the County gives to Borrower under this Agreement and the other Loan Documents;

(b) The County will give the Investor Limited Partner ten (10) days after the Investor Limited Partner's receipt of such notice to cure a non-payment of any sum due under the Loan Documents;

(c) The County will give the Investor Limited Partner thirty (30) days after the Investor Limited Partner's receipt of such notice to cure any other default under this Agreement and other Loan Documents;

(d) If a default is incapable of being cured within thirty days, the County will give the Investor Limited Partner sixty (60) days to cure such default provided the Investor Limited Partner has commenced to cure such default and is diligently proceeding to cure such default through the end of such period;

(e) If the Investor Limited Partner makes any such payment or otherwise cures such default, the County will accept such action as curing such Default as if such payment or cure were made by Borrower;

(f) The County will permit insurance and condemnation proceeds to be used to rebuild the Project provided that: (1) sufficient funds are provided from other sources to effectively rebuild the Affordable Project to a lawful multifamily housing complex, and (2) subject to the rights of any Senior Lenders, the County shall hold all such proceeds and disburse them based on the progress of construction, subject to such additional reasonable conditions as the County may impose.

Section 8.14 Action by the County. Except as may be otherwise specifically provided in this Agreement or any other of the Loan Documents, whenever any approval, notice, direction, finding, consent, request, waiver, or other action by the County is required or permitted under this Agreement or any other of the Loan Documents, such action shall be given, made, taken, refused, denied or withheld by the County Executive Officer, at the County Executive Officer's reasonable discretion (unless some other standard is expressly stated), or by any person who shall have been designated in writing to the Borrowers by the County Executive Officer, without further approval by the County Board. Any such action shall be in writing.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the County and the Borrower have executed this Agreement in multiple copies on or as of the date first above written.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: Frank Cardone
Frank Cardone, its President

Date: 3-9-2022

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By: _____
Michael Finn, its Chief Financial Officer

Date: _____

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____
Lee McDougal, its President

Date: _____

By: LBI Metro South LLC, a California
Limited liability company
its co-general partner

By: LaBarge Industries, LLC, a Delaware
limited liability company, its sole member

By: _____
Josh LaBarge, its Manager

Date: _____

IN WITNESS WHEREOF, the County and the Borrower have executed this Agreement in multiple copies on or as of the date first above written.

BORROWER:

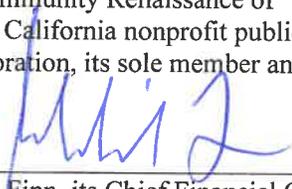
RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By:  _____ Date: 3/8/2022
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

IN WITNESS WHEREOF, the County and the Borrower have executed this Agreement in multiple copies on or as of the date first above written.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____
Frank Cardone, its President

Date: _____

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

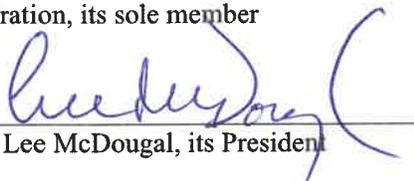
By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Michael Finn, its Chief Financial Officer

Date: _____

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: 
Lee McDougal, its President

Date: 3/15/2022

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____
Josh LaBarge, its Manager

Date: _____

IN WITNESS WHEREOF, the County and the Borrower have executed this Agreement in multiple copies on or as of the date first above written.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California
Limited liability company
its co-general partner

By: LaBarge Industries, LLC, a Delaware
limited liability company, its sole member

By: _____ Date: 3.8.2022
Josh LaBarge, its Manager

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the
State of California

By: _____
Curt Hagman, Chairperson Board of Supervisors

Date: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIR OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the San Bernardino County

By: _____
Deputy

APPROVED AS TO LEGAL FORM:

THOMAS BUNTON County Counsel

By: 
Suzanne Bryant,
Deputy County Counsel

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the State of California

By: 
Curt Hagman, Chairperson Board of Supervisors

Date: **MAR 15 2022**

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the San Bernardino County

By: _____
Deputy

APPROVED AS TO LEGAL FORM:

THOMAS BUNTON County Counsel

By: _____
Suzanne Bryant,
Deputy County Counsel

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)

EXHIBIT B

SCHEDULE OF PERFORMANCE

This Schedule of Performance sets forth the schedule for various activities under the Agreement to which this exhibit is attached. The description of items in this Schedule of Performance is meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the Agreement to which such items relate. Times for performance are subject to Force Majeure, as further provided in Section 8.8 of the Agreement, and the notice and cure rights as further provided in Section of the Agreement.

As provided in the Agreement, this Schedule of Performance may only be modified in a writing executed by all Parties, in accordance with Section 3.1 of the Agreement.

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE
<u>Land Use Entitlements.</u> The Developers shall cause the Governmental Approvals to be obtained.	Completed.
<u>Tax Credit Application.</u> Partnership shall complete and submit a 9% Tax Credit application to TCAC.	Not later than July 1, 2021. Deemed completed.
<u>Tax Credit Reservation.</u> Partnership receives an allocation of credits from TCAC.	Within 120 days of submittal of a successful application. Deemed completed.
<u>Partnership/Submission of Grading Permit.</u> Partnership shall submit to County a copy of the Grading Permit.	On or before the Close of Escrow.
<u>Partnership/Submission of 50% Construction Documents 1st Plan Check Submittal Set.</u> Partnership shall submit to County a copy of the 50% Construction Documents 1 st Plan Check Submittal Set.	On or before the Close of Escrow.
<u>Partnership/Submission of Final Construction Documents.</u> Partnership shall	The earlier of: (1) City issuance of Building Permit or (2) July 29th, 2022.

submit to County the final 100% Construction Documents..	
<u>Management Plan.</u> Partnership submits an initial proposed Management Plan to the County for approval.	On or before the Close of Escrow.
<u>County Approved Management Plan.</u> County to approve Management Plan.	Not later than fifteen (15) business days after receipt of a complete Management Plan from Partnership.
<u>Partnership/Project Financing.</u> Partnership shall submit to Executive Director for approval updates to the Approved Financing Plan.	Attached to this Agreement, but subject to further modifications and inclusion in the County Estoppel required to be signed at the Close of Escrow.
<u>Construction Contract.</u> Partnership shall submit Construction Contract to County for approval.	Not less than fifteen (15) days prior to the Close of Escrow.
<u>Construction Contract Approval.</u> The County shall approve, conditionally approve, or disapprove of the Construction Contract.	Not later than ten (10) days after receipt of Construction Contract from Partnership.
<u>Insurance Requirements.</u> Partnership to furnish insurance coverage meeting the requirements.	On or before the Close of Escrow.
<u>Close of Escrow.</u> The Affordable Developer has closed all construction financing and has provided evidence reasonably acceptable to the County that the Affordable Developer is prepared to commence construction of the Project.	March 28 th , 2022 or as otherwise required by TCAC.
<u>Building Permits.</u> Partnership shall obtain Building Permits.	Not later than 120 days after Close of Escrow.

<p><u>Commence Construction.</u> Partnership shall commence construction.</p>	<p>No later than ten (10) days after March 28th, 2022, but in no event later than June 28th, 2022 (subject to Force Majeure and other extension under the Agreement.)</p>
<p><u>Completion of Construction.</u> Developers shall complete construction of the development.</p>	<p>Not later than 24 months after the Close of Escrow, but in no event later than July 31st, 2024, (subject to Force Majeure and other extension under the Agreement.)</p>
<p><u>Special Repayment of Net Excess Proceeds.</u> The Affordable Developer shall pay Net Excess Proceeds, as a special repayment of the County Loan, in accordance to section 4(C) of the Home Loan Agreement.</p>	<p>No later than ten (10) days after the date the Affordable Developer receives its final Tax Credit Investor Equity contribution</p>
<p><u>Certificate(s) of Completion.</u> County will provide the Developers with one or more Certificate(s) of Completion.</p>	<p>Promptly after completion and upon written request from the Developers, and the County's determination that the Developers' various obligations with regards to completion under this Agreement have been met.</p>

Exhibit F
Statement of Residual Receipts Report

FORM OF RESIDUAL RECEIPTS REPORT

Residual Receipts Report
for the Year Ending _____

Date Prepared: _____, 20__

Please complete the following information and execute the certification at the bottom of this form.

Annual Operating Income

Please report Annual Operating Income for the year ending _____ on the following lines:

Rent Payments received (including Section 8 tenant assistance payments, if any) (1) \$ _____

Interest Income (do not include interest income from replacement and operating reserves nor interest income on tenant security deposits) (2) \$ _____

Additional Income Related to Project Operations (for example, vending machine income, tenant forfeited deposits, laundry income not paid to the residents' association, business interruption insurance casualty insurance, not used to rebuild) (3) \$ _____

Total Annual Operating Income (Add lines 1, 2, and 3) (4) \$ _____

Operating Expenses

Please report Operating Expenses incurred in relation to the operations of the Project for the year ending _____, on the following lines:

Operating and Maintenance Expenses (5) \$ _____

Utilities (6) \$ _____

Fees and licenses (7) \$ _____

Property management Expenses and On-Site Staff Payroll (8) \$ _____

Administrative Expenses Incurred by Project

Property/Possessory Interest Taxes	(9)	\$ _____
Insurance	(10)	\$ _____
Other Expenses Related to Operations of the Project	(11)	\$ _____

Total Annual Operating Expenses (Add Lines 5, 6, 7, 8, 9, 10, and 11)	(12)	\$ _____
Net Operating Income (Subtract Line 12 from Line 4)	(13)	\$ _____

Do not include expense unrelated to the Project's operations, such as depreciation, amortization, accrued principal and interest expense on deferred payment debt, or capital expenditures paid from withdrawals from the Replacement Reserves or other reserve accounts.

Additional Cash Flow Payments

Obligated Debt Service Payments (as approved by the County and other parties that may have such approval rights)	(14)	\$ _____
Scheduled Deposits Capital and Operating Reserves (as approved by the County)	(15)	\$ _____
Additional Payment Obligations (i.e. Partnership Related Fees, additional Resident Services, Deferred Developer Fee, repayments on loans by partners, unpaid Tax Credit amounts, as approved by the County to have priority over Residual Receipt Payment to County)	(16)	\$ _____
Total Additional Cash Flow Payments (Add lines 14, 15 and 16)	(17)	\$ _____
Residual Receipts for Year Ending _____ (Subtract Line 17 from Line 13)	(18)	\$ _____
Percentage of Residual Receipts to be Paid to the County	(19)	\$ _____
Amount Payable to the County (Multiply Line 18 by Line 19)	(20)	\$ _____

The following certification should be executed by the Executive Director or Chief Financial Officer of the Borrower, or the Managing General Partner of the Borrower.

I certify that the information provided in this form is true, accurate, and correct in all respects.

Date

By:

(Print Name)

Its:

(Title)

UNIT DISTRIBUTION

Rialto Metrolink South - Closing Pro forma (v14)
 Related Companies of California
 Printed on 3/3/22 at 8:26 PM

Number Of Units	Income Category	Restrictive Rent	SF	Gross Rent	Utility Allowance	Net Rent	Net Rent Per SqFt	Monthly Rent	Annual Rent	Unit %	Total Square Footage
1 Bedroom											
2	30%	H&SC	515	\$435	\$38	\$397	\$0.77	\$794	\$9,528	4%	1,030
3	40%	TCAC	515	\$592	\$38	\$554	\$1.08	\$1,662	\$19,944	5%	1,545
10	50%	H&SC	515	\$726	\$38	\$688	\$1.34	\$6,880	\$82,560	18%	5,150
8	60%	H&SC	515	\$871	\$38	\$833	\$1.62	\$6,664	\$79,968	15%	4,120
23											
2 Bedrooms											
2	30%	H&SC	747	\$523	\$44	\$479	\$0.64	\$958	\$11,496	4%	1,494
3	40%	TCAC	747	\$711	\$44	\$667	\$0.89	\$2,001	\$24,012	5%	2,241
6	50%	H&SC	747	\$871	\$44	\$827	\$1.11	\$4,962	\$59,544	11%	4,482
3	60%	H&SC	747	\$1,046	\$44	\$1,002	\$1.34	\$3,006	\$36,072	5%	2,241
1	Manager		747	\$0	\$0	0	n/a	\$0	\$0	2%	747
15											
3 Bedrooms											
2	30%	H&SC	983	\$604	\$51	\$553	\$0.56	\$1,106	\$13,272	4%	1,966
3	40%	TCAC	983	\$822	\$51	\$771	\$0.78	\$2,313	\$27,756	5%	2,949
6	50%	H&SC	983	\$1,007	\$51	\$956	\$0.97	\$5,736	\$68,832	11%	5,898
6	60%	H&SC	983	\$1,209	\$51	\$1,158	\$1.18	\$6,948	\$83,376	11%	5,898
17											
Unit Distribution Summary											
Summary			Income	Units	Total %	Unit Size		Units	Total %		
Total SF		39,761	30% AMI	6	11%	Studio		0	0%		
Avg. Unit SF		723	35% AMI	0	0%	1 Bedroom		23	42%		
Monthly Rent		\$43,030	40% AMI	9	17%	2 Bedrooms		15	27%		
Annual Rent		\$516,360	45% AMI	0	0%	3 Bedrooms		17	31%		
Avg. Rent (excl. manager's)		\$797	50% AMI	22	41%	4 Bedrooms		0	0%		
Avg. Rent PSF (excl. manager's)		\$1.10	60% AMI	17	31%	Total		55	100%		
Bedrooms		104	Market	0	0%						
			Subtotal	54	100%						
			Manager	1							
			Total	55							

PROJECT BASED SECTION 8 HOUSING CHOICE VOUCHERS CALCULATION

Rialto Metrolink South - Closing Pro forma (v14)

Related Companies of California

Printed on 3/3/22 at 8:26 PM

Last Chang 6/7/2021 5:06 PM

	Total Units	PBS8 Units	Monthly				Annual
			Per Unit Gross HASCB Payment Standard (a)	Per Unit Gross Rents (b)	Per Unit Net Overhang (a) - (b)	Total Overhang	Total Overhang
1 Bedroom							
30% TC	2	2	1,300	435	865	1,730	20,760
35% TC	0	-	1,300	518	782	-	-
40% TC	3	2	1,300	592	708	1,416	16,992
45% TC	0	-	1,300	666	634	-	-
50% TC	10	-	1,300	726	574	-	-
60% TC	8	-	1,300	871	429	-	-
2 Bedrooms							
30% TC	2	2	1,555	523	1,032	2,064	24,768
35% TC	0	-	1,555	622	933	-	-
40% TC	3	2	1,555	711	844	1,688	20,256
45% TC	0	-	1,555	799	756	-	-
50% TC	6	-	1,555	871	684	-	-
60% TC	3	-	1,555	1,046	509	-	-
Manager	1	-	1,555	-	1,555	-	-
Total	55	8				6,898	82,776

Less Vacancy	5.00%	(345)	(4,139)
Less Management Fee (N/A, Management Fee is a PUPM Cost)	0.00%	-	-
Less PBS Monitoring Fee		(144)	(1,728)

Net Overhang 6,409 76,909

DCR	1.15
Interest Rate	4.80%
Term (months)	240
Loan Amount	<u>858,782</u>
Maximum Loan Amount (Rounded Down)	<u>858,000</u>
Actual Loan Amount	858,000
Annual Payment	66,817

ANNUAL OPERATING EXPENSE BUDGET

Rialto Metrolink South - Closing Pro forma (v14)

Related Companies of California

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	Project Budget (55 units)
RENTING	
Advertising	500
Misc. Renting	350
TOTAL RENTING	850
ADMINISTRATION	
Office	4,500
Legal	5,000
Audit	10,000
Telephone/Computer	10,750
Tenant Relations	2,500
Misc. Administrative	12,100
TOTAL ADMINISTRATION	44,850
MANAGEMENT FEE	
Contract Management	39,600
TOTAL MANAGEMENT	39,600
OPERATING	
Electricity	6,450
Water	26,000
Gas	0
Sewer	35,500
Exterminating	2,500
Rubbish Removal	22,000
Misc. Operating	5,850
TOTAL OPERATING	98,300
MAINTENANCE	
Security	0
Grounds	11,750
Repairs	7,000
Elevator	6,000
Unit Turns	4,000
Misc. Maintenance	2,500
TOTAL MAINTENANCE	31,250
SALARIES AND BENEFITS	
Office Salaries	53,350
Maintenance Salaries	42,640
Payroll Taxes and Benefits	26,000
TOTAL SALARIES AND BENEFITS	121,990
TAXES AND INSURANCE	
Real Estate Taxes	6,500
Business Taxes and Licenses	1,000
Insurance	37,000
Misc. Taxes and Insurance	0
TOTAL TAXES AND INSURANCE	44,500
RESERVES AND OTHER EXPENSES	
Replacement Reserves	16,500
Operating Reserves	0
PBS8 Housing Authority Monitoring Fee	1,728
County HOME Loan Annual Monitoring F	7,500
Social Programs	19,800
TOTAL RESERVES AND OTHER COSTS	45,528
TOTAL OPERATING EXPENSES	426,868
Per Unit Operating Expenses	7,761

DEVELOPMENT COSTS & ELIGIBLE BASIS DETERMINATION

Rialto Metrolink South - Closing Pro forma (v14)
 Related Companies of California
 Printed on 3/3/22 at 8:26 PM

	55 units Budget	TCAC % Eligible	TCAC Eligible Basis
ACQUISITION COSTS			
Purchase Price	3,030,000	0%	0
Donated value of land	100	0%	0
TOTAL ACQUISITION COSTS	3,030,100		0
PROFESSIONAL FEES			
Architecture & Engineering	1,657,000	100%	1,657,000
Other Professional / Consulting	259,000	100%	259,000
TOTAL PROFESSIONAL FEES	1,916,000		1,916,000
FEES AND PERMITS			
City/County Fees and Permits	1,874,000	100%	1,874,000
Utility Fees/Costs	415,000	100%	415,000
TOTAL FEES AND PERMITS	2,289,000		2,289,000
CONSTRUCTION COSTS			
Demolition	0	0%	0
Off-site improvements	459,401	100%	459,401
Miscellaneous costs	0	0%	0
Site improvements	3,163,262	100%	3,163,262
Vehicular access and parking	0	100%	0
Common area	2,876,144	100%	2,876,144
Residential structures	6,849,958	100%	6,849,958
Other Construction (2019 CBC & ZNE PV)	409,750	100%	409,750
Contractor Contingency	506,793	100%	506,793
General Conditions	855,918	100%	855,918
Contractor Overhead	302,425	100%	302,425
Contractor Profit	838,800	100%	838,800
Contractor Insurance	160,485	100%	160,485
Bonds	0	100%	0
Hard cost contingency (required)	821,147	100%	821,147
Residential Structures - Non GC	0	100%	0
Construction Management	80,000	100%	80,000
TOTAL CONSTRUCTION COSTS	17,324,083		17,324,083
FINANCING COSTS			
Acquisition Loan Costs	0	0%	0
Gap Loan Costs	50,000	100%	50,000
Construction Loan Costs	125,000	7%	8,495
Construction Loan Fees	122,000	7%	8,291
Construction Period Interest	200,000	100%	200,000
Post-Construction Interest	560,000	0%	0
Permanent Loan Costs	0	0%	0
Permanent Loan Fees	7,000	0%	0
Bond Issuance Costs	0	0%	0
TCAC Fees	107,000	0%	0
Misc. Finance Costs	65,000	0%	0
TOTAL FINANCING COSTS	1,236,000		266,786
OTHER COSTS			
Furnishings, Fixtures & Equipment	215,000	100%	215,000
Marketing Costs	140,000	0%	0
Legal Fees	200,000	10%	20,000
Property Taxes	75,000	75%	56,250
Soft Cost Contingency	104,294	100%	104,294
Relocation Expenses	0	0%	0
Accounting / Audit / Insurance	282,000	79%	222,000
Developer fees - new construction	1,800,000	100%	1,800,000
Developer fees - acquisition	0	100%	0
Other Costs / Reserves	133,196	0%	0
TOTAL OTHER COSTS	2,949,490		2,417,544
TOTAL DEVELOPMENT COSTS	28,744,673		24,213,413
/ TOTAL ELIGIBLE BASIS			
TOTAL BASIS REDUCTION (Amount over Adjusted Threshold Basis Limit or Voluntary Exclusion)			(8,525,319)
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS			15,688,094
High Cost Area Adjustment			130%
TOTAL ADJUSTED ELIGIBLE BASIS			20,394,522
Applicable Fraction			100%
TOTAL QUALIFIED BASIS			20,394,522
Total Credit Reduction	0%		0
TOTAL ADJUSTED QUALIFIED BASIS			20,394,522

TAX CREDIT CALCULATION

Rialto Metrolink South - Closing Pro forma (v14)

Related Companies of California

Printed on 3/3/22 at 8:26 PM

Total Project Cost	\$28,744,673
Total Permanent Sources	(11,309,100)
Funding Shortfall	<u>\$17,435,573</u>
Total Qualified Basis	\$20,394,522
Annual Federal Credits - Calculated	\$1,835,507
Annual Federal Credits - Awarded	\$1,835,507
Total Federal Credits (10 Years)	\$18,355,070
Federal Tax Credit Price	\$0.950
Federal Tax Credit Investor Equity	\$17,435,573
Total Tax Credit Investor Equity (Federal + State+ Acquisition)	\$17,435,573

Threshold Basis Limits	(Year 2021)	(0)	Units	Limit	Total
Efficiency			0	228,930	0
1 Bedroom			23	263,954	6,070,942
2 Bedrooms			15	318,400	4,776,000
3 Bedrooms			17	407,552	6,928,384
4 Bedrooms			0	454,038	0
			<u>55</u>		<u>17,775,326</u>
Special Features Threshold Basis Limit Increases					
<hr/>					
10% Increase: 95% of the project's upper floor units are serviced by an elevator					0
20% Increase: State or Federal Prevailing Wage Requirement					0
7% Increase: New Construction with Parking beneath Residential Units					0
2% Increase: Day Care Center					0
2% Increase: Special Needs Populations					0
<hr/>					
Total Percentage Increase to Unadjusted Eligible Basis (Combined not to exceed 39%)					0
10% Increase: Energy Efficiency/Resource Conservation/Indoor Air Quality					0
Seismic Upgrading or Environmental Mitigation (15% unadj. eligible basis max.)					0
Development Impact Fees					1,489,017
Bond Deals					
<hr/>					
1% Increase: Every 1% of the project's units between 35% and 50% AMI					0
2% Increase: Every 1% of the project's units at or below 35% AMI					0
<hr/>					
Adjusted Threshold Basis Limit					<u>\$19,264,343</u>
Total Eligible Basis					\$24,213,413
Over /(Under) Basis Limit					\$4,949,071

SOURCES AND USES OF FUNDS

Rialto Metrolink South - Closing Pro forma (v14)

Related Companies of California

Printed on 3/7/22 at 9:26 AM

Construction Sources and Uses

Construction Sources		
Construction Loan	16,239,820	
RRs Development Loan - City of Rialto	4,550,000	
Tax Credit Equity	1,743,557	10% of tax credit equity
RRs Acquisition Loan - City of Rialto	3,030,000	
RRs Development Loan - County San Bernardino	2,025,000	
GP Equity	100	
Deferred Developer Fee	1,000,000	
Deferred Operating Deficit Reserve	133,196	
Deferred TCAC Monitoring Fees	23,000	
Total Construction Sources	28,744,673	
Construction Uses		
Total Development Cost	28,744,673	
Amount Over/(Under)	0	

Permanent Sources and Uses

Sources		
Tax Credit Equity	17,435,573	
Permanent Financing	621,000	
RRs Development Loan - City of Rialto	4,550,000	
RRs Acquisition Loan - City of Rialto	3,030,000	
Tranche B Loan - PBS8	858,000	
RRs Development Loan - County San Bernardino	2,250,000	
GP Equity	100	
Total Permanent Sources	28,744,673	
Uses		
Total Development Cost	28,744,673	
Amount Over/(Under)	0	

STABILIZED CASH FLOW ANALYSIS
Rialto Metrolink South - Closing Pro forma (v14)
Related Companies of California
 Printed on 3/3/22 at 8:20 PM

Wells Fargo 2%/3% 15-Year Cash Flow

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME															
Gross Rental Income	516,360	526,687	537,221	547,965	558,925	570,103	581,505	593,135	604,998	617,098	629,440	642,029	654,869	667,967	681,326
PBS8 Overhang	82,776	84,432	86,120	87,843	89,599	91,391	93,219	95,084	96,985	98,925	100,903	102,922	104,980	107,080	109,221
Laundry Income	3,300	3,366	3,433	3,502	3,572	3,643	3,716	3,791	3,866	3,944	4,023	4,103	4,185	4,269	4,354
Vacancy @ 5.0%	(30,122)	(30,724)	(31,339)	(31,965)	(32,605)	(33,257)	(33,922)	(34,600)	(35,292)	(35,998)	(36,718)	(37,453)	(38,202)	(38,966)	(39,745)
Effective Gross Income	572,314	583,760	595,436	607,344	619,491	631,881	644,519	657,409	670,557	683,968	697,648	711,601	725,833	740,349	755,156
EXPENSES															
Administrative	(44,850)	(46,196)	(47,581)	(49,009)	(50,479)	(51,993)	(53,553)	(55,160)	(56,815)	(58,519)	(60,275)	(62,083)	(63,945)	(65,864)	(67,840)
Management Fee	(39,600)	(40,392)	(41,200)	(42,024)	(42,864)	(43,722)	(44,596)	(45,488)	(46,398)	(47,326)	(48,272)	(49,238)	(50,222)	(51,227)	(52,251)
Operating	(98,300)	(101,249)	(104,286)	(107,415)	(110,638)	(113,957)	(117,375)	(120,897)	(124,523)	(128,259)	(132,107)	(136,070)	(140,152)	(144,357)	(148,688)
Maintenance	(31,250)	(32,188)	(33,153)	(34,148)	(35,172)	(36,227)	(37,314)	(38,434)	(39,587)	(40,774)	(41,997)	(43,257)	(44,555)	(45,892)	(47,268)
Salaries	(121,990)	(125,650)	(129,419)	(133,302)	(137,301)	(141,420)	(145,662)	(150,032)	(154,533)	(159,169)	(163,944)	(168,863)	(173,929)	(179,146)	(184,521)
Taxes (escalated at 3.00%)	(7,500)	(7,725)	(7,957)	(8,195)	(8,441)	(8,695)	(8,955)	(9,224)	(9,501)	(9,786)	(10,079)	(10,382)	(10,693)	(11,014)	(11,344)
Insurance	(37,000)	(38,110)	(39,253)	(40,431)	(41,644)	(42,893)	(44,180)	(45,505)	(46,870)	(48,277)	(49,725)	(51,217)	(52,753)	(54,336)	(55,966)
Renting	(850)	(876)	(902)	(929)	(957)	(985)	(1,015)	(1,045)	(1,077)	(1,109)	(1,142)	(1,177)	(1,212)	(1,248)	(1,286)
Social Programs	(19,800)	(20,394)	(21,006)	(21,636)	(22,285)	(22,954)	(23,642)	(24,352)	(25,082)	(25,835)	(26,610)	(27,408)	(28,230)	(29,077)	(29,949)
PBS8 Housing Authority Monitoring Fee	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)	(1,728)
County HOME Loan Annual Monitoring Fee	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
Replacement Reserves	(16,500)	(16,995)	(17,505)	(18,030)	(18,571)	(19,128)	(19,702)	(20,293)	(20,902)	(21,529)	(22,175)	(22,840)	(23,525)	(24,231)	(24,958)
Total Operating Expenses	(426,868)	(439,001)	(451,490)	(464,346)	(477,580)	(491,202)	(505,224)	(519,657)	(534,515)	(549,810)	(565,554)	(581,761)	(598,445)	(615,619)	(633,299)
NET OPERATING INCOME	145,446	144,759	143,945	142,998	141,912	140,680	139,295	137,752	136,042	134,158	132,093	129,839	127,388	124,730	121,858
DEBT SERVICE															
Permanent Financing	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)	(39,098)
Tranche B Loan - PBS8	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)	(66,817)
Cash Flow After Debt Service	39,531	38,845	38,030	37,083	35,997	34,765	33,380	31,837	30,127	28,244	26,179	23,925	21,473	18,815	15,943
DCR	1.37	1.37	1.36	1.35	1.34	1.33	1.32	1.30	1.28	1.27	1.25	1.23	1.20	1.18	1.1505

Exhibit H

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME

STREET
ADDRESS

CITY, STATE &
ZIP CODE

SPACE ABOVE FOR RECORDER'S USE ONLY

Certificate of Completion

Title of Document *



**THIS AREA FOR
RECORDER'S
USE ONLY**

**THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)**

CERTIFICATE OF COMPLETION
(Rialto Metrolink South)

Pursuant to Section 3.13 of that certain HOME Loan Agreement dated as of March 15, 2022, as such may be amended (the "Loan Agreement"), entered into by and between San Bernardino County (the "County"), and Rialto Metrolink South Housing Partners, L.P., a California limited partnership (the "Partnership"), the County certifies that the Partnership, fee owner of certain real property more particularly described in Exhibit A (the "Property") has met its obligations under Article 3 of the Loan Agreement regarding the construction of certain improvements on the Property, and has met its various obligations specified in Article 3. **[NOTE: County to confirm obligations in enumerated articles and sections have been met prior to issuing Certificate of Completion.]**

This Certificate of Completion shall serve as conclusive evidence that the Partnership has completed construction and development of all the improvements on the Property, including on-site and off-site improvements, required under Article 3 of the Loan Agreement and has met its various obligations thereunder. **[NOTE: County to confirm obligations in enumerated articles and sections have been met prior to issuing Certificate of Completion.]**

All other rights, remedies and controls of the County with respect to the requirements of the Loan Agreement not listed above, shall continue for the Term of the Loan Agreement or as otherwise specified therein.

This Certificate of Completion shall not constitute evidence of compliance with, or satisfaction of, any obligation of the Partnership to any holder of a Security Financing Interest, including, but not limited to, the holder of a deed of trust securing money loaned to finance the Property, or any part thereof, and shall not be deemed to be either a notice of completion under the California Civil Code or a certificate of occupancy. This Certificate of Completion shall not constitute evidence of compliance with the prevailing wage requirements of California Labor Code Sections 1720 et seq., or the requirements set forth in Section 3.8 of the Loan Agreement.

Capitalized terms used in this Certificate of Completion which are not defined herein shall have the meanings given such terms in the Loan Agreement.

[Signature Page Follows]

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision
of the State of California

By: _____
Chief Executive Officer

APPROVED AS TO LEGAL FORM:
THOMAS D. BUNTON
County Counsel

By: _____
Suzanne Bryant, Deputy County Counsel

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: _____
Name: Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land is situated in the State of California, County of San Bernardino, and is described as follows:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)



County of San Bernardino Project Compliance Report

Property Name: _____ Reporting Period: _____ Date: _____ Phone Number: _____
 Onsite Manager Name: _____ Phone Number: _____ Property Owner Name: _____
 E-mail address: _____ E-mail address: _____
 Property Address: _____
 Total Number of Units: _____ Total Number of Restricted Units: _____ Accessible Units in Project: _____ Accessible Units as a Percentage: _____ # of Sensory Accessible Units: _____
 Number of High HOME rent units: _____ Number of Low HOME rent units: _____ Number of vacant restricted units: _____

Unit No.	# of Bdrms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Recent Date
1												\$					
2												\$					
3												\$					
4												\$					
5												\$					
6												\$					
7												\$					
8												\$					
9												\$					
10												\$					
11												\$					
12												\$					
13												\$					
14												\$					
15												\$					
16												\$					
17												\$					
18												\$					
19												\$					
20												\$					
21												\$					
22												\$					

EXHIBIT "I"

I certify that all information stated herein, as well as the information provided in any accompaniment herewithin, is true and accurate

Name (Please Print): _____ Management Company Name: _____ Position: _____
 Signature: _____ Date: _____ Phone Number: _____ E-mail address: _____



County of San Bernardino Project Compliance Report

Unit No.	# of Bdrms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Receipt Date
23												\$ -					
24												\$ -					
25												\$ -					
26												\$ -					
27												\$ -					
28												\$ -					
29												\$ -					
30												\$ -					
31												\$ -					
32												\$ -					
33												\$ -					
34												\$ -					
35												\$ -					
36												\$ -					
37												\$ -					
38												\$ -					
39												\$ -					
40												\$ -					
41												\$ -					
42												\$ -					
43												\$ -					
44												\$ -					
45												\$ -					
46												\$ -					
47												\$ -					
48												\$ -					
49												\$ -					
50												\$ -					
51												\$ -					



County of San Bernardino Project Compliance Report

Unit No.	# of Bdrms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Recert. Date
52												\$ -					
53												\$ -					
54												\$ -					
55												\$ -					
56												\$ -					
57												\$ -					
58												\$ -					
59												\$ -					
60												\$ -					
61												\$ -					
62												\$ -					
63												\$ -					
64												\$ -					
65												\$ -					
66												\$ -					
67												\$ -					
68												\$ -					
69												\$ -					
70												\$ -					
71												\$ -					
72												\$ -					
73												\$ -					
74												\$ -					
75												\$ -					

Exhibit J



**Community Development
and Housing**

SECTION 3 PLAN

**Relative to the
Housing and Urban Development Act of 1968
12 U.S.C. 1701(u)**

***Community Development and
Housing
385 N. Arrowhead Avenue, Third Floor
San Bernardino, CA 92415-0043***



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I. Overview

A. Section 3 Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)) (“Section 3”) requires the San Bernardino Community Development and Housing Department (“County”) to ensure that employment, training, contracting and other economic and business opportunities generated by certain Department of Housing and Urban Development (“HUD”) financial assistance, to the greatest extent feasible, is directed to public housing residents and other low- and very low-income persons, particularly recipients of government housing assistance, and business concerns.

B. Implementing Authority

Section 3 regulations are promulgated at the Code of Federal Regulations, Title 24, Part 75, made part of this Section 3 Plan by reference.

C. Applicability

As a federal participating jurisdiction, the County receives Community Development Block Grant (“CDBG”) and Home Investment Partnerships Program (“HOME”) funds on an annual basis from HUD. These funds activate Section 3 and applies to any such jurisdiction, and any of its organizations, subrecipients, or other entities receiving in excess of \$200,000 combined from HUD in any one year. The County occasionally may receive additional funding that may contain a Section 3 requirement.

Section 3 requirements apply to:

1. All housing rehabilitation, housing construction, and public construction projects resulting in federally-funded contracts partially or fully funded by HUD funds and issued by the County in excess of \$200,000 per project; and
2. Provide financial assistance through the Lead Hazard Control and Healthy Home Program where the total amount exceeds a threshold of \$100,000.
3. When the project necessitates the employment of additional personnel through individual hiring or the awarding of contracts and subcontracts.

If developers, contractors, and subcontractors need to hire new personnel or subcontract portions of Section 3 covered work, they must, to the greatest extent feasible, direct their employment and/or subcontracting opportunities to Section 3 businesses and Section 3 Worker and/or Targeted Section 3 Worker.

D. Section 3 Definitions

Terms used in this Plan are defined in Exhibit “A” attached hereto.

II. Section 3 Plan

A. Objective

The County has developed this Section 3 Plan in order to identify the goals, objectives, and actions that will be implemented to ensure compliance in its own operations and those of its developers, subrecipients, contractors, and subcontractors with the requirements of Section 3 and the Section 3 regulations at 24 CFR Part 75.

B. Policy

It is the policy of the County to utilize, and to require the County's developers, subrecipients, contractors, and subcontractors to utilize, to the greatest extent feasible, Section 3 businesses and Section 3 workers and/or Targeted Section 3 Worker in contracts partially or wholly funded with HUD funds.

C. Goals

With respect to the use of HUD funds on Section 3 covered projects, the County has established the following Section 3 goals for itself and its developers, subrecipients, contractors, and subcontractors:

1. Facilitate the award of Section 3 covered contracts to Section 3 businesses.
2. Facilitate the training and employment of Section 3 residents through programs offered by the San Bernardino County Workforce Development Department ("WDD") and Housing Authority of the County of San Bernardino ("HACSB").
3. Ensure developer, subrecipient, contractor and subcontractor awareness of, and compliance with, Section 3 responsibilities.
4. Facilitate Developers and Contractors understand the HUD Benchmarks for Section 3 covered contracts:
 - To the greatest extent feasible provide Section 3 business concerns contracting opportunities.
 - Twenty-five (25) percent (25%) or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers.and
 - Five (5) percent (5%) or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

D. Outreach

The following methods are used by the County to identify and notify Section 3 businesses and Section 3 residents regarding Section 3 covered contracts:

1. Maintain a Section 3 webpage at: <https://sbcountycdha.com> which provides general information about Section 3 and currently available Section 3 contracting and employment opportunities.

2. The San Bernardino County Purchasing Department will maintain a list of certified Section 3 businesses through the ePro business registration at: <https://wp.sbcounty.gov/purchasing>

The list of Section 3 business will be available upon request at info@cdh.sbcounty.gov

3. Provide notice of Section 3 contracting opportunities through advertisements in local newspapers, Notices of Funding Availability, or other documentation.
4. Engage in outreach efforts to identify and secure bids from Section 3 business concerns by conducting a search on the Business Registry HUD portal. The website link is available at: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>.
5. Encourage developers, contractors, and subcontractors to utilize the Section 3 Opportunity Portal to search and post employment and contracting opportunities. The website link is available at: <https://hudapps.hud.gov/OpportunityPortal>
6. Provide Section 3 residents a registration website link and maintain information of Section 3 residents and provide, upon request, employment resource information to bidders on all Section 3 covered contracts. The website link is available at: <https://wp.sbcounty.gov/workforce/>
7. Provide notice of Section 3 contracting opportunities to HACSB on projects and request that information regarding same be placed in HACSB owned housing developments within the Section 3 covered project area.
8. WDD and HACSB will participate in pre-construction meetings for the practicable opportunity for Section 3 businesses/individuals to participate in the construction of the project. Upon request, WDD and HACSB will provide resources for Section 3 employment opportunities. Documentation of participation by subject contractors is required and must be provided to the County.

E. Certification of Section 3 Businesses

1. Section 3 businesses must meet one of the following criteria, documented within the last six-month period:
 - It is at least 51 percent (51%) owned and controlled by low- or very low-income persons ; or
 - It is a business at least 51 percent (51%) owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
 - Over 75 percent (75%) of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.
2. Businesses obtain certification as a Section 3 business as follows:
 - Business-Self-Certification (see Business-Certification form Exhibit I-1).
 - Certification at time of bid submittal.

Businesses may, when submitting a bid proposal, or at any time thereafter, register in the San Bernardino County Purchasing Department ePro business registration at:

<http://countyline.sbcounty.gov/Purchasing/> complete and submit the "Section 3 Business Certification Form" attached hereto as Exhibit "I-1" and available on San Bernardino County Community Development and Housing website at: <https://sbcountycdha.com>

A self-certified low bidder on a Section 3 covered contract will be required to produce documentation certifying the business's Section 3 status prior to the business being awarded the contract.

The sample "Section 3 Business Certification Form" is part of the bid package for Section 3 covered projects.

F. Certification of Section 3 Worker

1. Section 3 worker is any worker who currently fits, or when hired within the past five years meets at least one of the following criteria:
 - Worker's income for the previous or annualized calendar year is below the income limit established by HUD; or
 - The worker is employed by a Section 3 business concern; or
 - Participant in a HUD Youth Build program.
2. A Section 3 worker seeking certification shall submit a self-certification "Section 3 Worker/Targeted Worker Eligibility Form" (see Exhibit C) form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75.
3. Section 3 workers can register on the WDD website at: <https://wp.sbcounty.gov/workforce/> Completing the registration will place the Section 3 applicant in a database and provide employment resources and services of the department to the applicant.
4. The WDD website maintains an employment database and provides businesses/contractors seeking Section 3 employees with the necessary verifications and resources during the recruitment process.

G. Certification of Section 3 Target Worker

1. A Section 3 Targeted worker must meet at least one of the following criteria:
 - Employed by a Section 3 Business Concern; or
 - Who currently fits or when hired fit one of the following definitions, as documented in the previous five years:
 - ✓ A Section 3 worker living in the project's services area or neighborhood of the project; or
 - ✓ A current YouthBuild participant

H. Developers and Subrecipients Receiving HUD Funds for Section 3 Covered Projects

Developers or subrecipients receiving HUD funding from the County for Section 3 covered projects shall, as part of the County business/contractor/developer loan and regulatory agreements, commit

to complying with Section 3 requirements, and shall cause its contractors and subcontractors to comply with the requirements set forth in 24 C.F.R. Section 75.19, regardless of whether Section 3 language is included in the recipient or subrecipient or their agreements.

I. Procurement and Contracting for Section 3 Covered Projects

1. Section 3 businesses and non-Section 3 businesses that bid for, and enter into, Section 3 covered contracts with the County must comply with the Section 3 requirements as set forth in 24 CFR Part 75.
2. Regardless of whether new employment or contracting opportunities are contemplated by developers, subrecipients, and contractors for Section 3 covered projects, Section 3 of CFR Part 75 must be included in all notices to bid and in all contracts between the County, City, developers, subrecipients, and contractors. The developer, subrecipient and contractor are required to include the Section 3 requirements in all contracts with their contractors, subcontractors and any sub-tier subcontractors.
3. All businesses responding to a Notice To Bid for Section 3 covered projects, if awarded, shall submit a "SECTION 3 RESOURCE PARTICIPATION CERTIFICATE" and a "CONTRACTOR'S SECTION 3 ACTION AND OUTCOME PLAN" both attached hereto as Exhibit "C" that will indicate whether the bidder will hire new employees or subcontract for sections of the work associated with the Section 3 covered project, and if so, establish a commitment and method for complying with the Section 3 requirements and related Section 3 employment and contracting goals.
4. Prior to the beginning of work and at the conclusion of work, contractors and subcontractors will be required to certify that they will and have made best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following priority order:
 - Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) or the neighborhood in which the assistance is provided; and
 - Youthbuild programs.
5. Prior to the beginning of work and at the conclusion of work, contractors and subcontractors must certify that they will and have made their best efforts to prioritize employment and training opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located. The priority order is described below:
 - Section 3 workers residing within the service area or the neighborhood of the project, and
 - Participates in YouthBuild programs
6. Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>.
7. Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>.

J. Internal Section 3 Complaint Procedure

In an effort to resolve complaints due to non-compliance through an internal process, the County encourages submittal of such complaints to its Section 3 Coordinator, Housing Project Manager I (Labor Compliance Administrator) as follows:

1. Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 75.
2. Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
3. An initial review of written complaint and discussion with the complaint will assist to determine the validity of the complaint. If the complaint is found to be valid further investigation will be conducted. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, an opportunity to submit testimony and/or evidence pertinent to the complaint.
4. The Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the alleged violation. The County will review the findings for accuracy and completeness before it is released to complainant. The findings will be made available no later than thirty (30) days after the filing of the complaint.

If complainants wish to have their concerns considered outside of the County process, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received no later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the HUD Assistant Secretary for good cause shown.

K. Reporting Requirements

1. The County will project Section 3 accomplishments upon the set-up of a new construction activity type that meets threshold requirements in IDIS.
2. Upon completion of a construction activity type County will report in IDIS whether Section 3 benchmarks were met. If benchmarks are not met, County will report on the qualitative efforts undertaken to meet those benchmarks.
3. Developers and contractors shall submit a Section 3 Report form to the County before and at the completion of a Section 3 covered project. The form will contain the following information. If Developer and/or contractors do not meet the benchmarks as defined in 24 CFR part 75 the contractor will be asked to provide documentation of the efforts taken to meet the numerical goals.
 - Number of total project labor hours
 - Number of Section 3 Worker Labor Hours
 - Number of Targeted Section 3 Worker Labor Hours

4. Developers and contractors shall submit a “SECTION 3 RESOURCE PARTICIPATION CERTIFICATE” and a “CONTRACTOR’S SECTION 3 ACTION AND OUTCOME PLAN” form to the County before the completion of a Section 3 covered project.
5. When Section 3 benchmarks (as described above) are not met, Developer and contractor shall submit a “SECTION 3 OUTREACH EFFORTS” with substantiated efforts.

L. Amendment of Section 3 Plan

From time to time the Director of Community Development and Housing may amend this Section 3 Plan with the approval of County Counsel.

EXHIBIT "A"
SECTION 3 DEFINITIONS

Contractor: Any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Developer: The developer as used in the definition of "(Sub)Recipient."

Housing Authority: Public housing agency.

The Housing Authority of the County of San Bernardino (HACSB): The Housing Authority of the County of San Bernardino, a separate legal entity, which administers funding for families assisted under its various housing programs in accordance with the U.S. Housing Act of 1937.

Housing and Community Development Assistance: Any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of Community Development Block Grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and Community Development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing Development: Low-income housing owned, developed, and/or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

Low-income: Single persons and families whose incomes do not exceed 80% of the median income for the area, as determined by the HUD Secretary, with adjustments for smaller and larger families, except that the HUD Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the HUD Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Labor Hours: means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Public Construction: Includes infrastructure work such as extending water and sewer lines, sidewalk repairs, site preparation, utility upgrades, etc.

Section 3: Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Covered Assistance:

1. Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
2. Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
3. Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
4. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Covered Contracts: A contract or subcontract awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project: The housing construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction projects which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Worker: Is a worker who currently fits or when hired within the past five years meets at least one of the following criteria: (i) worker's income for the previous or annualized calendar year is below the income limit established by HUD or (ii) worker is employed by a Section 3 business concern or (iii) worker is YouthBuild participant.

Section 3 Targeted Worker: Is Section 3 worker that also meets at least one of the following criteria: (i) Employed by a Section 3 business concern or (ii) living in the project's service area or (iii) is a YouthBuild participant.

Subcontractor: Any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance or arising in connection with a Section 3 covered project.

(Sub)Recipient: Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Very low-income: Single persons and families whose income do not exceed 50% of the median family income for the area, as determined by the HUD Secretary with adjustments for smaller and larger families, except that the HUD Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the HUD Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Youthbuild Programs: Means programs that receive assistance under Subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provides disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

EXHIBIT "B"
SECTION 3 BUSINESS CERTIFICATION FORM
(begins next page)



SECTION 3 BUSINESS CERTIFICATION

Name of Business:	
Address:	
City:	State: CA
Zip Code:	
Name of Business Owner:	
Phone Number(s):	
E-Mail Address:	
Name of Preferred Contact:	
Phone Number of Preferred Contact (if different from above):	
Type of Business: Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Joint Venture <input type="checkbox"/>	
<p>Certification Regarding Status as a Section 3 Business Concern</p> <p>The undersigned certifies that the company <u>principal(s)</u>, and any <u>authorized personnel</u> have read the County's <i>Section 3 Plan</i>. Before contract award, business must submit additional documentation to verify Section 3 eligibility and demonstrate capability. For further information regarding Section 3 Business Concern can be found at 24 CFR 75.5</p>	
<p>"Section 3 Business Concern" means a business wherein (mark one):</p> <p><input type="checkbox"/> At least 51% or more owned and controlled by low-or very-low income person (Refer to income guidelines found on page 2); or</p> <p><input type="checkbox"/> At least 51% of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or</p> <p><input type="checkbox"/> At least 75% of labor hours performed for the business over a the prior three-month period are performed by Section 3 workers.</p>	
<p>Owner hereby declares under penalty of perjury in the State of California that the foregoing declaration of "Section 3 Business Certification" is true and correct.</p>	
_____ OWNER SIGNATURE	_____ TITLE
_____ PRINT NAME	_____ DATE

EXHIBIT: I-1

SECTION 3 BUSINESS CERTIFICATION INSTRUCTIONS

All Section 3 Businesses **MUST** complete and **SUBMIT** both the **SECTION 3 BUSINESS CERTIFICATION** and additional documentation to verify Section 3 eligibility and demonstrate capability before contract award.

INTRODUCTION:

San Bernardino County through the Department of Community Development and Housing is the recipient of Housing and Urban Development (HUD) funding for financial assistance of housing as well as community development activities. These programs require compliance with Section 3 of the Housing and Urban Development Act of 1968. Section 3 requires that employment and other economic opportunities be directed toward low- and very-low income persons, particularly those who are recipients of federal assistance for housing, and to business concerns that employ these qualifying residents.

The **Section 3 Plan** handbook is available at: <https://sbcountycdha.com> The *Plan* is a guide to understand Section 3 business and employment goals related to a project. It is intended to assist businesses in complying with Section 3 requirements but does not supersede the contract provisions.

SECTION 3 BUSINESS CERTIFICATION INSTRUCTIONS:

- Complete the “Business Information” section in the middle of the form.
- Business owner signs and dates the signature block section.
- Business owner mails original, signed, hard copy to:

Department of Community Development and Housing
 Attention: Housing Project Manager I
 385 N. Arrowhead Ave., Third Floor
 San Bernardino, CA 92415-0043

Section 3 Income Limits for the State of California (Riverside – San Bernardino Counties)

SAN BERNARDINO COUNTY 2021 INCOME LIMITS

EFFECTIVE JANUARY 1, 2020

HOUSEHOLD SIZE	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
INCOME:								
Extremely Low 30%	\$16,600	\$19,000	\$21,960	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
Very Low 50%	\$27,650	\$31,600	\$35,550	\$39,500	\$42,700	\$45,850	\$49,000	\$52,150
Low 80%	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450

HUD website: <https://www.huduser.gov/portal/datasets/il.html>

EXHIBIT: I-1 Attachment

EXHIBIT C
CONTRACTOR SECTION 3 PLAN
(begins next page)



Community Development and Housing

SECTION 3 RESOURCE PARTICIPATION CERTIFICATE

PROJECT NAME: _____ PROJECT CODE: _____

PROJECT ADDRESS: _____

CONTRACTOR NAME: _____

PLEASE CHECK ONE OF THE FOLLOWING: PRIME CONTRACTOR SUBCONTRACTOR SUB-TIER

The undersigned certifies that the company principal(s), and any authorized personnel have read the County's Section 3 Plan and will contact the Housing Authority of the County of San Bernardino (HACSB) and San Bernardino County Workforce Development Department (WDD). After contacting and receiving information from HACSB and WDD, the Contractor and HACSB and WDD must sign and date their signature block section of this form.

Housing Authority of the County of San Bernardino

CONTACT INFORMATION: HACSB - Evan Miles (909) 890-5374 emiles@hacsb.com

Contractor has contacted the Housing Authority of the County of San Bernardino and has received information to participate in the practicable opportunity for Business and Employment Services including Section 3 business/residents to participate in the construction of the project.

I hereby declare under penalty of perjury in the State of California that the above information and statements contained are true and correct.

HOUSING AUTHORITY SIGNATURE

DATE

COMMENTS:

Workforce Development Department

CONTACT INFORMATION: WDD - Curtis Compton (909) 948-6625 CCompton@wdd.sbcounty.gov

Contractor has contacted the San Bernardino County Workforce Development Department and has received information to participate in the practicable opportunity for Business and Employment Services including Section 3 business/residents to participate in the construction of the project.

I hereby declare under penalty of perjury in the State of California that the above information and statements contained are true and correct.

WORKFORCE DEVELOPMENT SIGNATURE

DATE

COMMENTS:

Name

Title

Date



Community Development and Housing

SECTION 3 ACTION AND OUTCOME PLAN

PROJECT NAME: _____ PROJECT CODE: _____

PROJECT ADDRESS: _____

CONTRACTOR NAME: _____

PLEASE CHECK ONE OF THE FOLLOWING: [] PRIME CONTRACTOR [] SUBCONTRACTOR [] SUB-TIER

Contractor must complete and submit this form FOLLOWING the completion of the SECTION 3 RESOURCE PARTICIPATION CERTIFICATE. Contractor must provide information in EACH of the following sections and may attach additional sheets.

Outreach Efforts - Outcome: Section 3 Businesses

- Contractor will subcontract all or a portion of the work on this project: [] Yes [] No
Contractor must describe the Outreach Efforts and Outcomes taken to outreach to provide opportunities to qualified Section 3 Businesses:

Table with 2 columns: Action (Describe) and Outcome (Summarize results of the actions taken)

Outreach Efforts - Outcome: Section 3 Workers/Targeted Workers

- Contractor will subcontract all or a portion of the work on this project: [] Yes [] No
Contractor must describe the Outreach Efforts and Outcomes taken to employ Section 3 Workers/Targeted Workers:

Table with 2 columns: Action (Describe) and Outcome (Summarize the results)

Contractor Certifications

- 1. Contractor has received a copy of San Bernardino County Section 3 Plan and the 24 CFR Part 75 regulations.
2. Contractor shall include the Labor Compliance Contract Addendum (LCCA - which includes the 24 CFR Part 75 regulations) in all of Contractor's executed Subcontractor contracts for this Project.
3. Contractor shall comply with the County's Section 3 Plan, and this Contractor's Section 3 Outreach Efforts and Outcome Plan.
4. Contractor will, to the greatest extent feasible, comply with the numerical Section 3 benchmarks set forth in the County's Section 3 Plan for this project or subcontracting any of the work on this project.
5. Contractor will complete the HUD Section 3 Information tab on all employees (new and current) in LCPTracker.

I hereby declare under penalty of perjury in the State of California that the above information and statements contained in the Contractor's Section 3 Action and Outcome Plan are true and correct.

Name _____ Title _____ Date _____
LCF DB16-2.5



Community Development and Housing Department

SECTION 3 Worker/Targeted Worker Eligibility Form

Company Name:			
Employee Name:			
Employee Address:	City:		
State:	Zip Code:		
Date of Hire:	Phone Number:		

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. Your response is voluntary, confidential, and has no effect on your employment.

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Workers as defined in 24 CFR Part 75.

Section 3 Worker eligibility qualification:

Individual Income for the previous or annualized calendar year is below the income limits established by HUD for the area where you currently reside.

Individual Income					
	Less than \$10,000	\$10,001 - \$20,000	\$20,001 - \$30,000	\$30,001 - \$40,000	
	\$40,001 - \$50,000	\$50,001 - \$60,000	\$60,001 - \$70,000	More than \$70,001	

- I am currently employed by a Section 3 business concern.
- I am a Youthbuild participant (Section 3 Target Worker eligibility).

Section 3 Targeted Worker eligibility qualifications:

- Currently Employed by a Section 3 business concern
- Currently fits or when hired meets at least one of the following categories, as documented within the past five years:
- Living within the service area or the neighborhood of the project; or
- I am a Youthbuild participant.

I affirm that the information on this form is true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

SIGNATURE

DATE

PRINT NAME

FOR EMPLOYER ADMINISTRATIVE USE ONLY

- Is the employee a Section 3 worker based upon their self-certification? YES NO
- Is the employee a Targeted Section 3 worker based upon their self-certification? YES NO
- Was this an applicant who was hired as a result of the Section 3 project? YES NO

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS



Community Development and Housing

SECTION 3 CUMULATIVE REPORT

Company Name:	
Address:	City:
State:	Zip Code:
<input type="checkbox"/> Initial Report	
<input type="checkbox"/> Progress Report	Reporting Period:
<input type="checkbox"/> Final Report	

Section 3 Reporting:

Total number of hours estimated/worked: _____

Total number of labor hours estimated/worked by Section 3 Worker: _____

Total number of labor hours estimated/worked by Section 3 Targeted worker: _____

Section 3 Benchmarks:

- 1) Section 3 Labor Hours/Total Labor Hours = 25%
And
- 2) Targeted Section 3 Laborer Hours/Total Labor Hours = 5%

- The following qualitative activities mark will be pursued in effort to meet Section 3 requirements:
- If Section 3 benchmark were **NOT** met mark all qualitative activities pursued to meet Section 3 requirements:
 - Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
 - Provided training or apprenticeship opportunities.
 - Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
 - Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
 - Held one or more job fairs.
 - Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
 - Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
 - Assisted Section 3 workers to obtain financial literacy training and/or coaching.
 - Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
 - Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
 - Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
 - Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
 - Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
 - Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

I affirm that we have made/will make best efforts to follow the prioritization of efforts requirements as follows 1) Section 3 workers residing within the services area of the neighborhood of the project, and 2) Participated in Youthbuild program. I hereby certify, under penalty of law, that the above statement is correct to the best of my knowledge.

Signature: _____ Date: _____

Print Name: _____

Exhibit C

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**
(Rialto Metrolink South Housing Partners, L.P.)

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**
(Rialto Metrolink South Housing Partners, L.P.)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated as of March 15, 2022, and is between the San Bernardino County, a political subdivision of the State of California (the "County"), and Rialto Metrolink South Housing Partners, L.P., a California limited partnership ("Borrower").

RECITALS

A. These Recitals refer to and utilize certain capitalized terms; defined terms used but not defined in these Recitals are as defined in Article 1 of this Agreement. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the HOME Investment Partnership Act Loan Agreement by and between the County and Borrower, dated as of March 15, 2022, as such may be amended from time to time (the "Loan Agreement").

B. The Rialto Housing Authority (the "Authority") and the Borrower entered into that certain June 28, 2016 Affordable Housing, Financing and Disposition and Project Agreement, and subsequent amendments, pursuant to which Authority agreed to fund the acquisition, predevelopment and construction, and sell to Borrower certain real property located in the City of Rialto, San Bernardino County, State of California (the "Property"), all as more fully described on Exhibit A-1 attached hereto and incorporated herein by this reference. The parcel consists of 1.59 acres which will be the "Project Site." Borrower is to develop a 55-unit affordable rental project on the Project Site for Very Low and Low-Income Households ("Project"). The Project, as well as any additional improvements on the Property will be the "Project Improvements."

C. Pursuant the Loan Agreement, the County has made a loan of up Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000) of HOME Investment Partnerships Act funds ("HOME Funds") to fund eligible activities for the Project as allowed under 24 C.F.R. 92.206 through 24 C.F.R. 92.209 (the "Loan"). The County has the authority to loan the HOME Funds pursuant to 24 C.F.R. 92.205.

D. The County has agreed to make the Loan on the condition nine (9) Units in the Project are to be maintained and operated in accordance with the HOME Regulation for the entire HOME Term and thereafter for the remaining Term of this Agreement in accordance with the restrictions concerning affordability, operation, and maintenance that are set forth in this Agreement and in the related documents evidencing the Loan.

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

THEREFORE, the County and the Borrower hereby agree as follows:

ARTICLE 1
DEFINITIONS; EXHIBITS

1.1 Definitions.

The following terms have the following meanings:

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Annual Income" means the total anticipated annual income of all persons in the Tenant household as calculated pursuant to 24 C.F.R. 92.203(b)(1). Adjusted Annual Income includes income from all persons in the household, including nonrelated individuals.

(c) "Agreement" has the meaning set forth in the first paragraph of this Agreement.

(d) "Assumed Household Size" means the assumed household size "adjusted for family size appropriate to the unit" as such term is defined in California Health and Safety Code Section 50052.5(h). The definition is utilized to calculate affordable rent and is not intended to be a limit on the number of persons occupying a unit.

(e) "Completion Date" means the date that all of the following have occurred: (1) a temporary or final certificate of occupancy, or equivalent document is issued by the County to certify completion of the construction of the Project Improvements; (2) the final disbursement of HOME Funds for the Project has been made; (3) the County has verified the Project complies with the property standards set forth in 24 C.F.R. 92.251; and (4) all project completion information has been entered by the County into the Integrated Disbursement and Information System (IDIS).

(f) "Completion of Construction" means the date the construction of the Project Improvements is completed as evidenced by the issuance of a certificate of occupancy or equivalent document issued by the County, to certify completion of the construction of the Project Improvements.

(g) "County" has the meaning set forth in the opening paragraph of this Agreement.

(h) "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, Fidelity National Title Insurance Company, as trustee, and the County, as beneficiary, that will encumber the Project to secure repayment of the Loan and Borrower's performance of the covenants set forth in the documents evidencing the Loan.

(i) "HOME" means Home Investment Partnerships Act Program funded pursuant to the Cranston-Gonzalez National Housing Act of 1990.

(j) "HOME-Assisted Units" means the 9 units classified as HOME-assisted units (each such unit a "HOME-Assisted Unit"). The HOME-Assisted Units consist of three-bedroom units. The HOME Assisted Units shall be fixed units and are to be intermingled throughout the Project and of comparable quality to all other Units and must meet the Uniform Federal Accessibility Standards.

(k) "HOME Funds" has the meaning set forth in Paragraph C of the Recitals.

(l) "HOME Regulations" means the regulations set forth in 24 C.F.R. Part 92.

(m) "HOME Term" means the period beginning on the date of this Agreement and ending on the twentieth (20th) anniversary of the Completion Date. After the expiration of the HOME Term, for the purposes of the HOME Regulations, the Project will no longer be considered an existing HOME assisted rental project.

(n) "HUD" means the United States Department of Housing and Urban Project.

(o) "Loan" has the meaning set forth in Paragraph C of the Recitals.

(p) "Loan Agreement" has the meaning set forth in Paragraph A of the Recitals.

(q) "Loan Documents" means the documents executed by Borrower evidencing the Loan, including this Agreement, the Note, Deed of Trust, and the Loan Agreement.

(r) "Low HOME Rent" means a monthly Rent amount not exceeding the maximum rent published by HUD for a Very Low-Income Household for the applicable bedroom size or as otherwise set forth in 24 C.F.R. 92.252(b).

(s) "Low-Income Household" means a Tenant household with an Adjusted Annual 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. 92.2. An individual who is a student that is ineligible to receive Section 8 assistance under 24 C.F.R. 5.612, and thus ineligible to receive any type of HOME assistance, shall not qualify as a Low-Income Household.

(t) "Low-Income Units" means the HOME-Assisted Units which, pursuant to Section 2.1 below, are required to be occupied by Low-Income Households.

(u) "Management Agent" has the meaning set forth in Section 5.2.

(v) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the San Bernardino County, 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 will provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(w) "Note" means that certain Promissory Note, of even date herewith, that evidences Borrower's obligation to repay the Loan, as such may be amended from time to time.

(x) "Project" has the meaning set forth in Paragraph B of the Recitals.

(y) "Project Improvements" has the meaning set forth in Paragraph B of the Recitals.

(z) "Project Site" has the meaning set forth in Paragraph B of the Recitals.

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

(bb) "Rent" means the total monthly payments by the Tenant of a Unit (other than the manager's Unit) for the following: (1) use and occupancy of the Unit and land and associated facilities, including parking; (2) any reasonable and customary separately charged fees or service charges assessed by Borrower which are required of all Tenants which meet the requirements under 24 C.F.R. 92.214(b)(3), other than security deposits; (3) the County-approved utility allowance, calculated pursuant to 24 C.F.R. 92.252(d) or otherwise determined based upon the specific utilities used at the Project as allowed under 24 C.F.R. 92.252(d)(1), 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 (4) 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. In no event shall the Rent of a Unit exceed the amount permitted by the County pursuant to Section 2.2 hereof.

(cc) "Service Provider" has the meaning set forth in Section 5.6.

(dd) "Tenant" means the tenant household that occupies a Unit in the Project.

(ee) "Tenant Services" has the meaning set forth in Section 5.6.

(ff) "Term" means the term of this Agreement which commences as of the date of this Agreement, and unless sooner terminated pursuant to the terms of this Agreement, expires on the date fifty-five (55) years from the Completion Date.

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

(hh) "Very Low-Income Household" means a household with an Adjusted Annual 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. An individual who is a student that is ineligible to receive Section 8 assistance under 24 C.F.R. 5.612, and thus ineligible to receive any type of HOME assistance, shall not qualify as a Very Low-Income Household.

(ii) "Very Low-Income Units" means the HOME-Assisted Units which, pursuant to Section 2.1 below, are required to be occupied by Very Low-Income Households.

1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A: Legal Description of the Property
- Exhibit B: Schedule of HOME Rents
- Exhibit C: Certificate of Continuing Program Compliance
- Exhibit D: Form of Certification of Tenant Eligibility
- Exhibit E: Uniform Physical Conditions Standard

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) Very Low-Income Units. During the Term, Borrower shall rent nine (9) three-bedroom Units, and ensure that these Units are occupied or, if vacant, available for occupancy, by Very Low-Income Households, these Units shall be considered HOME-Assisted Units.

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

(c) Manager's Unit. One (1) two-bedroom Unit shall be available for designation as the management staff unit.

2.2 Allowable Rent.

(a) Very Low-Income Rent. Subject to the provisions of Section 2.3 below, the Rent paid by Tenants of Very Low-Income Units may not exceed the Low HOME Rent provided to the Borrower annually by the County, which shall be consistent with the HUD published HOME rents.

(b) Assumed Household Size. In calculating the allowable Rent for the HOME-Assisted Units, the Assumed Household Size shall be determined pursuant to the terms of Health and Safety Code Section 50052.5(h) (as shown in the second column below), unless

the Project receives an allocation of Low Income Housing Tax Credits (in which instance the imputed household size would be listed in the third column, as shown below):

Number of Bedrooms	Assumed Household Size	Tax Credit Household Size
One	2	1.5
Two	3	3
Three	4	4.5

(c) Approval of Rents. Initial Rents for all HOME-Assisted Units shall be approved by the County prior to occupancy. All Rent increases for HOME-Assisted Units shall also be subject to approval by the County. No later than thirty (30) days after HUD publishes Median Income for the San Bernardino County, the County shall provide the Borrower with a schedule of permissible maximum Very Low-Income Rents and Low-Income Rents for the succeeding year (the "Rent Schedule"). The Rent Schedule for each calendar year shall reflect an increase or decrease in maximum permissible rents which corresponds directly to any increase or decrease in Median Income for the San Bernardino County from the Median Income for the San Bernardino County published for the previous calendar year. Under no circumstance may the Borrower raise rents for HOME-Assisted Units above the permissible maximum rents as allowed under the annual rent schedule provided by the County.

(d) 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 that are not customarily charged in rental housing. Nothing herein shall prevent Borrower from establishing charges for tenant defaults and for other voluntary services, so long as such fees are not prohibited under 24 CFR 92.214.

(e) Occupancy. Borrower shall cause the Project to be operated at all times in compliance with all applicable provisions of: (1) the Unruh Act, including but not limited to California Civil Code Sections 51.2, 51.3 and 51.4 which relate to the requirements for lawful senior housing; (2) the California Fair Employment and Housing Act, Government Code Section 12900 *et seq.*, which relates to lawful senior housing; (3) Section 504 of the Rehabilitation Act of 1973; (4) the United States Fair Housing Act, as amended, 42 U.S.C. Section 3607(b) and 24 CFR 100.304, which relate to lawful senior housing; and (5) the Americans With Disabilities Act of 1990, which relate to disabled persons access. 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 applicable legal requirements related to housing for persons with disabilities. The indemnification provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

(f) Approved Rents. Subject to Sections 2.2, above, the County may not unreasonably disapprove Initial Rents and annual Rent increases in subsequent years that are less than or equal to the maximum rents, for the applicable year, established by HUD for the HOME program and established by TCAC for Tenants in an income tier under 30%, 40%, 50% or 60%

of AMI ("Tax Credit Rents"), provided, however; County shall have no approval rights over Borrower's right to charge TCAC rents to the extent they are lower than HOME rents.

2.3 Rent Increases: Increased Income of Tenants.

(a) Rent Increases. The proposed initial Rents and subsequent Rents for all HOME-Assisted Units shall be provided to the Borrower by the County prior to initial or subsequent occupancy and prior to a rent increase, and shall be subject to the HOME Regulations. A schedule of current HOME rents is attached as Exhibit B. Subject to Section 2.2(g), Borrower may not impose any Rent increases on HOME-Assisted Units, without prior submission to the County of any proposed Rent increases and without written approval from the County of the proposed Rent increases. The Rent for such HOME-Assisted Units may be increased, consistent with the HOME rents published by HUD, no more than once annually based upon the annual income certification described in Article 3 below and in no event shall any increase exceed the Tax Credit Rents. Tenants shall be given at least sixty (60) days written notice prior to any Rent increase. The County will provide Borrower with a schedule of maximum permissible Rents for the HOME-Assisted Units annually.

(b) Increased Income Over Very Low-Income but Below Low-Income Limit. If, upon recertification of a Resident's income, the Borrower determines that a former Very Low-Income Household's Adjusted Income has increased and exceeds the qualifying income for a Very Low-Income Household, but has an Adjusted Income not exceeding the qualifying income for a Low-Income Household, then, such Tenant shall be permitted to retain the Unit and shall continue to be charged Very Low-Income Rent. Upon expiration of the Tenant's lease for such year and upon sixty (60) days' written notice, the Rent may be increased to the Low-Income Rent, and such Tenant's Unit may be considered a Low-Income Unit.

(c) Non-Qualifying Household. If, upon the annual certification of the income a Tenant of a HOME-Assisted Unit, Borrower determines that the income of an a Very Low-Income Household or a Low-Income Household has increased above the qualifying limit for a Low-Income Household, such Tenant shall be permitted to retain the Unit and upon expiration of the Tenant's lease and upon sixty (60) days written notice, the Rent must be increased to the lesser of one-twelfth (1/12th) of thirty percent (30%) of the actual Adjusted Annual Income of the Tenant, or fair market rent (subject to 24 C.F.R. 92.252(i)(2) regarding Low-Income housing tax credit requirements), and Borrower shall rent the next available Unit to an a Very Low-Income Household or a Low-Income Household as applicable to comply with the requirements of Section 2.1 above, at a Rent not exceeding the maximum Rent specified in Section 2.2, or re-designate another comparable Unit in the Project with a Very Low-Income Household or Low-Income Household as applicable as a HOME-Assisted Unit, to meet the requirements of Section 2.1 above. Upon renting the next available Unit in accordance with Section 2.1 or re-designating another Unit in the Project as a HOME-Assisted Unit for Low-Income, the Unit with the over-income Tenant will no longer be considered a HOME-Assisted Unit Low-Income.

(d) 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 or another Unit is re-designated as a HOME-Assisted Unit, at which time categorization of the Unit will be established based on the occupancy requirements of Section 2.1.

2.4 Units Available to the Disabled.

Borrower shall construct the Project in compliance with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II and/or Title III of the Americans with Disabilities Act of 1973 (29 U.S.C. 794 et seq.); and Title 24 of the California Code of Regulations. In compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et. seq.), a minimum three (3) Units, representing five percent (5%) of the Units in the Project, shall be constructed to be readily accessible and usable by households with a mobility impaired member and a minimum of two (2) Units, representing two percent (2%) of the Units in the Project) shall be constructed and to be readily accessible and usable by households with a hearing and/or visually impaired member. Not less than thirty (30) days from the Completion Date, the Borrower shall deliver to the County the certification that the Project has been designed to comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.) and the Uniform Federal Accessibility Standards (UFAS) pursuant to the Loan Agreement.

2.5 Lease Provisions.

The Borrower shall include in leases for all HOME-Assisted Units provisions which authorize the Borrower to immediately terminate the tenancy of any household one or more of whose members misrepresented any fact material to the household's qualification as a Very Low-Income Household or Low-Income Household, as applicable. Each lease or rental agreement shall also provide that the household is subject to annual certification in accordance with Section 3.1 below, and that, if the household's income increases above the applicable limits for a Very Low-Income Household or Low-Income Household, as applicable, such household's Rent may be subject to increase pursuant to Section 2.3 above.

2.6 Condominium Conversion.

During the Term of this Agreement, the Borrower shall not convert any of the Units in the Project to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Property.

ARTICLE 3 INCOME CERTIFICATION AND REPORTING

3.1 Income Certification.

(a) Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy and annually thereafter, income certifications from each Tenant renting any of the HOME-Assisted Units (excluding the Manager's Unit). Borrower shall make a good faith effort to verify the accuracy of the income provided by all applicants or all members of the occupying household, as the case may be, in the income certification. To verify the information

Borrower shall take one or more of the following steps as part of the verification process: (1) obtain a minimum of the three most current pay stubs for all adults age eighteen (18) or older; (2) obtain an income tax return for the most recent tax year; (3) conduct a credit agency or similar search; (4) obtain an income verification form from the applicant's current employer verifying employment for the last two months; (5) obtain the three (3) most current savings and checking account bank statements; (6) 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, verifying assistance for the last two months (as available from those agencies); or (6) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Tenants' income certifications shall be available to the County upon reasonable written request.

(b) In addition, during the HOME Term, Borrower shall cause each Tenant in a HOME-Assisted Unit to execute a Certification of Tenant Eligibility in the form attached as Exhibit D, or some other alternative tenant certification reasonably approved in writing by the County. Borrower shall fill out the "Project Owner" portion of the Certification of Tenant Eligibility and provide it to the County along with supporting documentation collected by Borrower. Copies of the Certifications of Tenant Eligibility and accompanying documentation must be submitted to the County annually for each of the HOME-Assisted Units.

3.2 Tenant Selection.

(a) Before leasing any Units in the Project, the Borrower must provide the County for its review and approval the Borrower's written marketing and resident selection plan that at a minimum meets the requirements for tenant selection set forth in 24 C.F.R. 92.253(d) and Section 4.15 of the Loan Agreement and any modification thereto as required under Section 3.18(c) of the Loan Agreement.

(b) The Borrower shall not discriminate against any applicants for tenancy on the basis of source of income or rent payment (for example, without limitation, Temporary Assistance for Needy Families (TANF) or Section 8), and the Borrower shall consider a prospective Tenant's previous rent history of at least one (1) year, or such other time period the Borrower deems reasonable, as evidence of the prospective Tenant's ability to pay the applicable Rent. The ability to pay shall be demonstrated if the prospective Tenant can document that the prospective Tenant's gross income is at least two (2) times the prospective rent. The Borrower, in the reasonable exercise of its discretion, may waive the requirement that the prospective Tenant's gross income equal at least two (2) times the prospective rent, and admit prospective Tenants with lower gross incomes.

3.3 Reporting Requirements.

Borrower shall submit to the County: (a) not later than the ninetieth (90th) day after the close of each calendar year, or such other later date as may be requested by the County, a signed copy of the Certification of Program Compliance in the form attached as Exhibit C; and (b) within fifteen (15) days after receipt of a written request, and 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.

3.4 Additional Information.

Borrower shall provide any additional information reasonably requested by the County with regards to the Borrower or the Project. The County shall have the right to examine and make copies of all books, records or other documents of the Borrower which pertain to the Project.

3.5 Records.

Borrower shall maintain complete, accurate and current records pertaining to the Project, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to income and household size of Tenants and Rent charged to such Tenants. All Tenant lists, applications and waiting lists relating to the Project are to be at all times: (a) separate and identifiable from any other business of Borrower; (b) maintained as required by the County, in a reasonable condition for proper audit; and (c) 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.

3.6 HOME Record Requirements.

All records maintained by Borrower pursuant to Sections 3.3 and 3.5 above are to be: (a) maintained in compliance with all applicable HUD records and accounting requirements; and (b) open to and available for inspection and copying by HUD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Project physical inspections must be kept for the most recent five (5) year period and are subject to HUD inspection for five (5) years after expiration of the HOME Term. Borrower is subject to the audit requirements set forth in 24 CFR 92.506 during the HOME Term.

3.7 Annual Operating Budget.

The Borrower, at least thirty (30) days prior to the end of each of the Borrower's fiscal year, shall furnish the County an Annual Operating Budget for the upcoming calendar year.

3.8 On-Site Inspection.

(a) The County may perform, or cause to be performed, an on-site inspection of the Project (including HOME-Assisted Units, subject to the rights of Tenants) at least one (1) time per year upon two (2) business days' written notice to Borrower during normal business hours to monitor compliance with this Agreement. Borrower shall cooperate in making the Project available for such inspection. Borrower agrees and acknowledges that during the HOME Term the County must conduct on-site inspections, consistent with the requirements of 24 C.F.R. 92.504(d), to determine compliance with the property standards set forth in 24 C.F.R. 92.251, at least once every three (3) years after the Completion of Construction of the Project Improvements or as otherwise required under 24 CFR 200.285.

(b) After the completion of an inspection the County shall deliver a copy of the Uniform Physical Conditions Standards inspection report to the Borrower. If the County determines as a result of such inspection that there are any life-threatening health and safety related deficiencies, Borrower has the obligation to correct such deficiencies immediately, in accordance with 24 C.F.R. 92.251. If the County determines as a result of the inspection that there are any deficiencies for any of the inspectable items in the Project (other than those identified in the preceding sentence), the Borrower shall correct such deficiencies within fifteen (15) days from the delivery of the inspection report 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. In addition, the Borrower acknowledges that the County may re-inspect the Project to verify all deficiencies have been corrected or rely on third party documentation submitted by the Borrower for non-hazardous deficiencies in conformance with 24 C.F.R 92.504(d).

(1) Upon expiration of the HOME Term, the County may perform on-site inspections on the same terms as Section 3.8(a) above.

3.9 Use of Reserve Funds.

The Borrower agrees to create and maintain the reserves required by the Approved Financing (as defined in the Loan Agreement) and the reserves in the amounts approved by the County as part of the Approved Financing Plan submitted by the Borrower pursuant to the terms of the Loan Agreement. The Borrower shall notify the County of any withdrawals from the reserve accounts.

ARTICLE 4 OPERATION OF THE PROJECT

4.1 Residential Use. The Project shall be used and continuously operated and maintained as multi-family and intergenerational rental housing to be made available to and occupied by Very Low and Low-Income Households, as applicable, in conformity with this Regulatory Agreement. No part of the Project may be operated as an emergency shelter (including shelter for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, or dormitories (including farmworker dormitories).

4.2 Compliance with Loan Documents and Program Requirements. Borrower's actions with respect to the Project shall at all times be in full conformity with: (a) all requirements of the Loan Documents; (b) 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, as such may be amended or supplemented from time to time; and (c) any other regulatory requirements imposed on Borrower.

4.3 Taxes and Assessments. Borrower shall pay all real and personal property taxes, if any, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the

Property; provided, however, that Borrower may apply for a property tax exemption for the Property under any provision of law or contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

4.4 Section 8 Certificate Holders. Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates or vouchers 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 are 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 Project which have the effect of precluding occupancy of units by such prospective Tenants.

ARTICLE 5

PROPERTY MANAGEMENT, MAINTENANCE AND TENANT SERVICES

5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Project, including without limitation the selection of Tenants for HOME-Assisted Units in accordance with the requirements of 24 C.F.R. 92.253(d), 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 Project. Borrower shall retain a professional property management company approved by the County in its reasonable discretion to perform Borrower's management duties hereunder. A resident manager shall also be required. The Borrower shall submit to the County an initial proposed management plan pursuant to the Schedule of Performance. The County shall approve or disapprove the proposed management plan in writing within fifteen (15) business days following the County's receipt of the proposed management plan, which approval shall not be unreasonably denied, conditioned or delayed. If the proposed management plan is disapproved by the County, the County shall deliver a written notice to the Borrower setting forth, in reasonable detail, the reasons for such disapproval. The Borrower shall have fifteen (15) business days following the receipt of such notice to submit a revised management plan. The County's approval of the amendments to the management plan shall not be unreasonably withheld, conditioned or delayed. The Management Plan approved pursuant to Section 4.12 of the Loan Agreement shall be deemed to comply with the requirements of this Section.

5.2 Management Agent. Borrower shall cause the Project to be managed by an experienced management agent reasonably acceptable to the County, with a demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). The County hereby approves of National Community Renaissance of California as the initial Management Agent for the Project. For any change in the Management Agent, the Borrower shall submit for the County's approval the identity of any proposed Management Agent. The 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 the Borrower in writing.

5.3 Periodic Performance Review. The County reserves the right to conduct a periodic review of the management practices and financial status of the Project within thirty (30) days after each anniversary of the Completion Date. The purpose of each periodic review will be to enable the County to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. The Borrower shall cooperate with the County in such reviews.

5.4 Replacement of Management Agent.

(1) If, as a result of a periodic review, the County determines in its reasonable judgment that the Project is not being operated and managed in accordance with any of the requirements and standards of this Agreement, the County shall first deliver the results of such review to the Borrower and Management Agent, who shall have thirty (30) days to respond or to adopt such rules and implement such practices as are reasonably like to cure the performance defaults alleged by the County. If the County remains dissatisfied with the response or proffered cure, it may at any time after the initial notice, deliver notice to the Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor, subject to the rights of partners of the Borrower. Within fifteen (15) days of receipt by the Borrower of such written notice, the County staff and Borrower, and any partners of the Borrower, shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent.

(2) If, after such meeting, County staff recommends in writing the replacement of the Management Agent, with the reasonable concurrence of the partners of the Borrower, Borrower will promptly dismiss the then-current Management Agent, and must 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, and subject to the rights of any senior lender.

(3) Any contract for the operation or management of the Project entered into by Borrower must 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 Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.7 below.

5.5 Approval of Management Plan Modifications. Each year, within sixty (60) days of the end of the calendar year, the Borrower shall submit to the County any proposed changes to the Management Plan. The County shall approve or disapprove the proposed changes to the Management Plan in writing within fifteen (15) business days following the County's receipt of the request to amend the Management Plan, which approval shall not be unreasonably denied,

conditioned or delayed. If the change to the Management Plan is disapproved by the County, the County shall deliver a written notice to the Borrower setting forth, in reasonable detail, the reasons for such disapproval. The Borrower shall have fifteen (15) business days following the receipt of such notice to submit a revised Management Plan modification in any way necessary to ensure that such policies comply with the provisions of this Agreement. The County's approval of the amendments to the Management Plan shall not be unreasonably withheld, conditioned or delayed.

5.6 Property Maintenance.

(1) Borrower must maintain, for the entire Term of this Agreement, all interior and exterior Project Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) consistent with quality affordable housing developments owned or operated by Related or Related Affiliates and in accordance with a Management Plan approved pursuant to Section 5.5 of this Agreement, as the same may be amended from time to time, and in accordance with 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, and in a decent, safe, sanitary condition and in good repair pursuant to the Uniform Physical Conditions Standards established by HUD pursuant to 24 C.F.R. 5.703 and as required under 24 C.F.R. 92.251.

(2) The County places prime importance on quality maintenance to protect its investment and to ensure that all County funded affordable housing projects within the County are not allowed to deteriorate due to deficient maintenance. In addition, the Developer shall keep the Project free from all graffiti, and any accumulation of shopping carts, debris or waste material. Normal wear and tear of the Project will be acceptable to the County assuming Borrower agrees to provide all necessary improvements to assure the Project is maintained in good condition. Borrower shall promptly make all repairs and replacements necessary to keep the Project Improvements in good condition and repair (and as to landscaping, in a healthy condition) consistent with quality affordable housing developments owned or operated by Related or Related Affiliates and shall promptly eliminate all graffiti and replace dead and diseased plants and landscaping with comparable materials.

(3) In the event that Borrower breaches any of the covenants contained in this section and such default continues for a period of seven (7) days after written notice from the County with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from 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, shall have the right to enter the Project and perform or cause to be performed all such acts and work necessary to cure the default, or if a period longer than seven (7) and thirty (30) days is reasonably necessary to correct the deficiency, respectively, then the Borrower shall begin to correct the deficiency within seven (7) and thirty (30) days, respectively, and correct the deficiency as soon as reasonably possible. Pursuant to such right of entry, the County shall be permitted (but is not required) to enter the Project and perform all acts and work necessary to protect, maintain, and preserve the Project Improvements and landscaped areas on the Property, and to attach a lien on the Project, or to assess the Project, 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, including a ten percent (10%) administrative charge, which amount shall be promptly paid by the Borrower to the County upon demand.

(4) The conditions and obligations set forth in this Section shall run with the Property and shall apply for the entire Term of this Agreement.

5.7 Safety Conditions.

(a) The parties mutually acknowledge that each places a prime importance on the security of County assisted projects and the safety of the residents and surrounding community. The Borrower agrees to implement and maintain throughout the Term the following security measures in the Project:

(1) To the extent feasible employ defensible space design principles and crime prevention measures in the operation of the Project including but not limited to maintaining adequate lighting in parking areas and pathways;

(2) Provide added security including dead-bolt locks for every entry door, and where entry doors are damaged, replace them with solid-core doors;

(b) The County shall have the right to enter the Project and/or contact the San Bernardino County Sheriff's Department if it becomes aware of or is notified of any conditions that pose a danger to the peace, health, welfare or safety of the Tenants and/or the surrounding community, and to perform or cause to be performed such acts as are necessary to correct the condition.

5.8 Crime Prevention Program. During the Term of this Agreement Borrower agrees that Borrower shall cause the Management Agent to participate in the San Bernardino County Sheriff's Department's Crime Free Multi-Housing program or similar program administered by the County (the "Crime Prevention Program"). Information on the County's Crime Prevention Program is currently available at <http://wp.sbcounty.gov/sheriff/divisions/public-affairs/crime-free-multi-housing/>. Completion of the Department's four (4) training phases and a Final Certification (Phase V) shall be achieved and maintained by the Management Agent at all times. The County's periodic review of the management of the Project pursuant to Section 5.3 will include confirmation of the Management Agent's participation in the Crime Prevention Program. No default under this Section 5.9 shall be declared if the Management Agent or any replacement Management Agent is pursuing completion of the Crime Prevention Program requirements or if the Crime Prevention Program training phases are not available to the Management Agent.

5.9 Insurance. The Developers shall maintain the insurance coverage required under Section 4.18 of the Loan Agreement throughout the Term.

ARTICLE 6
MISCELLANEOUS

6.1 Term. The provisions of this Agreement apply to the Project for the entire Term even if the Loan is paid in full prior to the end of the Term. This 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 County. County is making the Loan on the condition, and in consideration of, this provision, and would not do so otherwise. For the purposes of the HOME Regulations, the Project shall only be considered a HOME assisted project for the duration of the HOME Term, and nothing in this Agreement may be read to imply otherwise.

6.2 Lease Provisions.

(a) In leasing the HOME-Assisted Units within the Project, Borrower shall use a form of written lease approved by the County. The form of lease must comply with all requirements of this Agreement, and the other Loan Documents and must, among other matters:

(1) Provide for termination of the lease for failure to: (1) provide any information required under this 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 Project in accordance with the standards set forth in this Agreement; or (2) qualify as a Very Low-Income Household or 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. Borrower will provide each Tenant with at least sixty (60) days written notice of any increase in Rent applicable to such Tenant, and with such further notice as may be required by Section 2.3 above. After the initial year of tenancy, the lease may shift to 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(a) above.

(3) Include a provision which requires a Tenant who is residing in a Unit required to be accessible pursuant to Section 2.4 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) The lease must not contain any provision which is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto.

6.3 Lease Termination. Any termination of a lease or refusal to renew a lease for a HOME-Assisted Unit within the Project must be preceded by prior written notice (specifying the grounds for the action) from the Borrower to the Tenant and such notice must be given in conformance with California Civil Code Section 1946.1(b) and 24 C.F.R. 92.253(c) during the HOME Term. Any termination of a lease for a default of the Tenant shall be in accordance with all applicable laws.

6.4 Nondiscrimination. 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 Agreement or in other regulatory agreements executed in connection with the Approved Financing. There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, age, or military and veteran status, 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. Borrower shall, to the extent applicable, comply with Executive Orders 11246, 11375, 11625, 12138, 12431, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Borrower will provide by first-class mail, postage prepaid, a notice to all Tenants containing: (1) the anticipated date of the expiration of the Term; (2) any anticipated increase in Rent upon the expiration of the Term; (3) a statement that a copy of such notice will be sent to the County; and (4) a statement that a public hearing may be held by the County on the issue and that the Tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Borrower shall also file a copy of the above-described notice with the County Chief Executive Officer, Community Development and Housing Agency (CHDA) Administrator, or the Community Development and Housing Director.

(b) In addition to the notice required above, Borrower shall comply with the requirements set forth in California Government Code Sections 65863.10 and 65863.11, as such may be amended from time to time. Such notice requirements may include: (1) a twelve (12) month notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a)) prior to the expiration of the Term; (2) a six (6) month notice requirement to existing Tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (3) a notice of an offer to purchase the Project to "qualified entities" (as defined in California Government Code Section 65863.11(d)), if the Project is to be sold within five (5) years of the end of the Term; and (4) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Project.

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

Term of this Agreement 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 Agreement.

6.7 Enforcement by the County. If Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County has notified Borrower in writing of the default or, if the default cannot be cured within thirty (30) days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure, the County may enforce this Agreement by any or all of the following actions, or any other remedy provided by law, subject, however, to the provisions of the subordination agreement between the County and the senior lender:

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

(b) 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 Agreement, and may seek damages.

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

(d) Cure by Investor Limited Partner. County hereby agrees to accept a cure of any default made or tendered hereunder by Investor Limited Partner on the same terms and conditions as if such cure was made or tendered by Borrower.

6.8 Attorneys' Fees and Costs. In any action brought to enforce this 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.

6.9 Recording and Filing. The County and Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the San Bernardino County.

6.10 Governing Law. This Agreement is governed by the laws of the State of California.

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

6.12 Amendments. This 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 San Bernardino County, California.

6.13 Notices.

(1) Formal notices, demands, and communications between the Parties delivered under this Agreement shall be in writing and be deemed received on the delivery or refusal date shown on the delivery receipt, if: (i) personally delivered by a commercial service which furnishes signed receipts of delivery; or (ii) mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

County:

Community Development and Housing Agency
San Bernardino County
385 North Arrowhead Ave Third Floor
San Bernardino, CA 92415-0043
Attn: Community Project and Housing Director

with a copy to:

Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian

Borrower:

Rialto Metrolink South Housing Partners, L.P.
18201 Von Karman Ave. Suite 900,
Irvine, CA 92612
Attn: Frank Cardone

Copy to: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer

Copy to: LBI Metro South LLC
c/o LaBarge Industries, LLC
3105 East Guasti Road, Suite 100
Ontario, California 91761
Attn: Joshua LaBarge

Copy to: HPI Rialto, LLC
c/o Housing Partners I, Incorporation
715 East Brier Drive
San Bernardino, CA 92408
Attn: Anthony Perez

Copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, 64th Floor
Los Angeles, CA 90071
Attn: Lance Bocarsly

Copy to: Gresham Savage LLP
550 E. Hospitality Lane, Suite 300
San Bernardino, CA 92408
Attn: Robert R. Ritter

With a copy to the Investor Limited Partner:

Wells Fargo Affordable Housing Community Development Corporation
550 S. Tryon Street
23rd Floor, D1086-239
Charlotte, NC 28202-4200
Attention: Director of Tax Credit Asset Management

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt will be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Copies of notices to Borrower from the County shall also be provided by the County to any limited partner of Borrower who requests such notice in writing and provides the County with written notice of its address in accordance with this Section.

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

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

6.16 Hold Harmless. Borrower will indemnify and hold harmless (without limit as to amount) the County and its elected officials, officers, employees and agents in their official capacity (hereinafter collectively referred to as "Indemnitees"), and any of them, from and against all loss, all risk of loss and all damage (including expense) sustained or incurred because of or by reason of any and all claims, demands, suits, actions, judgments and executions for damages of any and every kind and by whomever and whenever made or obtained, allegedly caused by, arising out of or relating in any manner to the Project, or the Borrower's performance or non-performance under this Agreement, and shall protect and defend Indemnitees, and any of them with respect thereto, except to the extent caused by the gross negligence or willful misconduct of the County or any Indemnitees. The provisions of this Section shall survive expiration or other termination of this Agreement or any release of part or all of the Project from

the burdens of this Agreement, and the provisions of this section shall remain in full force and effect.

6.17 Revival of Agreement after Foreclosure. In the event there is a foreclosure of the Property, this Agreement will revive according to its original terms if, during the 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 (excluding any entity affiliated with the investor limited partner of Owner), obtains an ownership interest in the Project Improvements or Property.

6.18 Tax Credit Program. Notwithstanding anything contained herein to the contrary, for as long as the Property is subject to the requirements of the California and/or Federal Low-Income Housing Tax Credit Program under the provisions of Section 42 of the Code and Section 23610.5 of the California Revenue and Taxation Code, as applicable (collectively, the "Tax Credit Program") and there is a conflict between the requirements of the Tax Credit Program and the affordability provisions set forth in 2.3 above, inclusive, then the provisions of the Tax Credit Program shall prevail. That notwithstanding, the fact that this Agreement and the Tax Credit Program provide for greater, lesser or different obligations or requirements shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

6.19 Subordination. This Agreement may only be subordinated in accordance with the terms set forth in Section 2.5 of the Loan Agreement.

6.20 Assignment by the County. The County may assign its rights and obligations under the Loan Documents to any other public entity without the consent of the Borrower.

6.21 No Claims. Nothing contained in this Agreement shall create or justify any claim against the County by any person that the Borrower may have employed or with whom the Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Property or the construction or operation of the Project Improvements.

6.22 Titles of Parts and Sections. Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

6.23 No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement.

6.24 Entire Agreement. This Agreement constitutes the entire Agreement between the parties and no modification hereof shall be binding unless reduced to writing and signed by the parties hereto.

[Remainder of Page Left Intentionally Blank]

WHEREAS, this Agreement has been entered into by the undersigned as of the Effective Date.

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: Frank Cardone
Frank Cardone, its President

Date: 3-8-2022

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By: _____
Michael Finn, its Chief Financial Officer

Date: _____

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____
Lee McDougal, its President

Date: _____

By: LBI Metro South LLC, a California
Limited liability company
its co-general partner

By: LaBarge Industries, LLC, a California
limited liability company, its sole member

By: _____
Josh LaBarge, its Manager

Date: _____

[Signature Page Continues]

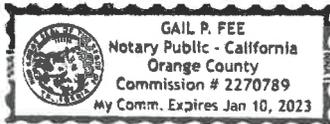
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF Orange)

On March 8, 2022, before me, Gail P. Fee, Notary Public, personally appeared Frank Cardone, 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.



Gail P. Fee
Name: Gail P. Fee
Name: Notary Public

WHEREAS, this Agreement has been entered into by the undersigned as of the Effective Date.

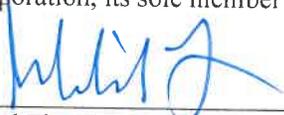
RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By:  _____ Date: 3/9/23
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California
Limited liability company
its co-general partner

By: LaBarge Industries, LLC, a California
limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

[Signature Page Continues]

California All-Purpose Acknowledgment

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

State of California

County of San Bernardino

s.s.

On March 9, 2022 before me, Monica Rodriguez, Notary Public

Name of Notary Public, Title

personally appeared Michael Finn

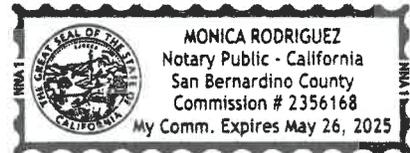
Name of Signer (1)

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



[Signature]
Signature of Notary Public

Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) _____

Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____

(Name) of Person(s) Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer Signer(s) Thumbprints(s)

WHEREAS, this Agreement has been entered into by the undersigned as of the Effective Date.

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

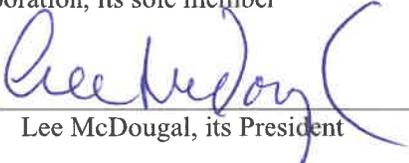
By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By:  _____ Date: 3/15/2022
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a California limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

[Signature Page Continues]

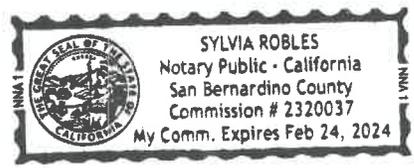
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF San Bernardino)

On March 8, 2022 before me, Sylvia Robles, Notary Public, personally appeared Lee McDougal, 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.



Sylvia Robles
Name: Sylvia Robles
Name: Notary Public

WHEREAS, this Agreement has been entered into by the undersigned as of the Effective Date.

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a California limited liability company, its sole member

By: _____ Date: 3.9.2022
Josh LaBarge, its Manager

[Signature Page Continues]

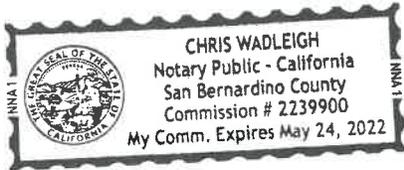
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO)

On 3/9/22, before me, CHRIS WADLEIGH, Notary Public, personally appeared JOSHUA LABARGE, 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.



Chris Wadleigh
Name: CHRIS WADLEIGH
Name: Notary Public

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the State
of California

By: _____
Curt Hagman, Chairperson Board of Supervisors

Date: _____

APPROVED AS TO LEGAL FORM:

THOMAS BUNTON County Counsel

By: 
Suzanne Bryant,
Deputy County Counsel

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the State
of California

By: 
Curt Hagman, Chairperson Board of Supervisors

Date: MAR 15 2022

APPROVED AS TO LEGAL FORM:

THOMAS BUNTON County Counsel

By: _____
Suzanne Bryant,
Deputy County Counsel

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 San Bernardino)

On March 15, 2022, before me, Stephanie Leah King, Notary Public, personally appeared Curt Hagman, 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: Stephanie Leah King
Name: Notary Public

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)

EXHIBIT B

HOME PROGRAM RENTS

The attached HOME Rents reflect the current HOME rents as of the date of the Agreement. The initial Rents and subsequent Rents for all Units must be provided to the Borrower by the County prior to occupancy and are subject to the HOME Regulations. The County will provide Borrower with a schedule of maximum permissible Rents for the Units annually.

[Insert current HOME Rents]

Exhibit B

Schedule of HOME Rents

U. S. DEPARTMENT OF HUD
STATE: CALIFORNIA

		----- 2021 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Redding, CA MSA							
LOW HOME RENT LIMIT	621	665	798	923	1030	1136	1242
HIGH HOME RENT LIMIT	789	846	1017	1166	1281	1396	1509
For Information Only:							
FAIR MARKET RENT	804	924	1218	1743	2109	2425	2742
50% RENT LIMIT	621	665	798	923	1030	1136	1242
65% RENT LIMIT	789	846	1017	1166	1281	1396	1509
Riverside-San Bernardino-Ontario, CA MSA							
LOW HOME RENT LIMIT	691	740	888	1027	1146	1264	1382
HIGH HOME RENT LIMIT	879	943	1134	1302	1433	1562	1691
For Information Only:							
FAIR MARKET RENT	955	1106	1390	1917	2369	2724	3080
50% RENT LIMIT	691	740	888	1027	1146	1264	1382
65% RENT LIMIT	879	943	1134	1302	1433	1562	1691
Sacramento--Roseville--Arden-Arcade, CA HUD							
LOW HOME RENT LIMIT	793	850	1020	1178	1313	1450	1585
HIGH HOME RENT LIMIT	1011	1085	1304	1498	1651	1803	1956
For Information Only:							
FAIR MARKET RENT	1060	1188	1495	2140	2588	2976	3364
50% RENT LIMIT	793	850	1020	1178	1313	1450	1585
65% RENT LIMIT	1011	1085	1304	1498	1651	1803	1956
Yolo, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	810	867	1041	1202	1341	1480	1618
HIGH HOME RENT LIMIT	1034	1109	1332	1530	1688	1843	1999
For Information Only:							
FAIR MARKET RENT	1085	1147	1511	2162	2584	2972	3359
50% RENT LIMIT	810	867	1041	1202	1341	1480	1618
65% RENT LIMIT	1034	1109	1332	1530	1688	1843	1999
Salinas, CA MSA							
LOW HOME RENT LIMIT	890	953	1145	1322	1475	1628	1779
HIGH HOME RENT LIMIT	1136	1219	1464	1684	1859	2032	2206
For Information Only:							
FAIR MARKET RENT	1348	1466	1793	2566	2813	3235	3657
50% RENT LIMIT	890	953	1145	1322	1475	1628	1779
65% RENT LIMIT	1136	1219	1464	1684	1859	2032	2206
San Diego-Carlsbad, CA MSA							
LOW HOME RENT LIMIT	1061	1136	1363	1575	1757	1939	2121
HIGH HOME RENT LIMIT	1360	1458	1752	2015	2229	2441	2652
For Information Only:							
FAIR MARKET RENT	1478	1642	2124	2987	3677	4229	4780
50% RENT LIMIT	1061	1136	1363	1575	1757	1939	2121
65% RENT LIMIT	1360	1458	1752	2015	2229	2441	2652

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

EXHIBIT C

**INITIAL/ANNUAL CERTIFICATE OF
PROGRAM COMPLIANCE**



County of San Bernardino Project Compliance Report

Property Name: _____ Date: _____ Phone Number: _____
 Onsite Manager Name: _____ Property Owner Name: _____
 E-mail address: _____
 Property Address: _____
 Total Number of Units: _____ Total Number of Restricted Units: _____ Accessible Units as a Percentage: _____ # of Sensory Accessible Units: _____
 Number of High HOME rent units: _____ Number of Low HOME rent units: _____ Number of vacant restricted units: _____

Unit No.	# of Bdrms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Recert. Date
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21																	
22																	

EXHIBIT "C"

I certify that all information stated herein, as well as the information provided in any accompaniment herewithin, is true and accurate

Name (Please Print): _____ Management Company Name: _____ Position: _____
 Signature: _____ Date: _____ Phone Number: _____ E-mail address: _____



County of San Bernardino Project Compliance Report

Unit No.	# of Bdrms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Recert. Date
23												\$ -					
24												\$ -					
25												\$ -					
26												\$ -					
27												\$ -					
28												\$ -					
29												\$ -					
30												\$ -					
31												\$ -					
32												\$ -					
33												\$ -					
34												\$ -					
35												\$ -					
36												\$ -					
37												\$ -					
38												\$ -					
39												\$ -					
40												\$ -					
41												\$ -					
42												\$ -					
43												\$ -					
44												\$ -					
45												\$ -					
46												\$ -					
47												\$ -					
48												\$ -					
49												\$ -					
50												\$ -					
51												\$ -					



County of San Bernardino Project Compliance Report

Unit No.	# of Bedrooms	Tenant Name	Low/High HOME Unit	Household Size	Head of Household (See Codes)	Hispanic Y or N	Female HOH Y or N	Race of HOH (see codes)	Monthly Gross Income	Tenant Portion (\$)	Utility Allowance (\$)	Gross Rent Amount (\$)	Section 8 Subsidy (\$)	% of Median Income	Move-In	Move-Out	Recent Date
52												\$ -					
53												\$ -					
54												\$ -					
55												\$ -					
56												\$ -					
57												\$ -					
58												\$ -					
59												\$ -					
60												\$ -					
61												\$ -					
62												\$ -					
63												\$ -					
64												\$ -					
65												\$ -					
66												\$ -					
67												\$ -					
68												\$ -					
69												\$ -					
70												\$ -					
71												\$ -					
72												\$ -					
73												\$ -					
74												\$ -					
75												\$ -					

EXHIBIT D

FORM OF CERTIFICATION OF TENANT ELIGIBILITY

Rental Unit _____
Street Address _____
Unit No. _____
City _____
Zip Code _____

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the Unit in the above Project for which application is made, all of whom are listed below:

1.	2.	3.	4.	5.
Name of Members in the Household	Relationship to Head of Household	Age	Ethnicity	Place of Employment

- Ethnicity: White Black or African American Asian Asian & White
 American Indian or Alaska Native
 Native Hawaiian or Other Pacific Islander American Indian or Alaska Native & White
 Black or African American & White
 American Indian or Alaska Native & Black or African American
 Other Multi Race Hispanic

Date of Occupancy of Rental Unit by Tenant: _____
Date of Lease Signed for Rental Unit by Tenant: _____
Amount of Rent Paid Per Month: _____
Certification Date (Earlier of Date of Occupancy or Date Lease signed): _____

6. Anticipated Annual Income. The anticipated total annual income from all sources of each person listed in Section 1 for the twelve (12) month period beginning on the Certification Date listed above, including income described in (a) below, but excluding all income described in (b) below, is \$ _____.

(1) The amount set forth above includes all of the following income (unless such income is described in (b) below): all wages and salaries, overtime pay, commissions, fees, tips

and bonuses before payroll deductions; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets as set forth in item 7(b) below); full amount of periodic payments received from Social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and any earned income tax credit to the extent it exceeds income tax liability.

(2) The following income is excluded from the amount set forth above: casual, sporadic or irregular gifts; amounts that are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payment (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to student or educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; hazardous duty pay to a member of the household in the armed forces who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; income from employment of children (including foster children) under the age of eighteen (18) years; foster child care payments; the value of coupon allotments under the Food Stamp Act of 1977; payments to volunteers under the Domestic Volunteer Service Act of 1973; payments received under the Alaska Native Claims Settlement Act; income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; payments on allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; and payments received from the Workforce Innovation and Opportunity Act.

7. **Net Family Assets.** If any of the persons described in item 1 above (or any person whose income or contributions were included in item 6) has any savings, stocks, bonds, equity in real property or other form of capital investment (excluding interests in Indian trust lands), provide:

(1) the total value of all such assets owned by all such persons: \$ _____, and

(2) the amount of income expected to be derived from such assets in the twelve (12) month period commencing this date: \$ _____.

8. Students

(1) Will any of the persons listed in item 1 above be or have they been full-time students during five (5) calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

(2) (Complete only if the answer to Question 8(a) is "Yes"). Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return, a veteran of the U.S. military?

Yes _____ No _____

The above information is full, true, and complete to the best of my knowledge. I have no objections to inquiries being made for the purpose of verifying the statements made herein.

Signature: _____ Date _____

(Signature Must be Notarized)

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: _____
Name: Notary Public

FOR COMPLETION BY PROJECT OWNER ONLY:

A. Calculation of eligible income:

- (1) Enter amount entered for entire household in 6 above: \$ _____
- (2) If the amount entered in 7(a) above is greater than \$5,000, enter \$ _____
- (i) the product of the amount entered in 7(a) above multiplied by the current passbook savings rate as determined by HUD: \$ _____
- (ii) the amount entered in 7(b) above: \$ _____
- (iii) enter the greater of line (i) or line (ii): \$ _____
- (3) TOTAL ELIGIBLE INCOME (Line A(1) plus line A(2)(iii)): \$ _____

B. Enter number of family members listed in item 1 above: _____

C. The amount entered in A(3) (Total Eligible Income) is: \$ _____

_____ Less than \$ _____ of Median Income for the area in which the Project is located, which is the maximum income at which a household may be determined to be a qualifying tenant as that term is defined in the Agreement.

_____ More than the above-mentioned amount.

D. Number of Units assigned: _____

E. Monthly rent: \$ _____

F. This Unit (was/was not) last occupied for a period of thirty-one (31) consecutive days by a person or persons whose Adjusted Annual Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a qualifying tenant under the terms of the Agreement.

G. Applicant:

_____ **Qualifies as a qualifying tenant.**

_____ **Does not qualify as a qualifying tenant.**

EXHIBIT E

UNIFORM PHYSICAL CONDITION STANDARDS
INSPECTION REPORT



Community Development and Housing Agency

Uniform Physical Conditions Standards

Property Name: _____
 Inspectable Area: **BUILDING EXTERIOR**

Date: _____

N/A=Not Applicable N=No Observed Deficiency P=Potential Non-Compliance D=Observed Deficiency

		N/A	N	P	D	See Reference
Inspectable Item	Observable Deficiencies					
1 Doors	Damaged Frames/Threshold/Lintels/Trim					
	Damaged Hardware/Locks					
	Damaged Surface (Holes/Paint/Rusting/Glass)					
	Damaged/Missing Screen/Storm/Security Door					
	Deteriorated/Missing Caulking/Seals					
2 Fire Escapes	Blocked Egress/Ladders					
	Visibly Missing Components					
3 Foundation	Cracks/Gaps					
	Spalling/Exposed Rebar					
4 Health and Safety	Electrical Hazards - Exposed Wires/Open Panels					
	Electrical Hazards - Water Leaks on/near Electrical Equipment					
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable					
	Emergency Fire Exits - Missing Exit Signs					
	Flammable/Combustible Materials - Improperly Stored					
	Garbage and Debris - Outdoors					
	Hazards - Other					
	Hazards - Sharp Edges					
	Hazards - Tripping					
	Infestation - Insects					
Infestation - Rats/Mice/Vermin						
5 Lighting	Broken Fixtures/Bulbs					
6 Roofs	Damaged Soffits/Fascia					
	Damaged Vents					
	Damaged/Clogged Drains					
	Damaged/Torn Membrane/Missing Ballast					
	Missing/Damaged Components from Downspout/Gutter					
	Missing/Damaged Shingles					
7 Walls	Ponding					
	Cracks/Gaps					
	Damaged Chimneys					
	Missing/Damaged Caulking/Mortar					
	Missing Pieces/Holes/Spalling					
8 Windows	Stained/Peeling/Needs Paint					
	Broken/Missing/Cracked Panes					
	Damaged Sills/Frames/Lintels/Trim					
	Damaged/Missing Screens					
	Missing/Deteriorated Caulking/Seals/Glazing Compound					
Reference # (Above)	Peeling/Needs Paint					
	Security Bars Prevent Egress					
	Additional Comments					Photo Attached (Y/N)



Community Development and Housing Agency

Uniform Physical Conditions Standards

Property Name: _____ Date: _____
 Inspectable Area: **BUILDING SYSTEMS** Building Number: _____

		N/A=Not Applicable	N=No Observed Deficiency	P=Potential Non-Compliance	D=Observed Deficiency	N/A	N	P	D	See Reference
Inspectable Item	Observable Deficiencies									
1	Domestic Water									
	Leaking Central Water Supply									
	Misaligned Chimney/Ventilation System									
	Missing Pressure Relief Valve									
	Rust/Corrosion on Heater Chimney									
2	Electrical System									
	Blocked Access/Improper Storage									
	Burnt Breakers									
	Evidence of Leaks/Corrosion									
	Frayed Wiring									
	Missing Breakers/Fuses									
3	Elevator									
	Not Operable									
4	Emergency Power									
	Auxiliary Lighting Inoperable									
5	Fire Protection									
	Run-Up Records/Documentation Not Available									
6	Health & Safety									
	Missing Sprinkler Head									
	Missing/Damaged/Expired Extinguishers									
	Air Quality - Mold and/or Mildew Observed									
	Air Quality - Propane/Natural Gas/Methane Gas Detected									
	Air Quality - Sewer Odor Detected									
	Electrical Hazards - Exposed Wires/Open Panels									
	Electrical Hazards - Water Leaks on/near Electrical Equipment									
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable									
	Emergency Fire Exits - Missing Exit Signs									
	Flammable Materials - Improperly Stored									
	Garbage and Debris - Indoors									
	7	HVAC								
Boiler/Pump Leaks										
Fuel Supply Leaks										
General Rust/Corrosion										
Misaligned Chimney/Ventilation System										
Roof Exhaust Fan(s) Inoperable										
Broken/Leaking/Clogged Pipes or Drains										
Missing Drain/Cleanout/Manhole Covers										
Reference # (Above)	Additional Comments	Photo Attached (Y/N)								



Community Development and Housing Agency

Uniform Physical Conditions Standards

Property Name: _____

Date: _____

Inspectable Area: **COMMON AREAS**

Building Number: _____

N/A=Not Applicable N=No Observed Deficiency P=Potential Non-Compliance D=Observed Deficiency

X	Inspectable Location	Observable Deficiencies	N/A	N	P	D	See Reference
	Basement/Garage/Carport	Baluster/Side Railings - Damaged					
	Closet/Utility/Mechanical	Cabinets - Missing/Damaged					
	Community Room	Call for Aid - Inoperable					
	Day Care	Ceiling - Bulging/Buckling					
	Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks					
	Kitchen	Ceiling - Peeling/Needs Paint					
	Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew					
	Lobby	Countertops - Missing/Damaged					
	Office	Dishwasher/Garbage Disposal - Inoperable					
	Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim					
	Patio/Porch/Balcony	Doors - Damaged Hardware/Locks					
	Restrooms/Pool Structures	Doors - Damaged Surface (Holes/Paint/Rust/Glass)					
	Storage	Doors - Damaged/Missing Screen/Storm/Security Door					
		Doors - Deteriorated/Missing Seals (Entry Only)					
		Doors - Missing Door					
		Dryer Vent -Missing/Damaged/Inoperable					
		Electrical - Blocked Access to Electrical Panel					
		Electrical - Burnt Breakers					
		Electrical - Evidence of Leaks/Corrosion					
		Electrical - Frayed Wiring					
		Electrical - Missing Breakers					
		Electrical - Missing Covers					
		Floors - Bulging/Buckling					
		Floors - Floor Covering Damaged					
		Floors - Missing Floor/Tiles					
		Floors - Peeling/Needs Paint					
		Floors - Rot/Deteriorated Subfloor					
		Floors - Water Stains/Water Damage/Mold/Mildew					
		GFI - Inoperable					
		Graffiti					
		HVAC - Convection/Radiant Heat System Covers Missing/Damaged					
		HVAC - General Rust/Corrosion					
		HVAC - Inoperable					
		HVAC - Misaligned Chimney/Ventilation System					
		HVAC - Noisy/Vibrating/Leaking					
		Lavatory Sink - Damaged/Missing					
		Lighting - Missing/Damaged/Inoperable Fixture					
		Outlets/Switches/Cover Plates - Missing/Broken					
		Pedestrian/Wheelchair Ramp					
		Plumbing - Clogged Drains					
		Plumbing - Leaking Faucet/Pipes					
		Range Hood /Exhaust Fans - Excessive Grease/Inoperable					
		Range/Stove - Missing/Damaged/Inoperable					
		Refrigerator - Damaged/Inoperable					
		Restroom Cabinet - Damaged/Missing					
		Shower/Tub - Damaged/Missing					
		Sink - Missing/Damaged					
		Smoke Detector - Missing/Inoperable					



Community Development and Housing Agency

Uniform Physical Conditions Standards

Property Name: _____

Building/Unit Number: _____

Date: _____

N/A=Not Applicable

N=No Observed Deficiency

P=Potential Non-Compliance

D=Observed Deficiency

Inspectable Item		Observable Deficiencies	N/A	N	P	D	See Reference
1	Doors	Damaged Frames/Threshold/Lintels/Trim					
		Damaged Hardware/Locks					
		Damaged Surface (Holes/Paint/Rusting/Glass)					
		Damaged/Missing Screen/Storm/Security Door					
		Deteriorated/Missing Caulking/Seals					
		Missing Door					
2	Kitchen	Cabinets - Missing/Damaged					
		Countertops - Missing/Damaged					
		Dishwasher/Garbage Disposal - Inoperable					
		Plumbing - Clogged Drains					
		Plumbing - Leaking Faucet/Pipes					
		Range Hood/Exhaust Fans - Excessive Grease/Inoperable					
		Range/Stove - Missing/Damaged/Inoperable					
		Refrigerator-Missing/Damaged/Inoperable					
3	Bathroom	Bathroom Cabinets - Damaged/Missing					
		Lavatory Sink - Damaged/Missing					
		Plumbing - Clogged Drains					
		Plumbing - Leaking Faucet/Pipes					
		Shower/Tub - Damaged/Missing					
		Ventilation/Exhaust System - Inoperable					
		Water Closet/Toilet - Damaged/Clogged/Missing					
4	Ceiling	Bulging/Buckling					
		Holes/Missing Tiles/Panels/Cracks					
		Peeling/Needs Paint					
		Water Stains/Water Damage/Mold/Mildew					
5	Call-for-Aid	Inoperable					
6	Smoke Detector	Missing/Inoperable					
7	Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable					
8	Patio/Porch/Balcony	Baluster/Side Railings Damaged					
9	Health and Safety	Air Quality - Mold and or Mildew Observed					
		Air Quality - Sewer Odor Detected					
		Air Quality - Propane/Natural Gas Methane Gas Detected					
		Electrical Hazards - Exposed Wires/Open Panels					
		Electrical Hazards - Water Leaks on/near Electrical Equipment					
		Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable					
		Emergency Fire Exits - Missing Exit Signs					
		Flammable/Combustible Materials - Improperly Stored					
		Garbage and Debris - Indoors					
		Garbage and Debris - Outdoors					
		Hazards - Other					
		Hazards - Sharp Edges					
		Hazards - Tripping					
		Infestation - Insects					
Infestation - Rats/Mice/Vermin							
10	Lighting	Broken Fixtures/Bulbs					
11	Outlets/Switches	Missing					
		Missing/Broken Cover Plates					

Exhibit D

PROMISSORY NOTE
(Rialto Metrolink South Housing Partners, L.P.)

\$2,250,000

San Bernardino, California
March 15, 2022

FOR VALUE RECEIVED, Rialto Metrolink South Housing Partners, L.P., a California limited partnership (the "Borrower"), promises to pay to the San Bernardino County, a political subdivision of the State of California (the "County"), or order, the principal sum of up to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (the "County Loan"), or so much as is disbursed to Borrower, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences the Borrower's obligation to pay the County the principal amount of up to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) for funds loaned to the Borrower by the County to finance the acquisition and construction of the Affordable Development pursuant to that certain HOME Investment Partnership Act Loan Agreement between, the Borrower and the County dated as of March 15, 2022, as such may be amended (the "Loan Agreement"). All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

2. Interest.

(a) Interest Rate. Subject to the provisions of Section (b) below, the outstanding principal balance of the County Loan be 3% simple interest.

(b) Default Rate. In the event of a Default, interest on the County Loan shall begin to accrue, as of the date of Default and continuing until such time as the County Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

3. Term and Repayment Requirements.

(a) The term of the County Loan shall commence on the date of this Note and shall expire fifty-five (55) years from the Completion Date (as defined in the Loan Agreement), but in no event later than December 31, 2079.

(b) This Note shall be due and payable as set forth in Section 2.7 of the Loan Agreement. Repayment of this Note shall be non-recourse to the Borrower pursuant to Section 2.8 of the Loan Agreement.

4. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the County as provided in the Loan Agreement.

5. Security. This Note is secured by the Deed of Trust recorded against the Project Parcel and is secured by the Assignment Agreement (as defined in the Loan Agreement).

6. Terms of Payment.

(a) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note shall be paid to the County at 385 North Arrowhead Ave., Third Floor, San Bernardino, CA 92415-0140, Attention: Community Development and Housing Director or to such other place as the County may from time to time designate in writing.

(c) All payments on this Note shall be without expense to the County, and the Borrower agrees to pay all costs and expenses, including reconveyance fees and reasonable attorney's fees of the County, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the County may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(e) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

7. Default.

(a) Any of the following shall constitute an Event of Default under this Note:

(1) Any failure to pay, in full, any payment required under this Note when due following written notice by the County of such failure and fifteen (15) days opportunity to cure;

(2) Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 6.1 of the Loan Agreement; and

(3) The occurrence of any Event of Default under the Loan Agreement, the Deed of Trust, the Regulatory Agreement, or other instrument securing the obligations of the Borrower under this Note or under any other promissory notes hereafter issued

by the Borrower to the County pursuant to the Loan Agreement or the Deed of Trust, subject to notice and cure periods, if any, set forth therein.

(b) Upon the occurrence of such an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note shall at the option of the County become immediately due and payable upon written notice by the County to the Borrower without further demand.

(c) The County's failure to exercise the remedy set forth in Subsection 7(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by the County of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the County, except as and to the extent otherwise provided by law.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the County may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by the County with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to the County or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the County and the Borrower may hereinafter designate.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by the County in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note shall be governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(f) This document, together with the County Documents (as defined in the Loan Agreement), contains the entire agreement between the parties as to the County Loan. This Note may not be modified except upon written consent of the parties.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the first date written above.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: Frank Cardone
Frank Cardone, its President

Date: 3-8-2022

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Michael Finn, its Chief Financial Officer

Date: _____

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____
Lee McDougal, its President

Date: _____

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____
Josh LaBarge, its Manager

Date: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the first date written above.

BORROWER:

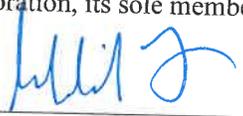
RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By:  _____ Date: 3/8/2022
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the first date written above.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

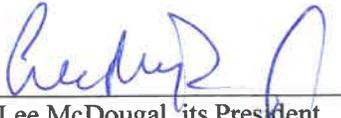
By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By:  _____ Date: 3/15/2022
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the first date written above.

BORROWER:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____ Date: 3.8.2022
Josh LaBarge, its Manager

Exhibit E

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT**

(Rialto Metrolink South- HOME Loan)

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT**
(Rialto Metrolink South-HOME Loan)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Deed of Trust") is made as of March 15, 2022, by and among Rialto Metrolink South Housing Partners, L.P., a California limited partnership ("Trustor"), Fidelity National Title Company, a California corporation ("Trustee"), and San Bernardino County, a political subdivision of the State of California ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's interest in an approximately 1.59 acre site located in the City of Rialto, San Bernardino County as more fully described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (collectively the "Secured Obligations).

(a) Payment of just indebtedness of Trustor to Beneficiary as set forth in the Note (defined below) until paid or cancelled and any other amounts owing under the Loan Documents (defined below). Said principal and other payments shall be due and payable as provided in the Note or other Loan Documents. Said Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined below).

(d) All modifications, extensions and renewals of any of the Secured Obligations made in accordance with the terms of the Loan Documents (including without limitation: (1) modifications, extensions or renewals at a different rate of interest; or (2) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole

or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1.
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1 "Loan" means the loan made by the Beneficiary to the Trustor in the amount of Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000).

Section 1.2 "Loan Agreement" means that certain HOME Investment Partnership Act Loan Agreement between Trustor and Beneficiary, dated March 15, 2022, as such may be amended from time to time.

Section 1.3 "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Loan.

Section 1.4 "Note" means the promissory note in the principal amount not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) of even date herewith, executed by the Trustor in favor of the Beneficiary, the payment of which is secured by this Deed of Trust (The Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.).

Section 1.5 "Principal" means the amount required to be paid under the Note.

Section 1.6 "Regulatory Agreement" means the regulatory agreement by and between the Beneficiary and the Trustor, dated and recorded in the official Records of San Bernardino County concurrently herewith.

Section 1.7 "Senior Lender" means any lender making a senior loan under the Approved Financing (as defined in Section 1.1 of the Loan Agreement) which loans shall be senior in lien priority to the Loan.

ARTICLE 2.
MAINTENANCE AND MODIFICATION
OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

(a) The Trustor agrees that at all times prior to full payment of the sum owed under the Note, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the

Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

(b) Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file or record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

(c) Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor, shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of San Bernardino County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien, or provide other form of security acceptable to the Beneficiary at the Beneficiary's sole and absolute discretion.

Section 2.2 Granting of Easements. Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, cable, telephone and telegraph, or those required by law and as approved, in writing, by Beneficiary, such approval shall not be unreasonably withheld, conditioned, or delayed.

Section 2.3 Assignment of Rents.

(a) Subject to the rights of any approved Senior Lender, as part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the

Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the sums secured by this Deed of Trust with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section as the same becomes due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

(b) Except as otherwise approved by Beneficiary in the Approved Financing Plan (as such term is defined in the Loan Agreement), or as otherwise approved in writing by Beneficiary, Trustor hereby covenants that Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

(c) Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents beyond any applicable notice and cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(d) All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section.

(e) If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become indebtedness of Trustor to Beneficiary secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3 hereof.

(f) Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Beneficiary. The rights of the Beneficiary under this Section are subject to the rights of any approved Senior Lender.

ARTICLE 3.
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

(a) Trustor shall pay, or cause to be paid, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as: (i) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings; and (ii) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (ii) of the first sentence of this paragraph, the provisions of this Section shall not be construed to

require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

(b) In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become an additional obligation of Trustor to the Beneficiary and shall be secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

(a) Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all other obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

(b) All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to the Beneficiary's receipt of the entire Principal and all amounts secured by this Deed of Trust.

Section 3.3 Advances. In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Beneficiary, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become an additional obligation of the Trustor to the Beneficiary (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4.

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages. Subject to the rights of any Senior Lender, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of: (i) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain; (ii) any damage to or destruction of the Property or in any part thereof by insured casualty; and (iii) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and

receive any funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. Subject to the rights of any Senior Lender, the Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition, and Beneficiary agrees to release Funds to Trustor to rebuild the Project on the Property provided Trustor demonstrates to Beneficiary that such rebuilding is economically feasible. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section are subject to the rights of any Senior Lender.

ARTICLE 5.

AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property. The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses. In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the indebtedness secured by the lien of this Deed of Trust, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal. The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property. To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Uniform Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Uniform Commercial Code.

Section 5.5 Financing Statement. The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may

reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security. The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents. Notwithstanding anything to the contrary, leases to tenants in accordance with the Regulatory Agreement shall not be considered a transfer of the any portion of the Security.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon forty-eight (48) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security; provided, however, that any such inspection shall not unreasonably disturb any tenants or other occupants of the Project (as defined in Section 1.1 of the Loan Agreement).

Section 5.8 Nondiscrimination.

(a) The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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 in the premises herein leased.

(b) Notwithstanding the preceding paragraph, with respect to familial status, the preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the preceding paragraph. The foregoing covenants shall run with the land.

(c) The terms of this Section shall run with the land and survive the termination of this Agreement.

ARTICLE 6.
HAZARDOUS WASTE

Section 6.1 Hazardous Waste.

(a) Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily kept and used in and about multifamily residential property.

(b) Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above hereinafter referred to a "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor agrees to indemnify, protect, hold harmless and defend (by counsel reasonably selected by the Beneficiary) the Beneficiary, its governing board members, officers, representatives, agents, assigns and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of: (i) the failure of the Trustor or any other person or entity to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Project on or after the date of conveyance of the Property to the Trustor; (ii) the presence in, on or under the Project of any Hazardous Materials or any releases or discharges of any Hazardous Materials into, on, under or from the Project to the extent it arises on or after the date of conveyance of the Property to the

Trustor; (iii) any activity carried on or undertaken on or off the Project, subsequent to the conveyance of the Property to the Trustor, and whether by the Trustor or any successor in title or any employees, agents, contractors or subcontractors of the Trustor or any successor in title, or any third persons at any time occupying or present on the Project, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Project; the foregoing indemnity shall further apply to any residual contamination on or under the Project, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this subsection shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

(d) Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgement, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken.

(e) Beneficiary agrees not to withhold, condition or delay its consent, where such consent is required hereunder, if either: (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

(f) The Trustor hereby acknowledges and agrees that: (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(g) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of

Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or in the exercise of reasonable diligence should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Note until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

(h) The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7. EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall constitute Events of Default following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; (3) failure to make any payment or perform any of Trustor's other covenants, agreements, or obligations under any other debt instruments or regulatory agreement secured by the Property, which default shall not be cured within the times and in the manner provided therein.

Section 7.2 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Principal of the Note shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 Beneficiary's Right to Enter and Take Possession. If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Default (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Default and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Default and Election to Sell"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of San Bernardino County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 7.4 Foreclosure by Power of Sale.

(a) Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Default and Election to Sell") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(b) Upon receipt of Notice of Default and Election to Sell from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall,

without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and Election to Sell having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Default and Election to Sell, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(c) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other amounts owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(d) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may

be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to a breach by Trustor, or a waiver of any obligation of Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary: (i) grants forbearance or an extension of time for the payment or performance of the Secured Obligations; (ii) takes other or additional security or the payment of any sums secured hereby; (iii) waives or does not exercise any right granted in the Loan Documents; (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents; (v) consents to the granting of any easement or other right affecting the Security; or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security. The Beneficiary shall have power to: (i) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust; (ii) preserve or protect its interest (as described in this Deed of Trust) in the Security; and (iii) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Trustee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver. The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8.
MISCELLANEOUS

Section 8.1 Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee. Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon expiration of the term of the Regulatory Agreement, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices. If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid; and if intended for Beneficiary shall be addressed to:

Beneficiary:

Community Development and Housing Agency
County of San Bernardino
385 North Arrowhead Ave Third Floor
San Bernardino, CA 92415-0043
Attn: Community Development and Housing Director

with a copy to:

Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian

and (ii) if intended for Trustor shall be addressed to:

Rialto Metrolink South Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attn: Frank Cardone

with a copy to:

National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer

with a copy to:

LBI Metro South LLC
c/o LaBarge Industries, LLC
3105 East Guasti Road, Suite 100
Ontario, California 91761
Attn: Joshua LaBarge

with a copy to:

HPI Rialto, LLC
c/o Housing Partners I, Inc.
715 East Brier Drive
San Bernardino, CA 92408
Attn: Anthony Perez

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, 64th Floor
Los Angeles, CA 90071
Attn: Lance Bocarsly

with a copy to:

Gresham Savage LLP
550 E. Hospitality Lane, Suite 300
San Bernardino, CA 92408
Attn: Robert R. Ritter

With a copy to:

Investor Limited Partner

Wells Fargo Affordable Housing Community Development Corporation
550 S. Tryon Street
23rd Floor, D1086-239
Charlotte, NC 28202-4200
Attention: Director of Tax Credit Asset Management

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Copies of notices to Trustor from the Beneficiary shall also be provided by the Beneficiary to any limited partner of Trustor who requests such notice in writing and provides the Beneficiary with written notice of its address in accordance with this Section.

Section 8.4 Successors and Joint Trustors. Where an obligation created herein is binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be joint and several obligations of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be joint and several obligations of each and every entity and person comprising Trustor.

Section 8.5 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California. Any action brought claiming a breach of this agreement or interpreting this agreement shall be brought and venued in San Bernardino County, California.

Section 8.8 Gender and Number. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage. Any reference in this Deed of Trust to a mortgage shall also refer to a Deed of Trust and any reference to a Deed of Trust shall also refer to a mortgage.

Section 8.10 Actions. Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Tax Credit Provisions. Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Property encumbered by this Deed of Trust, the following rule contained in 26 U.S.C. Section 42(h)(6)(E)(ii), as amended, shall apply.

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee: (1) none of the tenants occupying those units at the time of foreclosure may be evicted or their tenancy terminated (other than for good cause); (2) nor may any rent be increased except as otherwise permitted under Section 42 of the Internal Revenue Code.

[Signature Page Follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: Frank Cardone
Frank Cardone, its President

Date: 3-8-2022

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Michael Finn, its Chief Financial Officer

Date: _____

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: _____
Lee McDougal, its President

Date: _____

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____
Josh LaBarge, its Manager

Date: _____

[Signatures Must Be Notarized]

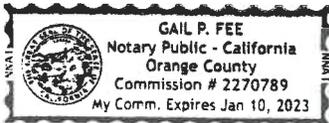
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF Orange)

On March 8, 2022, before me, Gail P. Fee, Notary Public, personally appeared Frank Cardone, 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.



Gail P. Fee
Name: Gail P. Fee
Notary Public

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

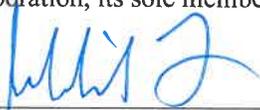
RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By:  _____ Date: 3/8/20
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California
Limited liability company
its co-general partner

By: LaBarge Industries, LLC, a Delaware
limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

California All-Purpose Acknowledgment

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

State of California

County of San Bernardino

} s.s.

On March 8, 2022 before me, Monica Rodriguez, Notary Public

Name of Notary Public, Title

personally appeared Michael Finn

Name of Signer (1)

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.


Signature of Notary Public



Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) _____
Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
(Number) of Person(s) Entity(ies) Signer(s) Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer Signer(s) Thumbprints(s)

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

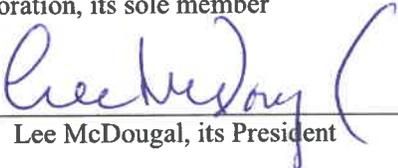
By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By:  _____ Date: 3/15/2022
Lee McDougal, its President

By: LBI Metro South LLC, a California Limited liability company its co-general partner

By: LaBarge Industries, LLC, a Delaware limited liability company, its sole member

By: _____ Date: _____
Josh LaBarge, its Manager

[Signatures Must Be Notarized]

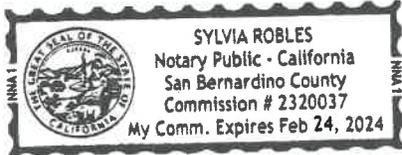
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF San Bernardino)

On March 8, 2022, before me, Sylvia Robles, Notary Public, personally appeared Lee McDougal, 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.



Sylvia Robles
Name: Sylvia Robles
Notary Public

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK
SOUTH DEVELOPMENT CO., LLC,
a California limited liability company,
its administrative general partner

By: _____ Date: _____
Frank Cardone, its President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of
California, a California nonprofit public
benefit corporation, its sole member and
manager

By: _____ Date: _____
Michael Finn, its Chief Financial Officer

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California
nonprofit public benefit
corporation, its sole member

By: _____ Date: _____
Lee McDougal, its President

By: LBI Metro South LLC, a California
limited liability company
its co-general partner

By: LaBarge Industries, LLC, a Delaware
limited liability company, its sole member

By:  _____ Date: 3.9.2022
Josh LaBarge, its Manager

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.

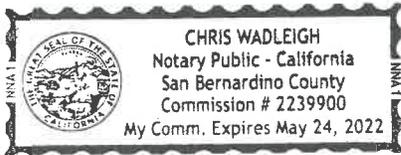
STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

On 3/9/22, before me, CHRIS WADLEIGH, Notary Public, personally appeared JOSHUA LABARGE, 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.



Chris Wadleigh
Name: CHRIS WADLEIGH
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)

Exhibit K

COMPLETION GUARANTY

This Completion Guaranty ("Guaranty") is made as of March 15, 2022, by National Community Renaissance of California, a California nonprofit public benefit corporation ("Guarantor") in favor of San Bernardino County, a political subdivision of the State of California ("County").

RECITALS

A. WHEREAS, the County, Rialto Metrolink South Housing Partners, L.P., a California limited partnership (the "Developer"), entered into that certain HOME Loan Agreement, dated March 15, 2022, as such may be amended (the "Loan Agreement"), in which the Developer agreed to construct a 55-unit affordable rental project for Very Low and Low-Income Households (the "Project") in accordance with the terms and conditions of the Loan Agreement. All capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement;

B. WHEREAS, the Project is to be constructed on 1.59 acre site as more fully described in Exhibit A attached hereto and incorporated herein by this reference ("Project Site" or the "Property");

C. WHEREAS, pursuant to the Loan Agreement, the County agreed to make a loan to the Developer in the maximum principal amount of Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000) (the "Loan") to assist in the financing of the development of the Project. The Loan is evidenced by a promissory note and secured by a deed of trust encumbering Developer's fee interest in the Project Site (together with the Loan Agreement, the "Loan Documents"); and

E. WHEREAS, Guarantor is an Affiliate of the Developer, has a substantial financial interest in the business and affairs of the Developer and it will receive substantial economic benefit should the Developer be permitted to develop the Project in the manner and in accordance with the terms of the Loan Agreement.

THEREFORE, to induce County to enter into the Loan Agreement and to provide the Project funding contemplated thereunder, including but not limited to the Loan and in consideration thereof, Guarantor unconditionally guarantees, promises and agrees as follows:

1. Loan Agreement. Guarantor acknowledges receipt of a copy of the Loan Agreement and all of the instruments described therein and/or attached thereto. The Loan Agreement is incorporated herein by this reference as though fully set forth herein. Loan Agreement as used herein shall mean, refer to and include the Loan Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, and attachments thereto, all of which are incorporated herein by this reference, heretofore or hereinafter entered into by the County and Developer or other documents expressly incorporated by reference in the Loan Agreement.

2. Guaranty. Guarantor hereby absolutely and unconditionally guarantees the performance by the Developer of its obligation to complete construction of the Project pursuant to the terms and conditions set forth in Article 3 of the Loan Agreement, subject to all applicable extensions, notices and cure rights. Without limiting the generality of the foregoing, Guarantor absolutely and unconditionally guarantees that: (a) such construction shall be completed within the time limits set forth in the Loan Agreement, subject to force majeure delays; (b) the Project shall be constructed and completed substantially in accordance with the Construction Plans (as defined in Section 1.1(y) of the Loan Agreement) and the other provisions of the Loan Agreement, as the same may be modified from time to time in accordance with the Loan Agreement; (c) the Project shall be constructed and completed free and clear of any mechanic's liens, materialmen's liens and equitable liens; (d) all costs of construction shall be paid prior to delinquency; and (e) the Project funding provided by the County shall be and remain available for disbursement free and clear of any stop notices.
3. Lien Free Completion. Completion of construction of the Project free and clear of liens shall be deemed to have occurred and all obligations of Guarantor shall terminate upon the earliest to occur of: (a) (i) County's receipt of a written statement or certificate executed by the Certified Access Specialist certifying that the County-Assisted Units have been designed in compliance with Section 2.6 (c)(12) of the Loan Agreement; (ii) Developer receipt of all required occupancy permit(s) for the Project issued by the local government agency having jurisdiction and authority to issue same, and (iii) the expiration of the statutory period(s) within which valid mechanic's liens, materialmen's liens and/or stop notices may be recorded and/or served by reason of the construction of the Project, or, alternatively, County's receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices; or (b) County's receipt of such other evidence of lien free completion as County deems satisfactory in its reasonable discretion; or (c)(i) issuance of a Certificate of Completion for the Project in accordance with Section 3.13 of the Loan Agreement, and (ii) the expiration of the statutory period(s) within which valid mechanic's liens, materialmen's liens and/or stop notices may be recorded and/or served by reason of the construction of the Project, or, alternatively, County's receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices.
4. Obligations of Guarantor Upon Default By Developer. If the construction is not commenced and completed within the time required by the Loan Agreement, or if prior to the expiration of the time limits for said completion set forth in the Loan Agreement, construction of the Project should cease or be halted prior to completion and such cessation or halt constitutes an Event of Default (as defined in the Loan Agreement) (subject to all applicable extensions, notice and cure rights), Guarantor shall, promptly upon written demand of County, but in no event later than thirty (30) days of receipt of written demand of the County: (a) diligently proceed to complete construction of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Project; and (c) release and discharge all claims of stop notices, mechanic's liens, materialmen's liens and equitable liens that may arise in connection with the construction of the Project; and (d) reimburse the County for any and all costs of enforcement of this Guaranty incurred by the County. County's shall make the undisbursed Loan funds available to Guarantor (pursuant to the terms and conditions of the

Loan Agreement) for the purposes of completing construction and fulfilling Guarantor's other obligations under this Guaranty.

5. In the event that any bankruptcy, insolvency, receivership, or similar proceeding is instituted by or against the Developer or in the event that the Developer becomes insolvent, makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors, then, at County's election, without notice or demand, the obligations of Guarantor created hereunder shall become due, payable, and enforceable against Guarantor. County shall not be required to, and Guarantor hereby waives any and all rights to require County to, prosecute, or seek to enforce any remedies against any other party liable to County on account of the obligations of Guarantor created hereunder.
6. Guarantor hereby authorizes County, after the occurrence of an Event of Default under the Loan Agreement, without notice or demand and without affecting its liability hereunder, from time to time to: (a) approve modifications to the plans and specifications so long as such modifications do not materially increase the cost of constructing the Project nor materially increase the time necessary to complete the Project; (b) change the terms or conditions of disbursement of the Loan and the Grant so long as such changes do not materially interfere with Developer's ability to construct the Project as and when required under the Loan Documents; (c) release or substitute any one or more endorser(s) or guarantor(s); (d) assign, in conjunction with the Loan Agreement, without notice, this Guaranty in whole or in part and/or County's rights hereunder to anyone at any time; and (e) notwithstanding the foregoing, with notice to Guarantor and Developer, otherwise modify the Project Documents. Guarantor agrees that County may do any or all of the foregoing in such manner, upon such terms, and at such times as County, in its discretion, deems reasonably necessary, Guarantor hereby consents to each and all of the foregoing acts, events, and/or occurrences.
7. Guarantor hereby waives any right of subrogation Guarantor has or may have as against any other party with respect to the Obligations. In addition, Guarantor hereby waives any right to proceed against any other party, now or hereafter, for contribution, indemnity, reimbursement, and any other suretyship rights and claims, whether direct or indirect, liquidated or contingent, whether arising under express or implied contract or by operation of law, which Guarantor may now have or hereafter have as against any other party with respect to the Obligations. Guarantor agrees that in light of the immediately foregoing waivers, the execution of this Guaranty shall not be deemed to make Guarantor a "creditor" of the Developer under the Loan, and that for purposes of Sections 547 and 550 of the United States Bankruptcy Code of Sections 547 and 550 of the United States Bankruptcy Code (11 U.S.C. §§547, 550), Guarantor shall not be deemed a "creditor" of the Developer under the Loan due to the execution of this Guaranty. Notwithstanding the above, after satisfaction by the Guarantor of the Obligations set forth above, the waivers of Guarantor in this Section 7 shall not apply to the rights of the Guarantor against the Developer' general contractor(s) or any surety under any payment and performance bonds obtained by the Developer' general contractor(s) for construction of the Project.
8. Guarantor hereby waives any defense arising by reason of any claim based upon an election of remedies by County, which, in any manner impairs, affects, reduces, releases, destroys,

and/or extinguishes Guarantor's subrogation rights, rights to proceed against any other party for reimbursement, and/or any other rights of Guarantor to proceed against any other guarantor, or against any other person or security. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of default, notice of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional indebtedness, and all other notices of formalities to which Guarantor may be entitled.

9. The Guarantor represents and warrants that: (a) it has a financial interest in the Developer; (b) it has examined or has had an opportunity to examine documents referred to herein; (c) it has full power, authority and legal right to execute and deliver this Guaranty, (d) this Guaranty is a binding legal obligation of the Guarantor; (e) the financial statements of Guarantor heretofore provided to the County are, as of the date specified therein, complete and correct in all material respects, fairly present the financial condition of the Guarantor, and are prepared by financial professionals in a consistent manner; (f) there is no litigation pending or to the best of the Guarantor's knowledge, threatened against the Guarantor that would have a material affect on the Guarantor's ability to satisfy its obligations under this Guaranty; and (g) no other fact or circumstance exists, which would diminish or negate the liability of the Guarantor to the Lender hereunder, or materially impair its ability to perform its obligations, and neither execution or delivery of this Guaranty nor compliance with the terms hereof will conflict with, or constitute a breach of or default under any agreement or instrument to which the Guarantor may be a party.
10. Until such time as this Guaranty shall have been terminated, the Guarantor shall provide to the County on each anniversary date hereof its financial statements in such form and detail as may be reasonably requested by the Lender. The Guarantor also agrees to provide the County with financial statements at such other times as may be reasonably requested by the County.
11. No modification of this Guaranty shall be effective for any purposes unless it is in writing and executed by County. This Guaranty merges all negotiations, stipulations, and provisions relating to the subject matter of this Guaranty which preceded or may accompany the execution of this Guaranty.
12. Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by County in the enforcement of this Guaranty or in any way arising out of, following, or consequential to the enforcement of the obligations hereunder, whether under this Guaranty or otherwise.
13. Remedies. If Guarantor fails to promptly perform its obligations under this Guaranty, County shall have, all rights in law and equity, including but not limited to the following remedies:
 - a. At County's option, and without any obligation to do so, to proceed to perform on behalf of Guarantor any or all of Guarantor's obligations and Guarantor shall, upon demand once construction is actually completed by County, pay to County all sums expended by County in performing Guarantor's obligations together with interest thereon at the highest rate specified in the Loan Agreement; and

- b. Thirty (30) days after notice to Guarantor of the failure of Guarantor to complete the construction of the Project, and without first requiring performance by the Developer or exhausting any or all security for the Loan, to bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder, and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by County as a direct consequence of the failure of Guarantor to perform its obligations.
14. Subordination. Guarantor subordinates all present and future indebtedness owing by Developer to Guarantor to the obligations at any time owing by Developer to County under the Note and the other Loan Agreement. Guarantor assigns all such indebtedness to County as security for this Guaranty, the Note and the Loan Agreement. Guarantor agrees to make no claim for such indebtedness until all obligations of Developer under the Note and the other Loan Documents have been fully discharged. Guarantor further agrees not to assign all or any part of such indebtedness unless County is given prior notice and such assignment is expressly made subject to the terms of this Guaranty.
15. Additional, Independent and Unsecured Obligations. This Guaranty is independent of the obligations of Developer under the Note, the Deed of Trust and the other Loan Documents. County may bring a separate action to enforce the provisions hereof against Guarantor without taking action against Developer or any other party or joining Developer or any other party as a party to such action. Except as otherwise provided in this Guaranty, this Guaranty is not secured and shall not be deemed to be secured by any security instrument unless such security instrument expressly recites that it secures this Guaranty.
16. Rules of Construction. If this Guaranty is executed by more than one person, the term "Guarantor" shall include all such persons. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.
17. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California, except to the extent preempted by federal laws. Guarantor and all persons and entities in any manner obligated to County under this Guaranty consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by California or federal law.
18. Miscellaneous. The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, nominees, successors and assigns of Guarantor and County. The death of any officer of Guarantor and their incapacity, lack of authority, or disability shall not terminate or otherwise impair this Guaranty. The liability of all persons and entities who are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.

19. Any notice or other communication given or made pursuant to this Guaranty shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

Lender: San Bernardino County
Community Development and Housing Agency
385 North Arrowhead Ave, Third Floor
San Bernardino, CA 92415-0043
Attention: Community Development and Housing Director

Guarantor: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: Chief Financial Officer

20. Notwithstanding anything contained in this Guaranty to the contrary, County acknowledges and agrees that this Guaranty is subject and subordinate to any prior and superior guaranty made by Guarantor in favor of Senior Lenders under the Approved Affordable Housing Financing Plan.

[signature on following page]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)

Exhibit K

LIMITED COMPLETION GUARANTY

This Limited Completion Guaranty ("Guaranty") is made as of March 15, 2022, by Related Development Company of California LLC, a California limited liability company ("Guarantor") in favor of San Bernardino County, a political subdivision of the State of California ("County").

RECITALS

A. WHEREAS, the County and Rialto Metrolink South Housing Partners, L.P., a California limited partnership (the "Developer"), entered into that certain HOME Loan Agreement, dated March 15, 2022, as such may be amended (the "Loan Agreement"), in which the Developer agreed to construct a 55-unit affordable rental project for Very Low and Low-Income Households (the "Project") in accordance with the terms and conditions of the Loan Agreement. All capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement;

B. WHEREAS, the Project is to be constructed on 1.59 acre site as more fully described in Exhibit A attached hereto and incorporated herein by this reference ("Project Site" or the "Property");

C. WHEREAS, pursuant to the Loan Agreement, the County agreed to make a loan to the Developer in the maximum principal amount of Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000) (the "Loan") to assist in the financing of the development of the Project. The Loan is evidenced by a promissory note and secured by a deed of trust encumbering Developer's fee interest in the Project Site (together with the Loan Agreement, the "Loan Documents"); and

E. WHEREAS, Guarantor is an Affiliate of the Developer, has a substantial financial interest in the business and affairs of the Developer and it will receive substantial economic benefit should the Developer be permitted to develop the Project in the manner and in accordance with the terms of the Loan Agreement.

F. WHEREAS, this Guaranty is in addition to a Guaranty provided to the County by National Community Renaissance of California.

THEREFORE, to induce County to enter into the Loan Agreement and to provide the Project funding contemplated thereunder, including but not limited to the Loan and in consideration thereof, Guarantor unconditionally guarantees, promises and agrees as follows:

1. Loan Agreement. Guarantor acknowledges receipt of a copy of the Loan Agreement and all of the instruments described therein and/or attached thereto. The Loan Agreement is incorporated herein by this reference as though fully set forth herein. Loan Agreement as used herein shall mean, refer to and include the Loan Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, and attachments thereto, all of

which are incorporated herein by this reference, heretofore or hereinafter entered into by the County and Developer or other documents expressly incorporated by reference in the Loan Agreement.

2. Guaranty. Guarantor hereby guarantees the performance by the Developer of its obligation to complete construction of the Project pursuant to the terms and conditions set forth in Article 3 of the Loan Agreement, subject to all applicable extensions, notices and cure rights. Without limiting the generality of the foregoing, Guarantor absolutely and unconditionally guarantees that: (a) such construction shall be completed within the time limits set forth in the Loan Agreement, subject to force majeure delays; (b) the Project shall be constructed and completed substantially in accordance with the Construction Plans (as defined in Section 1.1(y) of the Loan Agreement) and the other provisions of the Loan Agreement, as the same may be modified from time to time in accordance with the Loan Agreement; (c) the Project shall be constructed and completed free and clear of any mechanic's liens, materialmen's liens and equitable liens; (d) all costs of construction shall be paid prior to delinquency; and (e) the Project funding provided by the County shall be and remain available for disbursement free and clear of any stop notices. Notwithstanding anything to the contrary contained herein, the total liability of the Guarantor under this Guaranty shall not exceed the amount of the Developer Fee due to be paid to Guarantor under that certain Development Fee Agreement by and among the Guarantor, National Community Renaissance of California, a California nonprofit public benefit corporation and the Developer.
3. Lien Free Completion. Completion of construction of the Project free and clear of liens shall be deemed to have occurred and all obligations of Guarantor shall terminate upon the earliest to occur of: (a) (i) County's receipt of a written statement or certificate executed by the Certified Access Specialist certifying that the County-Assisted Units have been designed in compliance with Section 2.6 (c)(12) of the Loan Agreement; (ii) Developer receipt of all required occupancy permit(s) for the Project issued by the local government agency having jurisdiction and authority to issue same, and (iii) the expiration of the statutory period(s) within which valid mechanic's liens, materialmen's liens and/or stop notices may be recorded and/or served by reason of the construction of the Project, or, alternatively, County's receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices; or (b) County's receipt of such other evidence of lien free completion as County deems satisfactory in its reasonable discretion; or (c)(i) issuance of a Certificate of Completion for the Project in accordance with Section 3.13 of the Loan Agreement, and (ii) the expiration of the statutory period(s) within which valid mechanic's liens, materialmen's liens and/or stop notices may be recorded and/or served by reason of the construction of the Project, or, alternatively, County's receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices.
4. Obligations of Guarantor Upon Default By Developer. If the construction is not commenced and completed within the time required by the Loan Agreement, or if prior to the expiration of the time limits for said completion set forth in the Loan Agreement, construction of the Project should cease or be halted prior to completion and such cessation or halt constitutes an Event of Default (as defined in the Loan Agreement) (subject to all applicable extensions, notice and cure rights), Guarantor shall, promptly upon written demand of County, but in no event later than thirty (30) days of receipt of written demand of the County: (a) diligently

proceed to complete construction of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Project; and (c) release and discharge all claims of stop notices, mechanic's liens, materialmen's liens and equitable liens that may arise in connection with the construction of the Project; and (d) reimburse the County for any and all costs of enforcement of this Guaranty incurred by the County. County shall make the undisbursed Loan funds available to Guarantor (pursuant to the terms and conditions of the Loan Agreement) for the purposes of completing construction and fulfilling Guarantor's other obligations under this Guaranty. Notwithstanding anything to the contrary contained herein, the total liability of the Guarantor under this Guaranty shall not exceed the amount of the Developer Fee due to be paid to Guarantor under that certain Development Fee Agreement by and among the Guarantor, National Community Renaissance of California, a California nonprofit public benefit corporation and the Developer.

5. In the event that any bankruptcy, insolvency, receivership, or similar proceeding is instituted by or against the Developer or in the event that the Developer, becomes insolvent, makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors, then, at County's election, without notice or demand, the obligations of Guarantor created hereunder shall become due, payable, and enforceable against Guarantor. County shall not be required to, and Guarantor hereby waives any and all rights to require County to, prosecute, or seek to enforce any remedies against any other party liable to County on account of the obligations of Guarantor created hereunder.
6. Guarantor hereby authorizes County, after the occurrence of an Event of Default under the Loan Agreement, without notice or demand and without affecting its liability hereunder, from time to time to: (a) approve modifications to the plans and specifications so long as such modifications do not materially increase the cost of constructing the Project nor materially increase the time necessary to complete the Project; (b) change the terms or conditions of disbursement of the Loan and the Grant so long as such changes do not materially interfere with Developer's ability to construct the Project as and when required under the Loan Documents; (c) release or substitute any one or more endorser(s) or guarantor(s); (d) assign, in conjunction with the Loan Agreement, without notice, this Guaranty in whole or in part and/or County's rights hereunder to anyone at any time; and (e) notwithstanding the foregoing, with notice to Guarantor and Developer, otherwise modify the Project Documents. Guarantor agrees that County may do any or all of the foregoing in such manner, upon such terms, and at such times as County, in its discretion, deems reasonably necessary, Guarantor hereby consents to each and all of the foregoing acts, events, and/or occurrences.
7. Guarantor hereby waives any right of subrogation Guarantor has or may have as against any other party with respect to the Obligations. In addition, Guarantor hereby waives any right to proceed against any other party, now or hereafter, for contribution, indemnity, reimbursement, and any other suretyship rights and claims, whether direct or indirect, liquidated or contingent, whether arising under express or implied contract or by operation of law, which Guarantor may now have or hereafter have as against any other party with respect to the Obligations. Guarantor agrees that in light of the immediately foregoing waivers, the execution of this Guaranty shall not be deemed to make Guarantor a "creditor" of the

Developer under the Loan, and that for purposes of Sections 547 and 550 of the United States Bankruptcy Code of Sections 547 and 550 of the United States Bankruptcy Code (11 U.S.C. §§547, 550), Guarantor shall not be deemed a "creditor" of the Developer under the Loan due to the execution of this Guaranty. Notwithstanding the above, after satisfaction by the Guarantor of the Obligations set forth above, the waivers of Guarantor in this Section 7 shall not apply to the rights of the Guarantor against the Developer' general contractor(s) or any surety under any payment and performance bonds obtained by the Developer' general contractor(s) for construction of the Project.

8. Guarantor hereby waives any defense arising by reason of any claim based upon an election of remedies by County, which, in any manner impairs, affects, reduces, releases, destroys, and/or extinguishes Guarantor's subrogation rights, rights to proceed against any other party for reimbursement, and/or any other rights of Guarantor to proceed against any other guarantor, or against any other person or security. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of default, notice of acceptance of this Guaranty, and notices of the existence, creation, or incurring of new or additional indebtedness, and all other notices of formalities to which Guarantor may be entitled.
9. The Guarantor represents and warrants that: (a) it has a financial interest in the Developer; (b) it has examined or has had an opportunity to examine documents referred to herein; (c) it has full power, authority and legal right to execute and deliver this Guaranty, (d) this Guaranty is a binding legal obligation of the Guarantor; (e) there is no litigation pending or to the best of the Guarantor's knowledge, threatened against the Guarantor that would have a material effect on the Guarantor's ability to satisfy its obligations under this Guaranty; and (f) no other fact or circumstance exists, which would diminish or negate the liability of the Guarantor to the Lender hereunder, or materially impair its ability to perform its obligations, and neither execution or delivery of this Guaranty nor compliance with the terms hereof will conflict with, or constitute a breach of or default under any agreement or instrument to which the Guarantor may be a party.
10. Until such time as this Guaranty shall have been terminated, the Guarantor shall provide to the County on each anniversary date hereof its financial statements in such form and detail as may be reasonably requested by the Lender. The Guarantor also agrees to provide the County with financial statements at such other times as may be reasonably requested by the County.
11. No modification of this Guaranty shall be effective for any purposes unless it is in writing and executed by County. This Guaranty merges all negotiations, stipulations, and provisions relating to the subject matter of this Guaranty which preceded or may accompany the execution of this Guaranty.
12. Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by County in the enforcement of this Guaranty or in any way arising out of, following, or consequential to the enforcement of the obligations hereunder, whether under this Guaranty or otherwise.

13. Remedies. If Guarantor fails to promptly perform its obligations under this Guaranty, County shall have, all rights in law and equity, including but not limited to the following remedies:
- a. At County's option, and without any obligation to do so, to proceed to perform on behalf of Guarantor any or all of Guarantor's obligations and Guarantor shall, upon demand once construction is actually completed by County, pay to County all sums expended by County in performing Guarantor's obligations together with interest thereon at the highest rate specified in the Loan Agreement; and
 - b. Thirty (30) days after notice to Guarantor of the failure of Guarantor to complete the construction of the Project, and without first requiring performance by the Developer or exhausting any or all security for the Loan, to bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder, and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by County as a direct consequence of the failure of Guarantor to perform its obligations.
14. Subordination. Guarantor subordinates all present and future indebtedness owing by Developer to Guarantor to the obligations at any time owing by Developer to County under the Note and the other Loan Agreement. Guarantor assigns all such indebtedness to County as security for this Guaranty, the Note and the Loan Agreement. Guarantor agrees to make no claim for such indebtedness until all obligations of Developer under the Note and the other Loan Documents have been fully discharged. Guarantor further agrees not to assign all or any part of such indebtedness unless County is given prior notice and such assignment is expressly made subject to the terms of this Guaranty.
15. Additional, Independent and Unsecured Obligations. This Guaranty is independent of the obligations of Developer under the Note, the Deed of Trust and the other Loan Documents, and is also independent of any other guarantee provided to the County. County may bring a separate action to enforce the provisions hereof against Guarantor without taking action against Developer or any other party or joining Developer or any other party as a party to such action. Except as otherwise provided in this Guaranty, this Guaranty is not secured and shall not be deemed to be secured by any security instrument unless such security instrument expressly recites that it secures this Guaranty.
16. Rules of Construction. If this Guaranty is executed by more than one person, the term "Guarantor" shall include all such persons. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.
17. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California, except to the extent preempted by federal laws. Guarantor and all persons and entities in any manner obligated to County under this Guaranty consent to the jurisdiction of any federal or state court within the State of California having proper

venue and also consent to service of process by any means authorized by California or federal law.

18. Miscellaneous. The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, nominees, successors and assigns of Guarantor and County. The death of any officer of Guarantor and their incapacity, lack of authority, or disability shall not terminate or otherwise impair this Guaranty. The liability of all persons and entities who are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.
19. Any notice or other communication given or made pursuant to this Guaranty shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

Lender: San Bernardino County
Community Development and Housing Agency
385 North Arrowhead Ave, Third Floor
San Bernardino, CA 92415-0043
Attention: Community Development and Housing Director

Guarantor: Related Development Company of California LLC
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attn: Frank Cardone

20. Notwithstanding anything contained in this Guaranty to the contrary, County acknowledges and agrees that this Guaranty is subject and subordinate to any prior and superior guaranty made by Guarantor in favor of Senior Lenders under the Approved Affordable Housing Financing Plan, if any.

[signature on following page]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date appearing on the first page of this Guaranty.

"GUARANTOR"

Related Development Company of California, a
California limited liability company

By: 
Frank Cardone, its President

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

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LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL B OF CERTIFICATE OF COMPLIANCE NO. 57, IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796 OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO 8173.

ALSO PARCEL 3 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 88, PAGES 67 AND 68 OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF RIALTO IN DEED RECORDED JANUARY 03, 2019 AS INSTRUMENT NO. 2019-0002832 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION RECORDED MAY 10, 1982 AS INSTRUMENT NO. 82-090875 OF OFFICIAL RECORDS.

APNS (0131-021-42-0-000, 0131-021-40-0-000)