

SIDE AGREEMENT

(450 North G Street, San Bernardino County, CA)

This Side Agreement (“**Agreement**”), dated as of the last signature hereto, is hereby entered into by and between the California Department of Housing and Community Development (“**HCD**” or “**Department**”), and San Bernardino County, a political subdivision of the State of California (“**County**”). HCD and County may be individually referred to as “**Party**” and collectively referred to as “**Parties**.”

RECITALS

A. On or about January 9, 2024, HCD filed a lawsuit naming County and others as defendants in the Los Angeles County Superior Court matter captioned *California Department of Housing and Community Development v. Shangri-La Industries LLC, et al.*, Case No. 24STCV00629, alleging causes of action for breach of contract, fraud, quiet title, and declaratory relief (the “**Lawsuit**”).

B. This Agreement relates to 450 North G Street in San Bernardino County, California and more particularly described on **Exhibit A** attached hereto and incorporated herein by reference (the “**Property**”).

C. Pursuant to the Settlement Agreement being entered into contemporaneously herewith by and among HCD, County, Medalist Partners Asset-Based REIT III, a Delaware business trust (“**MP REIT**”), and MP G Street, LLC, a Delaware limited liability company (“**MPG**” or “**Seller**”) (the “**Settlement Agreement**”), HCD, County, MP REIT and MPG are settling their disputes under the Lawsuit with respect to the Property.

D. Among other things, under the Settlement Agreement, County and Seller are entering into that certain Agreement of Sale and Purchase and Joint Escrow Instructions regarding the Property, dated of even date herewith (the “**PSA**”) pursuant to which County is purchasing the Property, with title thereto being directly deeded by Seller to County at close of escrow thereunder. The price of the acquisition of the Property is \$6,000,000.00 (the “**Purchase Price**”), with the County and HCD contributing toward the Purchase Price as outlined in the PSA and as described in Section 3 below. Once acquired by County, County shall operate the Property consistent with the terms of this Agreement and the Covenant Agreement, as defined below.

E. This Agreement governs the mechanics of the Parties’ respective settlement contributions and disbursements, as well as the County’s obligations with respect to the Scope of Work, as defined below.

TERMS

NOW THEREFORE, for good and valuable consideration, including the mutual promises recited herein, the Parties agree as follows:

1. Recitals. The recitals to this Agreement are hereby incorporated into and made a part of this Agreement.
2. Effectiveness and Term. This Agreement shall be effective on the date all of the following conditions have been satisfied (the “**Effective Date**”):

(A) This Agreement and the Settlement Agreement have been fully executed (which may be in counterpart) and delivered to each of the parties thereto; and

(B) HCD has obtained the California Department of Finance's ("DOF") written approval of the funds committed under this Agreement and the Settlement Agreement.

This Agreement may be executed with electronic signatures provided the signatories comply with UETA and ESIGN and use qualified third-party providers such as DocuSign or AdobeSign. The Parties agree that future amendments, modifications and notices may be provided and are effective in PDF format or facsimile. This Agreement is independently enforceable from any other settlement of the Lawsuit.

Unless otherwise amended or modified pursuant to an express written instrument signed by all Parties in accordance with Section 13.k. hereof, this Agreement shall continue in effect through **March 1, 2037**. During the term hereof, the County shall operate the Project in compliance with the terms of this Agreement and the Covenant Agreement. From and after the termination or expiration of this Agreement, the County shall continue to operate the Project in compliance with the terms of the Covenant Agreement.

3. HCD Settlement Contribution. As provided in the Settlement Agreement, HCD's funding obligation is limited to a maximum of One Million Nine Hundred Sixty Seven Thousand Three Hundred Dollars ("1,967,300") of which Six Hundred Seventeen Thousand Three Hundred Dollars (\$617,300) ("**HCD Repairs Contribution Grant**"), is intended by the Parties to fund CASp-related accessibility repairs of the Property following the close of escrow under the PSA, and One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) ("**HCD Purchase Price Contribution**") is intended by the Parties to fund a portion of the Purchase Price as described in the PSA. The HCD Repairs Contribution Grant shall be paid to County, in accordance with this Agreement, only upon the timely satisfaction of all applicable conditions precedent. The HCD Repairs Contribution Grant and the HCD Purchase Price Contribution together shall be referred to herein as the "**HCD Funding Contribution**."

3.01 HCD Funding.

a. Generally – DOF Approval. The DOF requires that the Settlement Agreement, which includes substantially final forms of the PSA, the Covenant Agreement, and this Agreement as exhibits, be executed and delivered by all applicable parties before it can initiate its review and approval process, the effectivness of which will be dependent on DOF approval of the same. Upon receipt of the above documents, the DOF shall have not less than thirty (30) days to review the matter and, if approved, shall promptly authorize HCD's payment obligations under the Settlement Agreement in accordance herewith. It being understood by all parties, that the County shall have no obligation to acquire the Property until and unless DOF approval is granted under this Section 3.01.

b. Conditions Precedent to Disbursement of HCD Funding Contribution.

1. HCD Purchase Price Contribution

HCD will authorize disbursement of the HCD Purchase Price Contribution through escrow only after all of the following conditions precedent have been satisfied.

- i. To the extent the same have not already occurred, the Settlement Agreement and the PSA have been fully executed and delivered;
- ii. HCD has received DOF approval as specified above;
- iii. Seller has directly deeded the Property to County, and a copy of the executed grant deed conveying the Property to County (the “**Grant Deed**”) is provided to HCD and deposited into escrow;
- iv. The Declaration of Restrictive Covenants (in the form attached to the Settlement Agreement) (the “**Covenant Agreement**”) has been fully executed, deposited into escrow, and recorded immediately following the recordation of the Grant Deed without any intervening lien or encumbrance and subject only to those matters set forth in the final owner’s title insurance pro forma approved by Seller, HCD, and County;
- v. HCD has been provided with a copy of the owner’s policy of title insurance issued to County during escrow (which shall be consistent with the mutually approved owner’s title insurance pro forma);
- vi. County is not in default under the Settlement Agreement, the PSA or this Agreement;

2. HCD Repairs Contribution Grant

HCD will authorize disbursement of the HCD Repairs Contribution Grant to the County only after all of the following conditions precedent have been satisfied:

- vii. To the extent the same have not already occurred, the Settlement Agreement and the PSA have been fully executed and delivered;
- viii. HCD has received DOF approval as specified above;
- ix. Escrow has closed under the PSA and all parties have performed their obligations, including without limitation, all of the following:
 - A. County has funded its portion of the Purchase Price as provided in the PSA;
 - B. Seller has directly deeded the Property to County, and a copy of the executed grant deed conveying the Property to County (the “**Grant Deed**”) is provided to HCD;

- C. The Declaration of Restrictive Covenants (in the form attached to the Settlement Agreement) (the “**Covenant Agreement**”) has been fully executed; deposited into escrow; and recorded against the fee title to the Property immediately following the recordation of the Grant Deed without any intervening lien or encumbrance and subject only to those matters set forth in the final County’s title insurance pro forma approved by Seller, HCD, and County; and a conformed copy of the duly recorded Covenant Agreement is provided to HCD. The Covenant Agreement shall run with the Property and shall be enforceable in accordance with its terms for the term thereof. To the extent there are any conflicts between this Agreement and the Covenant Agreement, the terms of the Covenant Agreement shall take precedent;
- D. HCD has been provided with all title reports and title insurance proformas and commitments, along with a reasonable opportunity to review same. The County’s title policy will, in all events: (w) show that all real estate taxes and assessments are paid current and are not delinquent, and that any current amounts will be prorated through closing; (x) not show any deeds of trust or mortgages; (y) not show any mechanic’s liens, liens, or other monetary encumbrances; and (z) not show any lis pendens; and
- E. HCD has been provided with a copy of the County’s policy of title insurance issued to the County at closing (which shall be consistent with the mutually approved County’s title insurance proforma).
- iv. County is not in default under the Settlement Agreement, the Covenant Agreement, this Agreement, or the PSA; and
- v. The CASp-related accessibility repairs have been fully completed in accordance with applicable law and all of the terms and conditions set forth in this Agreement, including without limitation:
 - (A) All costs, fees and expenses related thereto have been fully and timely paid and title to the Property and Project are free and clear of any and all liens, claims or encumbrances related thereto; and
 - (B) A Notice of Completion has been duly recorded and the final Certificate of Occupancy has been issued for the Project in accordance with the Performance Milestones.

4. County Settlement Contribution.

a. Except for the HCD Funding Contribution , the County shall fund all of the remaining Project costs, fees and expenses, at its sole cost and expense, including but not limited to: (i) the County’s portion of the Purchase Price as specified in the PSA; (ii) any other construction costs, and (iii) all costs and expenses of operating the Project as contemplated by this Agreement and applicable law.

5. Definitions. Any capitalized terms contained in this Agreement that are not defined below shall have the definitions set forth in the Covenant Agreement. In the event of any conflict, the definitions in the Covenant Agreement are controlling.

- a. “30% AMI Household” means a household whose Adjusted Income does not exceed 30% of Area Median Income.
- b. “Actual Household Size” means the actual number of persons in the applicable household.
- c. “Adjusted Income” means with respect to the household occupying a unit, the income from all persons in the household including nonrelated individuals, calculated using the methods to calculate income adopted by HCD in accordance with the Homekey program.
- d. “Area Median Income” or “AMI” means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the City of San Bernardino, California as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.
- e. “Assisted Unit” or “Unit” means a residential dwelling unit that is funded pursuant to the Homekey program and this Agreement and that is subject to rent, income, occupancy, and other restrictions in accordance with Program Requirements, the Covenant Agreement, and this Agreement.
- f. “At Risk of Homelessness” means an individual or household that is at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations. A household that is At Risk of Homelessness must qualify as a 30% AMI Household in order to be income-eligible for a Unit.
- g. “Homeless” means individuals and families who are experiencing homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations. A household that is Homeless must qualify as a 30% AMI Household in order to be income-eligible for a Unit, except under modifications approved by HCD pursuant to 3.4(b) of the Covenant Agreement.
- h. **[Reserved.]**
- i. “Performance Milestones” means the indicators and metrics of progress and performance that are identified as such in Section 11 of this Agreement. The dates

designated for their completion are “**Milestone Completion Dates.**” The failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including, without limitation, those in Section 12.a. of this Agreement.

- j. “Permanent Housing” means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of stay or restrict the tenant’s movements and where the tenant has a lease and is subject to the rights and responsibilities of tenancy pursuant to California Civil Code section 1940.
- k. “Program Requirements” means the following legal authority and Homekey program materials:
 - i. Health and Safety Code section 50675.1.1, which provides the statutory basis for Round 1 of the Homekey program (the “**Homekey Program**”);
 - ii. The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code) (the “**MHP Program**”);
 - iii. The Homekey Program Notice of Funding Availability for Round 1 issued on July 16, 2020, and as subsequently amended (the “**NOFA**”);
 - iv. The Multifamily Housing Program Final Guidelines, dated June 19, 2019 (“**MHP Guidelines**”), as amended and in effect from time to time;
 - v. The Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended (the “**UMRs**”), except to the extent that any UMR provision would be inconsistent with the provisions of the NOFA;
 - vi. The federal Coronavirus Aid, Relief, and Economic Security Act (Public Law No. 116-136) and all related federal guidance (“**CARES Act**”); and
 - vii. All other applicable local, state, and federal law.
- l. “Project” means the structure or set of structures located on the Property described herein which provides Permanent Supportive Housing for the Target Population.
- m. “Scope of Work” or “Work” means the work to be performed or caused to be performed by the County, as described in Section 6 of this Agreement, in order to fulfill the purpose of this Agreement.
- n. “Supportive Services” means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.
- o. “Target Population” means individuals and families who are Homeless or At Risk of Homelessness.

6. Scope of Work.

- a. Completion of Accessibility Repairs. After acquiring the Property, the County shall, by the relevant Milestone Completion Date, ensure lien-free and workmanlike completion of the CASp-related accessibility repairs.

7. Affordability and Occupancy. Generally, the affordability and occupancy requirements (e.g., rent standards) for the Project are set forth in the Covenant Agreement. In accordance with the terms of the Covenant Agreement, County shall ensure that seventy-six (76) Units will be occupied by the Target Population. The County shall at all times comply with all terms of the Covenant Agreement. County hereby represents and warrants that the Project has achieved full occupancy by the Target Population. If there are any conflicts between the terms of this Agreement and the Covenant, the parties agree and acknowledge that the terms of the Covenant supersede the terms here of.

8. Supportive Services. Generally, the Supportive Services requirements for the Project are set forth in the Covenant Agreement. In accordance with the terms of the Covenant Agreement, County shall ensure or make best efforts to ensure the onsite delivery of Supportive Services to the Target Population consistent with Section 4.3 of the Covenant Agreement. If there are any conflicts between the terms of this Agreement and the Covenant, the parties agree and acknowledge that the terms of the Covenant supersede the terms here of.

9. Management and Maintenance. Generally, the management and maintenance requirements for the Project are set forth in the Covenant Agreement. In accordance with the terms of the Covenant Agreement, County shall perform and be responsible for all management functions of the Project, including, without limitation, the marketing of Assisted Units, the screening and selection of tenants, and the processing of evictions and terminations. If there are any conflicts between the terms of this Agreement and the Covenant, the parties agree and acknowledge that the terms of the Covenant supersede the terms here of.

10. Reporting. County shall submit to the Department such periodic reports, updates, and information as deemed necessary by the Department to monitor compliance and performance of this Scope of Work. In addition, the County shall promptly report its satisfaction of each Performance Milestone, in writing, to the Department.

11. Performance Milestones. County shall promptly report its satisfaction of each Performance Milestone, in writing, to HCD. County may apply to HCD for an extension of any Milestone Completion Date based on good cause shown and best efforts and assurances from the County for timely completion of the remaining Performance Milestones. Any such extension shall be granted by HCD in its sole and absolute discretion. **FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT.**

Performance Milestones	Milestone Completion Date
Lien-free completion of all construction work on the Project, including the completion of all CASp-related accessibility repairs to be funded by the HCD Repairs Contribution Grant.	December 31, 2027

Performance Milestones	Milestone Completion Date
Recordation of Notice of Completion for the Project and delivery of a conformed copy thereof to HCD.	December 31, 2027
Issuance of final Certificate of Occupancy for the Project and delivery of a copy thereof to HCD.	Deemed complete upon delivery from County.
Submittal of periodic reports, updates, and information to the Department.	On a quarterly basis (beginning on July 31 of the calendar year after acquisition), and as otherwise specifically requested by the Department.
Performance Milestone check-ins must be submitted to the Department as requested by the Department.	As requested by the Department.

12. General Terms and Conditions.

a. Remedies.

In the event of any material breach, violation, or default by County, the Department may give written notice (a “**Default Notice**”) to County to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department’s satisfaction within a reasonable time, as determined by the Department in its reasonable discretion, if the breach cannot be cured within thirty (30) days, County shall not be in breach so long as County is diligently undertaking to cure such breach and such breach is cured within one hundred twenty days (120) days or such longer period as approved in writing by HCD at its sole discretion. Upon expiration of the cure periods after a Default Notice is sent, the Department shall be entitled to the following remedies: (1) a suit for specific performance; (2) the HCD’s recoupment of the HCD Funding Contribution from the County, which amount shall be reduced by 1/10 of the HCD Funding Contribution or \$196,730 for each year that the County meets the terms of this Declaration as specified in Section 12 of the Side Agreement, and (3) injunctive relief where the default concerns tenant selection, income limits, and/or rent standards. Then the Department may declare a default under this Agreement, in which event, .

A material breach includes, but is not limited to, the following:

- A. Failure to satisfy the conditions precedent to disbursement, as specified herein and as applicable.
- B. Failure to timely satisfy each or any of the Performance Milestones in Section 11 of this Agreement, as applicable.
- C. Breach or violation of the Covenant Agreement.

b. Compliance with Prevailing Wage Law. County's Project is subject to state and federal prevailing wage law, and County is expected to comply to the extent such law is specifically applicable.

c. Insurance. County shall obtain the insurance coverages identified in the NOFA. County shall maintain such insurance coverages for either the term of this Agreement or the term of the Covenant Agreement, whichever applicable term is longer. County shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder.

If County is self-insured, in whole or in part, as to any of the required types and levels of coverage, the County shall provide the Department with a written acknowledgment of its self-insured status upon request of the Department. If the County abandons its self-insured status at any time after execution of this Agreement, the County shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

d. Relocation. County must comply with all applicable federal, state, and local relocation law.

e. Adaptability and Accessibility. From and after the completion of the work to be funded with the HCD Repairs Contribution Grant, the Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility, including, without limitation, the requirements set forth in the NOFA and the Covenant Agreement.

f. Compliance with Title VI of the Civil Rights Act of 1964. County and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

g. Nondiscrimination. Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the U.S. Department of the Treasury's implementing regulations at 31 CFR Part 22;
- B. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.);
- C. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794);
- D. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.);
- E. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); and

F. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the NOFA.

h - o. **[Reserved.]**

p. Site Inspection. The Department reserves the right, upon reasonable notice, to inspect the Project, and any records related thereto, to determine whether the County has completed the Scope of Work and/or is otherwise in compliance with this Agreement.. Nothing in this subsection is intended to create or imply any obligation of the Department to inspect the Project.

q. Compliance with State and Federal Laws, Rules, Guidelines, and Regulations. County agrees to comply with all state and federal laws, rules, guidelines, and regulations that are applicable to the Project, including those that pertain to construction, health and safety, labor, fair employment practices, and equal opportunity.

r. Survival of Obligations. The obligations of the County, as set forth in this Agreement and incurred by the County during the term hereof, shall survive the termination or expiration of this Agreement. Additionally, any and all County representations and warranties set forth in this Agreement shall survive the termination or expiration of this Agreement.

s. Litigation. County shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

t. **[Reserved.]**

u. Consent. The Parties agree that wherever the consent or approval of the Department or County is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that Party's sole and absolute discretion, or other words of similar import.

v. County Performance. County shall remain liable to the Department for performance of its obligations under this Agreement regardless of any designation of a third party for the undertaking of all or any part of the Scope of Work.

w. Defense and Indemnification. County agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers (the "**Indemnitees**"), from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees) (collectively, "**Losses**"), which may arise in connection with County's use of the HCD Repairs Contribution Grant; performance under this Agreement; and, as applicable, the purchase, ownership, construction, and operation of the Project and Property. Notwithstanding anything in this Agreement to the contrary, the parties to and beneficiaries of this Agreement acknowledge and agree that (1) the duty to indemnify the Indemnitees hereunder shall not apply to the extent any Loss is caused by the Indemnitees' willful misconduct or gross negligence; and (2) any obligation of County to defend, indemnify, and hold harmless the Indemnitees shall survive the expiration or sooner termination of this Agreement.

x. Time Is of the Essence. Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

13. Miscellaneous.

a. Entire Agreement; Severability. This Agreement, the Covenant Agreement, and the Settlement Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof. All prior representations, statements, negotiations, and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

b. Waivers. No waiver of any breach, violation, or default under this Agreement shall be held to be a waiver of any other or subsequent breach or violation thereof or default thereunder. Failure by the Department, at any time, to enforce the provisions of this Agreement or to require the County's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

c. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.

d. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California, without giving effect to the conflict of law principals thereof.

e. Construction. Each Party hereto acknowledges and agrees that it has had independent legal counsel review and participate in the drafting of this Agreement, and it hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code section 1654, to the effect that any ambiguities are to be construed against the drafting party. The term "**shall**" as used in this Agreement means that the matter or obligation to be performed in conjunction with the use thereof is in all cases mandatory and obligatory.

f. Assignment. County may not transfer, assign, encumber or otherwise alienate any right, title, interest or obligations in or under this Agreement, or any portion thereof or interest therein, whether directly or indirectly, without the express prior written consent of HCD, which consent may be withheld or conditioned in HCD's sole and absolute discretion.

g. Attorneys' Fees. In the event any action shall be instituted in connection with this Agreement, each Party shall pay all of its own legal costs and fees.

h. Counterparts. This Agreement may be executed in one or more identical counterparts.

i. Notice. Any notice required or desired to be given by any Party to this Agreement to the other(s) pursuant to or with respect to this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) electronic transmission in the manner set forth below, or (iii) depositing such notice with an overnight courier or in the United States mail postage prepaid, addressed to the other as follows:

San Bernardino County: San Bernardino County
560 E. Hospitality Lane, Suite 200
San Bernardino, CA 92415-0043
Attn: Carrie Harmon,
Director Community Development and Housing

Copy to: Goldfarb & Lipman
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian, Special Counsel

Department: Homekey Program
Department of Housing and
Community Development
P.O. Box 952052
Sacramento, CA 94252-2052
multifamilygrants@hcd.ca.gov

Any notice given by personal service shall be deemed given when received, as verified by a written receipt of delivery by the delivering agent or refusal thereof by the person to whom such notice is delivered. Any notice given by electronic transmission shall be deemed given when transmitted, as evidenced by a printed confirmation sheet; any notice given by overnight courier shall be deemed delivered on the next day following its deposit with such courier, and any notice given by regular mail shall be deemed to have been given on the third (3rd) business day after its deposit in the United States mail postage prepaid. Any party may, by written notice to the other in the manner aforesaid, change the address to which notices addressed to it shall thereafter be mailed.

j. Exhibits. Exhibit A, attached to this Agreement, is incorporated herein by reference and specifically made a part of this Agreement.

k. Amendment, Modification. This Agreement may be amended or modified only by an express written instrument signed by all Parties.

l. Knowledge and Authority. Each of the Parties hereto warrants and represents that it has (a) intentionally, voluntarily, and knowingly made this Agreement, (b) read this Agreement, and understands all its terms, (c) the authority to make this Agreement, but HCD's authority is contingent upon obtaining the DOF Approval; and (d) made this Agreement, with full knowledge of its significance, without relying upon any warranties or representations, except those set forth herein, by any of the other Parties or their attorneys. Subject to the immediately preceding sentence, each person who signs this Agreement represents and warrants that he or she has the authority and capacity to act on behalf of the Party for whom they are signing and to bind the Party and all who might claim through it to the terms of this Agreement.

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[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

County:

San Bernardino County, a political subdivision of the State of California

By: _____
Dawn Rowe,
Chair Board of Supervisors

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

Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

Deputy

APPROVED AS TO FORM:

LAURA FEINGOLD
County Counsel

By: _____
Suzanne Bryant,
Deputy County Counsel

Dated: _____

HCD:

**CALIFORNIA
DEPARTMENT OF
HOUSING AND
COMMUNITY
DEVELOPMENT**, a public agency of the State of California

By: _____
Gustavo Velasquez,
Director

Dated: _____,
2026

EXHIBIT A

(Legal Description of Property)

Real Property in the City of San Bernardino, County of San Bernardino, State of California, described as follows:

PARCEL NO 1:

THAT PORTION OF LOTS 6 AND 7, BLOCK 26, OF CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 1, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 100 FEET NORTH OF THE SOUTHEAST CORNER OF SAID LOT 7, THENCE WEST 201 FEET; THENCE NORTH 70 FEET; THENCE EAST 201 FEET; THENCE SOUTH 70 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL NO 2:

THE SOUTH 50 FEET OF THE EAST 200 FEET OF LOT 7, BLOCK 26, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE(S) 1 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL NO. 2A:

THE NORTH 50 FEET OF THE NORTH 99.45 FEET OF LOT 8, BLOCK 26, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7, PAGE 1 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL NO. 3:

THAT PORTION OF LOT 7, BLOCK 26, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7, PAGE 1 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 50 FEET NORTH OF THE SOUTHEAST CORNER OF SAID LOT 7; THENCE NORTH 50 FEET; THENCE WEST 200 FEET; THENCE SOUTH 50 FEET; THENCE EAST 200 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

APN: 0134-093-10-0-000, 0134-093-11-0-000 and 0134-093-44-0-00