

ARROWHEAD GROVE PHASE II CONSOLIDATED OWNER CERTIFICATION – RENTAL ASSISTANCE DEMONSTRATION

The Owner of the Converting Project (“Existing Owner”) and, where applicable, the Owner of the Covered Project (“Project Owner”), to the best of its knowledge and belief, hereby assures and certifies that it will comply with respect to the following. A copy of this fully executed certification must be submitted to the RAD Closing Coordinator in advance of closing. *Note: Items 1 – 7 apply to all RAD transactions. You must review items 8 - 14 and check if applicable. You may add other certifications if needed for your conversion.*

1. Post Closing Docket Submission

- a. Parties have appointed Isabel Brown of Goldfarb & Lipman LLP to serve as the primary contact responsible for assembling and submitting the closing dockets. Contact information follows: (510) 836-6336; ibrown@goldfarblipman.com.
- b. Closing dockets, including final executed versions of all documents submitted to HUD for this transaction, will be submitted to HUD per HUD’s instructions following the RAD closing.

2. Project Financial Condition.

- a. Fire and other property insurance as required under applicable HUD requirements are and shall be maintained in full force and effect.
- b. All ordinary and necessary operating expenses under Applicable HUD Requirements of the Project are and shall be paid
- c. The Converting Project remains in compliance with applicable HUD requirements including without limitation all requirements related to the physical condition of the Converting Project and any remedial agreements between HUD and the PHA and remedial judicial or administrative orders, except as expressly modified by the RAD Conversion Commitment and/or the Closing Documents.

3. Project Physical Condition.

- a. During the period beginning with the date of the RAD Conversion Commitment through the Closing Date, the Existing Owner shall continue to maintain the physical condition of the Project in accordance with all applicable HUD regulations and requirements and all applicable local codes.

4. Third Party Consents.

- a. Parties have received any and all consents required in order to consummate the Transaction. This may include the consent of any party whose consent is required pursuant to the organizational documents or applicable law, and any other parties that have contracts or agreements that may be modified, breached, or terminated as a result of the Transaction. These consents must be contained at the cost and expense of the applicable parties.

5. Truth and Accuracy

- a. The Existing Owner and, as applicable, the Project Owner, certifies that information provided to HUD is true and accurate, to the best of its knowledge.

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6. Accounts Payable (Check a or b as applicable)

- a. ☒ Existing Owner certifies that there are no outstanding past due accounts payable or other liabilities and if the Converting Project were to issue audited financial statements as of the date of this certification, such statements would reflect positive surplus cash.
- b. ☐ Existing Owner certifies that there are outstanding past due accounts payable or other liabilities (“excess liabilities”) that exceed the balances in all non-restricted cash accounts. These excess liabilities will be paid off as part of the closing of the RAD conversion. The Existing Owner understands that closing cannot be held until the Existing Owner has cleared all excess liabilities.

7. Resident Meeting & Notification

- a. Existing Owner certifies that all applicable meetings with residents have occurred since CHAP issuance as outlined in Section 1.8, Resident Notification, in the RAD Notice, REV-3.

☐ 8. Completion of Repairs Before Closing (check if applicable).

- a. Pursuant to the terms of the RAD Conversion Commitment (RCC), the Existing Owner is obligated to complete certain repairs with respect to the Project as described in the RCC prior to closing. Owner hereby certifies that all repairs have been completed in a good and workmanlike manner.

☒ 9. New Construction or Repairs (check if applicable).

- a. The Construction or Repairs identified in the RAD Conversion Commitment will be managed in accordance with all applicable requirements of the RAD Program.

☐ 10. PBRA Conversion – PIC Removal (check if applicable).

The Existing Owner will fulfill its obligation to remove ___ units from _____ in the Inventory Management System/PIH Information Center (IMS/PIC) which are being converted to Project Based Rental Assistance. These units are made up of the following: ___ one bedroom units, ___ two bedroom units (*repeat as necessary for all bedroom types*). The Existing Owner acknowledges that the removal of the identified units from the IMS/PIC is a material requirement and condition of HUD’s approval of its Rental Assistance Demonstration (RAD) application for the project.

☒ 11. PBV Conversion – PIC Removal (check if applicable).

The Existing Owner will fulfill its obligation to remove 116 units from CA019000120 in the Inventory Management System/PIH Information Center (IMS/PIC) which are being converted to Project Based Vouchers. These units are made up of the following: 16 one bedroom units, 64 two bedroom units, 24 three bedroom units, and 1210 four bedroom units, and 2 five bedroom units. The Existing Owner acknowledges that the removal of the identified units from the IMS/PIC is a material requirement and condition of HUD’s approval of its Rental Assistance Demonstration (RAD) application for the project.

☒ 12. Resident Notification of Lease Termination and New Lease Execution (check if applicable)

- a. The Existing Owner has provided 30-day advance notification to all public housing residents at the property converting to RAD that their public housing lease will be terminated at the effective date of the new HAP contract.

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- b. All new tenant leases have been signed or will be signed prior to the effective date of the new HAP contract.

☐ **13. PHA fully converting all of its Public Housing units to RAD through the current transaction (check if applicable)**

- a. Upon completion of this RAD conversion for which this PHA has an RCC, the PHA will no longer have residential units in its public housing portfolio. The PHA agrees to comply with PIH Notice 2016-23 regarding the close-out of its residential public housing portfolio. PHA acknowledges that failure to comply with HUD instructions may result in withholding Section 8 or other cash payments pending cure of such violation to HUD's satisfaction.

☒ **14. PHA fully converting all of its Public Housing units to RAD in subsequent transaction(s) (check if applicable)**

- a. Upon completion of this RAD conversion and the other RAD conversions for which this PHA has an RCC and/or CHAP, the PHA will no longer have residential units in its public housing portfolio. The PHA agrees to comply with PIH Notice 2016-23 regarding the close-out of its residential public housing portfolio. PHA acknowledges that failure to comply with HUD instructions may result in withholding Section 8 or other cash payments pending cure of such violation to HUD's satisfaction.

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Signature Page

ACCEPTED AND AGREED TO:

☐ PHA:

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO,
a public body, corporate and politic

By: _____
Name: Maria Razo
Title: Executive Director
Date:

☐ PROJECT OWNER:

WATERMAN GARDENS PARTNERS 2, L.P.,
a California limited partnership

By: WG PARTNERS 2 MGP, LLC, a California
limited liability company, its general partner

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

By: _____
Name: Michael Finn
Title: Chief Financial Officer
Date:

WARNING: HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties (18 U.S.C. 1001,1010,1012; 31 U.S.C. 3729/FS3802).