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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**
(Las Terrazas- County Loan)

This Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated as of November 17, 2020, and is between the County of San Bernardino, a political subdivision of the State of California (the "County") and AMCAL Las Terrazas Fund, L.P., a California limited partnership (the "Developer").

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 Disposition Agreement.

B. The County owns fee title interest in certain real property in certain real property located on the corner of Valley Boulevard and North Cypress in an unincorporated area of the County, as more particularly described in Exhibit A (the "Property").

C. Developer holds a leasehold interest in the Property and will develop one hundred and twelve (112) units of affordable housing (including one unrestricted manager's unit) and a community building and preschool facility on the Property in order to provide increased affordable housing opportunities (the "Improvements"). The Improvements and the Property are referred to as the "Development."

D. The County and the Developer have entered into the Disposition Agreement, under which the County agreed to: (1) ground lease the Property to the Developer; and (2) make the County Loan to the Developer. The County Loan funds are required to be used by the Developer solely to finance the acquisition, construction and development of the Development.

E. The County has received Neighborhood Stabilization Program 3 funds ("NSP3 Funds") from the United States Department of Housing and Urban Development ("HUD") under Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "NSP3 Act"), which amends Title III of Division B of the Housing and Economic Recovery Act of 2008. The NSP3 Funds must be used by the County in accordance with 75 F.R. 64322 (Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants) (the "NSP3 Regulations"). Together, the NSP3 Act and the NSP3 Regulations are the "NSP3 Requirements."

F. Except as otherwise prescribed by the NSP3 Requirements, the statutory and regulatory provisions that govern the Community Development Block Grant ("CDBG") program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), as amended (including those at 24 CFR part 570 subparts A, C, D, J, K, and O,

as appropriate), (the "CDBG Regulations"), apply with equal force to the NSP3 Funds. The County has adopted the Home Investment Partnerships Act ("HOME") program standards at 24 C.F.R. Part 92 (the "HOME Regulations") to define the affordable rents, continued affordability standards, and enforceability mechanisms governing the use of the NSP3 Funds

G. The County has the authority to lend the Loan to Developer pursuant to Government Code Section 26227, which authorizes counties to spend county funds for programs that will further a county's public purposes. In addition, the County has the authority to loan the NSP3 Funds pursuant to Section 2301(c)(3)(B) of HERA, and 24 C.F.R. 570.202 of the CDBG Regulations.

H. The County has agreed to make the Loan on the condition that the Developer maintain and operate the Development in accordance with restrictions set forth in this Agreement and in the related documents evidencing the Loan.

I. In consideration of receipt of the County Loan from the County, and in order to ensure that the entire Development will be used and operated in accordance with these conditions and restrictions, the Developer has agreed to observe all the terms and conditions set forth below for the entire Term of this Agreement.

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

ARTICLE 1. DEFINITIONS

Section 1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

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

(b) "Adjusted Annual Income" means the lower of: (1) the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914 or pursuant to a successor State housing program that utilizes a reasonably similar method of calculation of adjusted income; or (2) the total anticipated annual income of all persons in a household as initially calculated in accordance with 24 C.F.R. 92.203(a)(1) and, for subsequent calculations, in accordance with 24 C.F.R. 92.203(b)(1). In the event that no such program exists, the County shall provide the Owner with a reasonably similar method of calculation of adjusted income as provided in said Section 6914.

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

(d) "AMI" means the area median gross yearly income, adjusted for Actual Household as specified herein, as applicable, in the County 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 will provide the Developer with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD

(e) "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.

(f) "CDBG Program" means the Community Development Block Grant Program.

(g) "CDBG Regulations" means Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), as amended (including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate)

(h) "Completion of Construction" means the date the construction of the 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 Improvements.

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

(j) "County Assisted Units" means the one hundred eleven (111) units within the Development that are restricted to occupancy by Extremely Low Income Households and Very Low Income Households.

(k) "County Loan" means a loan from the County to the Developer in an amount not to exceed).

(l) "County Loan Documents" means this Agreement, the Disposition Agreement, the Promissory Note, the Leasehold Deed of Trust, and the Housing Lease.

(m) "Developer" means AMCAL Las Terrazas, L.P., a California limited partnership, and its successors and assigns to the Development.

(n) "Development" means the Property and the Development Improvements; the Development is also referred to herein as the "Development."

(o) "Development Improvements" means the one hundred twelve (112) units of affordable multi-family rental housing, including one (1) manager's unit, all common areas, amenities, appurtenances, improvement easements, buildings and fixtures associated with the Development, as the same may exist from time to time.

(p) "Disposition Agreement" means the Amended and Restated Land Disposition, Development and Loan Agreement dated as of January 7, 2020, as amended by that certain First Amendment to the Amended and Restated Land Disposition, Development

and Loan Agreement dated as of November 17, 2020, as such may be further amended from time to time, entered into by and between the County and the Developer, as such may be amended.

(q) "Extremely Low Income Household" means a household with an Adjusted Income that does not exceed the qualifying limits for extremely low income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by HUD.

(r) "Extremely Low Income Rent" means the rent permitted to be charged for an Extremely Low Income Unit pursuant to Section 2.2(a) below.

(s) "Extremely Low Income Units" means the Units, which, pursuant to Section 2.1(a)(i) below, are required to be occupied by Extremely Low Income Households.

(t) "Housing Lease" means the long-term lease between the County, as landlord, and the Developer as lessee, under which the Developer leased the Property from the County.

(u) "HUD" means the United States Department of Housing and Urban Development.

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

(w) "Investor Limited Partner" means the tax credit limited partner or partners, and their respective successors and assigns, admitted to the Developer in connection with the allocation of low income housing tax credits to the Development, which admission will occur concurrent with closing of construction financing for development of the Development Improvements.

(x) "Leasehold Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among the Developer, as trustor, Fidelity National Title Company, as trustee, and the County, as beneficiary, that will encumber the Property to secure repayment of the County Loan and the Developer's performance of the covenants set forth in the County Loan Documents.

(y) "Low Income Household" shall mean a household with an Adjusted Income that does not exceed the qualifying limits for lower income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by HUD.

(z) "Low Income Rent" means the rent permitted to be charged for a Very Low Income Unit pursuant to Section 2.2(c) below.

(aa) "Low Income Unit" means the Units which, pursuant to Section 2.1(a)(iii) below, are required to be occupied by Low Income Households.

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

(cc) "NSP 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 NSP Term, for the purpose of the NSP3 Regulations, the Development will no longer be considered an existing federally assisted rental project.

(dd) "NSP3 Act" means Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which amends Title III of Division B of the Housing and Economic Recovery Act of 2008.

(ee) "NSP3 Funds" means Neighborhood Stabilization Program 3 funds allocated to the County under the NSP3 Act.

(ff) "NSP3 Regulations" means 75 F.R. 64322 (Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants).

(gg) "NSP3 Requirements" has the meaning set forth in paragraph E of the Recitals.

(hh) "Promissory Note" means the Amended and Restated Promissory Note, dated as of November 17, 2020, that evidences Developer's obligation to repay the County Loan, as such may be amended from time to time.

(ii) "Property" means approximately 5.92 acres of real Property located in unincorporated San Bernardino County, more particularly described in Exhibit A attached hereto and incorporated herein.

(jj) "Regulatory Agreement" means this Agreement.

(kk) "Rent" means the total of monthly payments by the residents of a Unit (other than the manager's unit) for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Developer which are required of all residents, other than security deposits; the cost of an adequate level of service for utilities paid by the resident, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not cable TV or telephone service; 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 Developer, and paid by the Resident. In no event shall the Rent of a Unit exceed the amount permitted by the County pursuant to Section 2.2 hereof.

(ll) "Resident" means a household occupying a Unit pursuant to a valid lease with the Developer.

(mm) "Resident Services" has the meaning set forth in Section 5.6.

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

(oo) "Special Limited Partner" means the limited partner, and its respective successors and assigns, admitted to the Developer which admission will occur concurrent with closing of construction financing for development of the Development Improvements.

(pp) "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 eighty-five (85) years from the Completion Date.

(qq) "Units" means each of the one hundred twelve (112) units of affordable multi-family and intergenerational rental housing to be constructed by the Developer on the Property and shall explicitly exclude the one (1) manager's unit.

(rr) "Very Low Income Household" means a household with an Adjusted Income that does not exceed the qualifying limits for very low income households, adjusted for Actual Household Size, as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and as published by HUD.

(ss) "Very Low Income Rent" means the rent permitted to be charged for a Very Low Income Unit pursuant to Section 2.2(b) below.

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

ARTICLE 2. AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirements.

The Developer shall regulate the use and occupancy of the Units in the following manner:

(a) Extremely Low Income Units. During the Term, twelve (12) one-bedroom Units, shall be rented to and occupied by, or if vacant, available for occupancy to, Extremely Low Income Households.

(b) Very Low Income Units. During the Term, twelve (12) one-bedroom Units, eleven (11) two-bedroom Units and four (4) three-bedroom Units shall be rented to and occupied by, or if vacant, available for occupancy to, Very Low Income Households.

(c) Low Income Units. During the Term, fifteen (15) one-bedroom Units, twenty-eight (28) two-bedroom Units and twenty-nine (29) three-bedroom Units shall be rented to and occupied by, or if vacant, available for occupancy to, Low Income Households.

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

(e) Foreclosure Occupancy Requirements. Notwithstanding anything to the contrary contained in this Agreement, in the event of a foreclosure (or deed in lieu of

foreclosure) of an approved or permitted Senior Lien (as defined in the Loan Agreement) or in the event that any project-based rental assistance or operating subsidy to the Property is terminated, substantially reduced or not renewed, then the occupancy requirements set forth in Section 2.1(c) above with respects to Units required to be occupied or available to Low Income Households shall be of no further force and effect. Nothing in this subsection (f) shall be read to reduce or otherwise change the Developer's obligations to continue to comply with the requirements set forth in Section 2.1(a) and Section 2.1(b) above with regards to the provision of Extremely Low Income Units and Very Low Income Units for the entire Term hereof.

Section 2.2 Allowable Rent.

(a) Extremely Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of thirty percent (30%) of AMI, adjusted for Assumed Household Size.

(b) Very Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Very Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of AMI, adjusted for Assumed Household Size.

(c) Low Income Rent. Subject to Section 2.3 below, the Rent charged to Residents of the Low Income Units shall not exceed one-twelfth (1/12th) of thirty percent (30%) of eighty percent (80%) of AMI, adjusted for Assumed Household Size.

(d) Assumed Household Size. For purposes of calculating the allowable Rent for the Units under the Health and Safety Code, the Assumed Household Sizes means the 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) and shall be:

<u>Number of Bedrooms</u>	<u>Assumed Household Size</u>
One	2
Two	3
Three	5

(e) Approval of Rents. Initial Rents for all Units shall be approved by the County prior to occupancy. Subject to Section 2.2(h) below, all Rent increases for all Units shall also be subject to approval by the County. No later than thirty (30) days after HUD publishes AMI for the County of San Bernardino for each calendar year, the County shall provide the Developer with a schedule of permissible maximum Extremely Low Income Rent, 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 AMI for the County of San Bernardino from the AMI for the County of San Bernardino published for the previous calendar year. Under no circumstance may Developer raise rents above the

permissible maximum rents as allowed under the annual rent schedule provided by the County.

(f) No Additional Fees. The Developer may not charge any fee, other than Rent, to any Resident of any of the Units for any housing or other services provided by the Developer (other than laundry and vending services) that are not customarily charged in rental housing. All Residents must have equal access to and enjoyment of all common facilities in the Development. Nothing herein shall prevent Developer from establishing charges for tenant defaults and for other voluntary services, so long as such fees are not prohibited under the NSP3 Regulations.

(g) Occupancy. Developer shall cause the Development 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; (5) the Americans With Disabilities Act of 1990, which relate to disabled persons access; and (6) any other applicable law or regulation. Developer 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 Developer's failure to comply with applicable legal requirements related to housing for persons with disabilities and housing for seniors. 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.

(h) Approved Rents. Notwithstanding anything to the contrary contained in this Agreement, 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 Residents in an income tier under 30%, 40%, 50%, 60%, or 80% of AMI ("Tax Credit Rents"), provided, however; County shall have no approval rights over Developer's right to charge TCAC rents to the extent they are lower than HOME rents.

Section 2.3 Rent Increases, Increased Income of Residents.

(a) Rent Increases. The proposed initial Rents and subsequent Rents for all Units shall be provided to the Developer by the County prior to initial or subsequent occupancy and prior to a rent increase. Subject to Sections 2.1(e) and 2.2(h), Developer may not impose any Rent increases on any 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 Units may be increased 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. Residents shall be given at least sixty (60) days written notice prior to any Rent increase. The County will provide Developer with a schedule of maximum permissible Rents for the Units annually.

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

(c) Increased Income Over Very Low Income but Below Low Income Limit. If, upon recertification of a Resident's income, the Developer 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 Resident shall be permitted to retain the Unit and shall continue to be charged Very Low Income Rent. Upon expiration of the Resident's lease for such year and upon sixty (60) days' written notice, the Rent may be increased to the Low Income Rent, and such Resident's Unit may be considered a Low Income Unit; subject to Section 6.18, with 60 days' advance written notice, increase such Resident's Rent to the lesser of ((i) one-twelfth (1/12th) of thirty percent (30%) of the actual Adjusted Income of the Resident, and (ii) the fair market rent (subject to 24 C.F.R. 92.252(i)(2) regarding low income housing tax credit requirements); and (2) Rent the next available Unit to an Extremely Low Income Household or Very Low Income Household at Rent not exceeding the maximum Rent specified in Section 2.2, as applicable, to comply with the requirements of Section 2.1 above.

(d) Low Income Household. If, upon recertification of a Resident's income the Developer determines that a former Extremely Low Income Household, Very Low Income Household or Low Income Household's income has increased and exceeds the qualifying income for Low Income Households (above eighty percent (80%) of area AMI), the Resident may continue to occupy the Unit. Upon expiration of the Resident's Lease for such year, the Developer shall:

(1) Subject to Section 6.20, with sixty (60) days' advance written notice, increase such Resident's Rent to the lesser of, (i) one-twelfth (1/12) of thirty percent (30%) of the actual Adjusted Income of the Resident, and (ii) the fair market rent (subject to 24 C.F.R. 92.252(i)(2) regarding low income housing tax credit requirements); and

(2) Rent the next available Unit to an Extremely Low Income Household or Very Low Income Household at Rent not exceeding the maximum Rent specified in Section 2.2, as applicable, to comply with the requirements of Section 2.1 above.

(e) Termination of Occupancy. Upon termination of occupancy of a Unit by a Resident, 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 Resident, until such unit is reoccupied, at which time categorization of the Unit will be established based on the occupancy requirements of Section 2.1 above.

Section 2.4 Units Available to the Disabled. The Developer shall construct the Development 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 of six (6) Units shall be constructed and be readily accessible and usable by households with a mobility impaired member and a minimum of three (3) Units shall be constructed and be readily accessible and usable by households with a hearing and/or visually impaired member. Not less than thirty (30) days from the Completion of Construction, the Developer shall deliver to the County the certification required pursuant to Section 6.20 of the Disposition Agreement.

Section 2.5 Lease Provisions. Developer shall include in leases for all Units provisions which authorize Developer to immediately terminate the tenancy of any household one or more of whose members misrepresented any fact material to the household's qualification as an Extremely Low Income Household, 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 an Extremely Low Income Household, 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.

Section 2.6 Condominium Conversion. During the Term of this Agreement, the Developer shall not convert any of the Units in the Development to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Property.

ARTICLE 3.
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification.

(a) The Developer shall obtain, complete and maintain on file, immediately prior to initial occupancy and annually thereafter, income certifications from each Resident renting any of the Units (excluding the manager's unit). The Developer 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, the Developer shall take one or more of the following steps as a part of the verification process: (1) obtain a minimum of the three (3) 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

(7) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Resident income certifications shall be available to the County upon reasonable written request.

Section 3.2 Resident Selection.

(a) Before leasing any Units in the Development, the Developer must provide the County for its review and approval its plan for marketing the Development to income-eligible households as required pursuant to this Agreement, including information on affirmative marketing efforts and compliance with fair housing laws (the "Marketing Plan") and any modification thereto, as required under Section 7.14 of the Disposition Agreement.

(b) The Developer 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 Developer shall consider a prospective Resident's previous rent history of at least one (1) year, or such other time period the Developer deems reasonable, as evidence of the prospective Resident's ability to pay the applicable Rent. The ability to pay shall be demonstrated if the prospective Resident can document that the prospective Resident's gross income is at least two (2) times the prospective rent at the prospective Resident's income level. The Developer, in the reasonable exercise of its discretion, may waive the requirement that the prospective Resident's gross income equal at least two (2) times the prospective rent at the prospective Resident's income level, and admit prospective Residents with lower gross incomes.

Section 3.3 Annual Report to County. The Developer 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 statistical report, including income and rent data for all Units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, 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.

Section 3.4 Additional Information. The Developer shall provide any additional information reasonably requested by the County with regards to the Developer or the Development. The County shall have the right to examine and make copies of all books, records or other documents of Developer which pertain to any Unit, upon reasonable prior notice to Developer and subject to all applicable tenant privacy laws.

Section 3.5 Records. The Developer shall maintain complete, accurate and current records pertaining to the Development and shall permit any duly authorized representative of the County to inspect records, including records pertaining to income and household size of Residents and Rent charged to such Residents. All Resident lists, applications and waiting lists relating to the Development are to be at all times: (a) kept separate and identifiable from any other business of the Developer; (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. The Developer 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; provided however, records pertaining to Resident income verifications, Rents, and

Development 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 NSP Term. The Developer is subject to the audit requirements set forth in 24 C.F.R. 92.506 during the NSP3 Term.

Section 3.6 Annual Operating Budget. The Developer, at least thirty (30) days prior to the end of each of Developer's fiscal year, shall furnish the County the Annual Operating Budget for the upcoming calendar year. The Developer and Management Agency shall make available to the County for inspection all books and records with respect to the Development upon reasonable prior written notice from the County. Within ninety (90) days following the end of each calendar year, the Developer shall submit a report showing the actual income and expenditures with respect to the Development for the immediately preceding calendar year and the status of all reserve funds; and (c) within one hundred twenty (120) days following the end of each calendar year, a copy of the Developer's federal income tax filings for the calendar year, all in conformance with the requirements of Section 8.10(c) of the Housing Lease.

Section 3.7 On-site Inspection. The County may perform, or cause to be performed, during normal business hours, an on-site inspection of the Development at least one (1) time per year upon no less than two (2) business days' prior notice to monitor compliance with this Agreement. The Developer agrees to cooperate in making the Development available for such inspection. Developer agrees and acknowledges that during the NSP 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 Improvements or as otherwise required under 24 CFR 200.285. Such right to annually inspect the Development shall be in addition to the County's right to inspect the Development in accordance with the County's code as may be amended from time to time.

Section 3.8 Use of Reserve Funds. The Developer agrees to create and maintain the reserves required by the Approved Financing (as defined in the Disposition Agreement) and the reserves in the amounts approved by the County as part of the Approved Financing Plan submitted by the Developer pursuant to the terms of the Disposition Agreement. The Developer shall notify the County of any withdrawals from the reserve accounts.

Section 3.9 Resident Services Plan. For the entire Term of this Agreement, the Developer shall provide social services programs in accordance with the Services Plan and Services Budget reasonably approved by the County pursuant to Section 7.17 of the Disposition Agreement. The Annual Budget shall show required expenditures of Annual Operating Expenses to fund Resident Services required under the Services Plan.

ARTICLE 4. OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. The Development shall be used and continuously operated and maintained as multi-family rental housing to be made available to and occupied by Extremely Low Income Households, Very Low Income Households and Low Income

Households, as applicable, in conformity with this Agreement. No part of the Development 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). Nothing herein shall prohibit the use of a portion of the Development for day care and/or pre-school uses and related services.

Section 4.2 Compliance with County Documents and Program Requirements. The Developer actions with respect to the Property shall at all times be in full conformity with: (a) all requirements imposed on projects assisted with NSP3 Funds and other implementing rules and regulations, as such may be amended or supplemented from time to time; and (b) any other regulatory requirements imposed on the Development.

Section 4.3 Taxes and Assessments. The Developer shall pay all real and personal property taxes, assessments, if any, 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 the Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.4 Property Tax Exemption. Developer will be allowed to apply to the State Board of Equalization for or obtain a welfare exemption from property taxes under any provision of law, including California Revenue and Taxation Section 214(g).

Section 4.5 Section 8 Certificate Holders. The Developer will accept as residents, on the same basis as all other prospective residents, 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. The Developer shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective residents, nor shall the Developer apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Residents.

Section 4.6 Preference to County and Former Agency Displacees. Subject to all applicable laws, including but not limited to fair housing laws, and the rules and regulations imposed by TCAC on the low income housing tax credit program, the Developer shall give a preference in the rental of any of the Units in the Development to eligible households displaced by activity of the County and the Former Agency. The preferences stated in this Section are required by law and shall apply to the rentals of Units in the Development throughout the Term of this Agreement.

ARTICLE 5.
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. The Developer is responsible for all management functions with respect to the Development, including without limitation the selection of residents, 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 shall have no responsibility over management of the Development. The Developer shall retain a professional property management company, approved by the County in its reasonable discretion, to perform its management duties hereunder. A resident manager shall also be required. Pursuant to Section 7.8 of the Disposition Agreement, the Developer 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 Developer setting forth, in reasonable detail, the reasons for such disapproval. The Developer shall have fifteen (15) business days following the receipt of such notice to submit a revised Management Plan modified 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. The Management Plan approved pursuant to Section 7.8 or Section 7.10 of the DDA shall be deemed to comply with the requirements of this Section.

Section 5.2 Management Agent; Periodic Reports. Developer shall cause the Development to be managed by an experienced management agent reasonably acceptable to the County (as approved, the "Management Agent"), with a demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing. The County hereby approves of FPI Management, Inc., as the initial Management Agent for the Development. For any change in the Management Agent, the Developer shall submit for the County's approval the identity of any proposed Management Agent. The Developer 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 Developer in writing.

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

Section 5.4 Replacement of Management Agent.

(a) If, as a result of a periodic review, the County determines in its reasonable judgment that the Development is not being operated and managed in accordance

with any of the requirements and standards of this Agreement, the County shall deliver notice to the Developer of such operational issues which notice shall describe the County's findings with specificity and the County may, in the same notice, notify the Developer of its intention to cause replacement of the Management Agent, subject to the rights of partners of the Developer. Within thirty (30) days of receipt by the Developer of such written notice, County staff and the Developer, and any partners of the Developer, shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent.

(b) If, after such meeting, County staff recommends in writing the replacement of the Management Agent, with the reasonable concurrence of the partners of the Developer and the Senior Lenders, the Developer shall promptly dismiss the then current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a Management Agent set forth in subsection (a) above and approved by the County pursuant to Section 5.2 above. The replacement Management Agent or on-site resident manager shall be approved the County pursuant to Section 5.2 above and shall be subject to the concurrent approval of the Investor Limited Partner and Senior Lenders.

(c) Any contract for the operation or management of the Development entered into by the Developer shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section shall constitute a Developer Event of Default under this Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.7.

Section 5.5 Approval of Management Plan Modifications. Each year, within sixty (60) days of the end of the calendar year, the Developer 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 Developer setting forth, in reasonable detail, the reasons for such disapproval. The Developer 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.

Section 5.6 Resident Service Provider.

(a) The Developer will be providing on-site services which Developer will make available to all Residents in the Development (the "Resident Services"). The Developer must submit to the County for approval the name and qualifications of any proposed service provider (the "Service Provider"). The County hereby approves Life Steps, Inc., as the initial Service Provider for the Development.

(b) The Service Provider must demonstrate the ability to provide Resident Services in residential facilities like the Development in an effective manner. The Developer

must submit such additional information about the background, experience and financial condition of any proposed Service Provider as is reasonably necessary for the County to determine whether the proposed Service Provider meets the standards for a qualified Service Provider of developments of this type.

(c) If the proposed Service Provider meets the standard for a qualified Service Provider set forth above, the County shall approve the proposed Service Provider by notifying Developer in writing. Unless the proposed Service Provider is disapproved in writing by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved.

Section 5.7 Property Maintenance.

(a) The Developer must maintain, for the entire Term of this Agreement, all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and as to landscaping, in a healthy condition) consistent with similarly situated quality affordable housing developments and in accordance with a Management Plan approved pursuant to Section 5.5 of this Agreement (including without limitation any landscape and signage plans), as the same may be amended from time to time, and 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.

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

(c) In the event that the Developer 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 upon the Property 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 Developer 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 upon the Property and perform all acts and work necessary to protect, maintain, and preserve the Development Improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the County and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by the Developer to the County upon demand.

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

Section 5.8 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 Developer agrees to implement and maintain throughout the Term the following security measures in the Development:

(1) To the extent feasible employ defensible space design principles and crime prevention measures in the operation of the Development 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 on the Property 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 Residents and/or the surrounding community, and to perform or cause to be performed such acts as are necessary to correct the condition.

Section 5.9 Crime Prevention Program. For the entire Term of this Agreement, the Developer shall cause the Management Agent to participate in the San Bernardino County Sheriff-Coroner Department's Crime Free Multi-Housing Unit Program or similar program administered by the County (the "Crime Prevention Program"), wherein specialized training and other resources are provided to multi-family property owners and managers to reduce the potential for onsite criminal activity. 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. The County's periodic review of the management of the Development pursuant to Section 5.3 will include confirmation of the Management Agent's participation in the Crime Prevention Program. No default under this Section 5.8 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.

Section 5.10 Insurance. The Developers shall maintain the insurance coverage required under Section 7.11 of the Disposition Agreement throughout the Term.

ARTICLE 6.
MISCELLANEOUS

Section 6.1 Term. The provisions of this Agreement shall apply to the Property for the entire Term even if the entire County Loan is paid in full prior to the end of the Term. this Agreement shall bind any successor, heir or assign of Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the County. The County makes the County Loan on the condition, and in consideration of, this provision, and would not do so otherwise. For the purposes of the NSP3 Regulations, the Development shall only be considered a HOME assisted project for the duration of the NSP Term, and nothing in this Agreement may be read to imply otherwise.

Section 6.2 Lease Provisions. In newly leasing the Units within the Development, Developer shall use a form of written lease reasonably approved by the County. The lease must not contain any provision which is prohibited by 24 C.F.R. 92.253(b) and any amendments thereto. The form of lease must comply with all requirements of this Agreement, and must, among other matters:

(a) Provide for termination of the lease for failure to: (1) provide any information required under this Agreement or reasonably requested by Developer to establish or recertify the Resident's qualification, or the qualification of the Resident's household, for occupancy in the Development in accordance with the standards set forth in this Agreement; or (2) qualify as an Extremely Low Income Household, a Very Low Income Household, or a Low Income Household, as applicable, as a result of any material misrepresentation made by such Resident with respect to the income computation.

(b) Be for an initial term of not less than one (1) year, unless by mutual agreement between the Resident and the Developer, and provide for no increase in Rent during such year. Developer will provide each Resident with at least sixty (60) days written notice of any increase in Rent applicable to such Resident, 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 Developer and the Resident. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3(a) above.

(c) Include a provision which requires a Resident who is residing in a Unit required to be accessible pursuant to Section 7.20 of the Disposition Agreement and who is not in need of an accessible Unit to move to a non-accessible Unit when a non-accessible Unit becomes available and another Resident or prospective Resident is in need of an accessible Unit.

Section 6.3 Lease Termination. Any termination of a lease or refusal to renew a lease for a Unit within the Development must be preceded by prior written notice (specifying the grounds for the action) from the Developer to the Resident 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 NSP3 Term. Any termination of a lease for a default of the Tenant shall be in accordance with all applicable laws.

Section 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. Developer shall not give preference to any particular class or group of persons in renting the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement. 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), disability, ancestry, age, or military and veteran status, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor shall Developer or any person claiming under or through the Developer, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of residents, 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. Developer 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. All deeds, leases or contracts made or entered into by Developer as to the Units or the Development or portion thereof, shall contain covenants concerning discrimination as prescribed by the Disposition Agreement.

Section 6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Developer shall provide by first-class mail, postage prepaid, a notice to all Residents 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 Resident will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Developer shall also file a copy of the above-described notice with the County Chief Executive Officer, Community Development and Housing Agency (CDHA) Administrator, or the Community Development and Housing Director.

(b) In addition to the notice required above, Developer 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), which would include the County's Community Development and Housing Director), which would include the County's Community Development and Housing Director) 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 Development to "qualified entities" (as defined in California Government Code

Section 65863.11(d)), if the Development is to be sold within five (5) years of the end of the Term; (4) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Development.

Section 6.6 Covenants to Run With the Land. The County and Developer 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 such covenants and restrictions, regardless of whether the 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.

Section 6.7 Enforcement by the County. If Developer fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County has notified the Developer in writing of the default or, if the default cannot be cured within thirty (30) days, and 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:

(a) Calling the Loan. Subject to the terms of any subordination agreement, the County may declare a default under the Promissory Note, accelerate the indebtedness evidenced by the Promissory Note, and proceed with foreclosure under the Leasehold Deed of Trust.

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

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

Section 6.8 Attorney's 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 attorney's fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

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

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

Section 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.

Section 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 County of San Bernardino, California.

Section 6.13 Notice.

(a) Formal notices, demands, and communications between 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
County of San Bernardino
385 North Arrowhead Ave Third Floor
San Bernardino, CA 92415-0043
Attn: Community Development and Housing Agency Director

with a copy to:

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

Developer:

AMCAL Las Terrazas Fund, L.P.
c/o AMCAL Multi-Housing Inc.
30141 Agoura Rd., Suite 100
Agoura Hills, CA 91301
Attn: President

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt, LLP
633 West Fifth Street, 64th Floor
Los Angeles, CA 90071
Attn: Kyle Arndt

with a copy to:

Las Palmas Foundation
531 Encinitas Blvd., Suite 206
Encinitas, CA 92024
Attn: Joseph Michaels

with a copy to:

HHTCF XCVIII SLP LLC
630 Fifth Avenue, 28th Floor
New York, NY 10111
Attention: Joseph A. Macari

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).

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.

Section 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.

Section 6.16 Hold Harmless. The Developer 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 Development, or the Developer'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 Property from the burdens of this Agreement, and the provisions of this section shall remain in full force and effect

Section 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 the Developer), obtains an ownership interest in the Development or Property.

Section 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.

Section 6.19 Subordination. This Agreement shall not be subordinated.

Section 6.20 Assignment by the County. The County may assign its rights and obligations under this Agreement to any instrumentality of the County or other public entity without the consent of the Developer.

Section 6.21 No Claims. Nothing contained in this Agreement shall create or justify any claim against the County by any person that the Developer may have employed or with whom the Developer 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 Improvements.

Section 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.

Section 6.23 No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement.

Section 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the County and Developer have executed this Agreement by duly authorized representatives, all on the date first written above.

DEVELOPER:

AMCAL LAS TERRAZAS FUND, L.P., a California limited partnership

By: AMCAL FNMA LLC,
a California limited liability company,
its administrative general partner

By: AMCAL Multi-Housing Inc.,
a California corporation,
its manager

By: _____
Arjun Nagarkatti, President

By: Brandon Affordable Housing, LLC,
a California limited liability company,
its managing general partner

By: Las Palmas Foundation,
a California nonprofit public benefit corporation,
its manager

By: 

Joseph M. Michaels, President

[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.

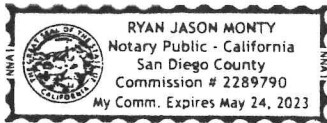
STATE OF CALIFORNIA)

COUNTY OF San Diego)

On October 15, 2020, before me, Ryan Jason Monty, Notary Public, personally appeared Joseph M. Michaels, 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.



Ryan Jason Monty
Name: Ryan Jason Monty
Name: Notary Public

IN WITNESS WHEREOF, the County and Developer have executed this Agreement by duly authorized representatives, all on the date first written above.

DEVELOPER:

AMCAL LAS TERRAZAS FUND, L.P., a California limited partnership

By: AMCAL FNMA LLC,
a California limited liability company,
its administrative general partner

By: AMCAL Multi-Housing Inc.,
a California corporation,
its manager

By: _____
Arjun Nagarkatti, President

By: Brandon Affordable Housing, LLC,
a California limited liability company,
its managing general partner

By: Las Palmas Foundation,
a California nonprofit public benefit corporation,
its manager

By: _____
Joseph M. Michaels, President

[Signature Page Continues]

COUNTY:

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

By: _____
Curt Hagman, Chair of Board of Supervisor

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

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

By: _____
Deputy

APPROVED AS TO LEGAL FORM:
MICHELLE BLAKEMORE
County Counsel

By: _____
Robert Messinger
Principal Assistant 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

PROPERTY DESCRIPTION

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

[Insert County Recorder's Cover Sheet]