



February 18, 2020

The Honorable Board of Commissioners
Los Angeles County
Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-D February 18, 2020

A handwritten signature in black ink, appearing to read "Celia Zavala".

CELIA ZAVALA
EXECUTIVE OFFICER

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS FOR MULTIFAMILY HOUSING IN UNINCORPORATED EAST LOS ANGELES (DISTRICT 1) (3 VOTE)

SUBJECT

This letter requests that your Board authorize the issuance and delivery of tax-exempt Multifamily Housing Revenue Bonds for the site acquisition, construction and development of Whittier Place II, a 34-unit multifamily affordable rental housing development to be located in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.
2. Adopt and instruct the Chair to sign the attached Resolution authorizing the issuance of tax-exempt Multifamily Housing Revenue Bonds by the Los Angeles County Development Authority (LACDA), in an aggregate principal amount not to exceed \$15,000,000 (Bonds), to assist Whittier PSH Phase II, L.P. (Borrower), or a LACDA approved designee, to finance the site acquisition, construction and development of a 34-unit multifamily rental housing development to be located at 4101-4117 Whittier Boulevard in unincorporated East Los Angeles.
3. Authorize the Acting Executive Director, or designee, to negotiate, execute, and if necessary amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the issuance, sale and delivery of the tax-exempt Bonds, in an aggregate amount not to exceed \$15,000,000 to finance the site acquisition, construction and development of Whittier Place II (the Project). This action will also allow the Bonds to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986.

The Project, to be located at 4101-4117 Whittier Boulevard in unincorporated East Los Angeles, will consist of a two-story apartment building, comprised of 13 studio units, 20 one-bedroom units and one two-bedroom unit for a total of 34 units. All of the affordable units will be reserved for households with income that do not exceed 30% of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). The affordability requirements will remain in effect for 55 years. Eighteen units will be occupied by veterans experiencing homelessness and 15 units will be occupied by mentally ill and homeless individuals. The two-bedroom manager's unit will have no affordability requirements. The developer for the Project is the East LA Community Corporation. The Borrower is a limited partnership that includes the developer as a partner.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Borrower will repay the Bonds solely through rent revenues, and will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 8, 2018, the Board of Supervisors adopted an Inducement Resolution declaring the intent of the Housing Authority of the County of Los Angeles to undertake the financing of a Multifamily Housing Revenue Bond project in accordance with Treasury Department regulations. This action established a base date after which costs incurred by the Borrower for the Project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt Bonds.

On May 3, 2019, LACDA conducted a public hearing regarding the issuance of the tax-exempt Bonds to finance the Project at its office located at 700 West Main Street in Alhambra. No comments were received at the public hearing concerning the issuance of the tax-exempt Bonds or the nature and location of the Project.

On May 14, 2019 the Board of Supervisors adopted a resolution approving issuance of the tax-exempt Bonds, as authorized by Section 147(f) of the Internal Revenue Code of 1986. On May 16, 2019 the Housing Authority of the County of Los Angeles was dissolved as a separate legal entity and LACDA assumed all of its rights, responsibilities and obligations.

The attached Resolution was prepared by Kutak Rock, LACDA Bond Counsel, and approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office. They will be approved as to form by County Counsel prior to execution by the authorized parties.

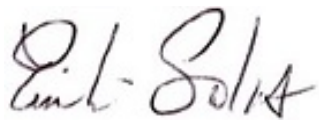
ENVIRONMENTAL DOCUMENTATION

The proposed action is not a project pursuant to the CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed action is a necessary step to facilitate Bond financing for the Project, which will expand the supply of affordable housing in the County with long-term affordability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas". The signature is written in a cursive style with a large initial "E".

Emilio Salas

Acting Executive Director

ES:LN:JWR:DR

Enclosures

RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF ONE OR MORE SERIES OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,550,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS WHITTIER PLACE APARTMENTS PHASE II, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Los Angeles County Development Authority (the "LACDA") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds or notes for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of one or more series of bonds or notes for the financing of the acquisition, development and construction of a multifamily rental housing development consisting of 34 total units located at 4117 Whittier Boulevard, in unincorporated East Los Angeles County, California (the "Project"), to be known as Whittier Place Apartments Phase II and to be owned by Whittier PSH Phase II, L.P. (or an affiliate or assign thereof); and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, this Board has received the following information as a good faith estimate of the cost of the Project financing and the LACDA has disclosed such information in accordance with Section 5852.1 of the California Government Code: (a) the true interest cost of the Bond (as hereafter defined); (b) the finance charge of the Bond, including all third party expenses; (c) the amount of proceeds received by the LACDA for the sale of the Bond less the finance charge of the Bond and any reserves or capitalized interest paid or funded with proceeds of the Bond; and (d) the total payment amount; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Los Angeles County Development Authority, as follows:

1. It is hereby found and determined that it is necessary and desirable for the LACDA to provide financing for the Project through the issuance and delivery of the Bond in order to assist in the acquisition, construction and development of the type of dwelling units provided by the Project.
2. For the purpose of raising moneys with which to effectuate financing for the Project, the LACDA hereby determines to issue its bonds or note as Multifamily

Housing Revenue Bond or Note (Whittier Place Apartments Phase II), 2019 Series H (or such other name or series designation as may be designated by officers or agents of the LACDA), in one or more series or subseries, each with an appropriate series designation (the "Bond"), in an aggregate principal amount not to exceed \$13,550,000. The Bond shall bear interest at the interest rates set forth in or determined in accordance with an indenture of trust (the "Indenture"), maturing as provided in the Indenture, but not later than 40 years from the date of issue. The Bond shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bond is prepared.

The Bond shall be a limited obligation of the LACDA payable solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

The Bond shall be executed on behalf of the LACDA by the manual or facsimile signature of the Chair of this Board or the Executive Director of the LACDA.

3. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the LACDA or designee are each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the LACDA and Bond Counsel to the LACDA (provided that such additions or changes shall not authorize an aggregate principal amount of Bond in excess of the amount stated above or result in an initial interest rate on the Bond in excess of 9%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Chair of the Board and Executive Director of the LACDA or designee are hereby authorized and directed to execute, by manual or facsimile signatures of such officers, and, if deemed necessary or desirable, a trustee (the "Trustee") to be designated by the LACDA in the Indenture or an authenticating agent is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Indenture or an authenticating agent, if applicable, the Bond in substantially such form, and the LACDA or the Trustee, as applicable, is hereby authorized and directed to deliver the Bond to the purchaser, which shall be Umpqua Bank, or an affiliate thereof, in accordance with the Indenture. The Bond may, if so provided in the Indenture, be issued as a "draw down" bond to be funded over time as provided in the Indenture. The date, maturity date, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bond shall be as provided in the Indenture as finally executed.

4. The proposed form of Construction and Term Loan Agreement (the "Loan Agreement"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the LACDA or designee are each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Loan Agreement, with such additions or changes in said document as such

officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the LACDA or designee are each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

6. This Board hereby appoints the Executive Director of the LACDA or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bond (the “Administrator”).

7. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bond, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bond, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

8. All actions heretofore taken by the officers and agents of the LACDA with respect to the issuance and delivery of the Bond are hereby approved, confirmed and ratified, and the proper officers of the LACDA are hereby authorized and directed, for and in the name and on behalf of the LACDA to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the LACDA.

9. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

10. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this 18th day of February, 2020, by the following vote:

AYES: Supervisors Ridley-Thomas, Kuehl, Hahn and Bargee

NOES: NONE

ABSENT: Supervisor Solis

ABSTAIN: NONE

By: *Karmyn Bargee*
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer - Clerk
of the Board of Commissioners

By: *Lachelle Smitherman*
Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: *Bethany Wickham*
Deputy

CONSTRUCTION AND TERM LOAN AGREEMENT

This CONSTRUCTION AND TERM LOAN AGREEMENT (as amended and supplemented from time to time, this “**Agreement**”) is made and entered into as of _____, 2020, by and among WHITTIER PSH PHASE II, L.P., a California limited partnership (“**Borrower**”), whose address is c/o East LA Community Corporation, 2917 E. 1st Street, Suite 101, Los Angeles, California 90033, LOS ANGELES COUNTY DEVELOPMENT AUTHORITY, a public body, corporate and politic (together with its successor and assigns, “**Issuer**”), and UMPQUA BANK, an Oregon banking corporation (“**Bondowner Representative**”), whose address is One Capitol Mall, Suite 610, Sacramento, California 95814.

RECITALS:

A. Issuer is a public body, corporate and politic, duly formed and validly existing under the laws of the State of California. Pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the “**Act**”), Issuer is authorized and empowered to issue revenue bonds and apply the proceeds to make loans for the acquisition, construction and development of multifamily rental housing for persons of low and moderate income.

B. Borrower has requested that Issuer to issue its Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II) 2019 Series H-1 in the original principal amount of ///[\$2,229,579]/// (the “**Series H-1 Bond**”) and its Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II) 2019 Series H-2 in the original principal amount of ///[\$10,643,421]/// (the “**Series H-2 Bond**”; and together with the Series H-1 Bond, the “**Bonds**”) for the purpose of making two loans (collectively, the “**Loans**”) to Borrower to finance, in part, the construction of a thirty-four (34)-unit multifamily housing project known as “Whittier Place Apartments, Phase II” (the “**Improvements**” or the “**Project**”), on certain real property located in the County of Los Angeles, State of California, more particularly described on Exhibit A attached hereto (the “**Property**”). The Bonds shall be issued pursuant to that certain Indenture of Trust of even date herewith, by and among Issuer, U.S. Bank National Association, as Trustee (together with its successors and assigns under the Indenture, “**Bond Trustee**”), and Bondowner Representative (as amended and supplemented from time to time, the “**Indenture**”).

C. Issuer deems it desirable and in keeping with its governmental purpose to issue the Bonds and use the proceeds thereof to make the Loans to Borrower for the purposes described above under the terms and conditions contained in this Agreement. The Loans are comprised of (1) a convertible term loan in the maximum principal amount of ///[Two Million Two Hundred Twenty-Nine Thousand Five Hundred Seventy-Nine and No/100th Dollars (\$2,229,579)]/// (the “**Convertible Loan**”), and (2) a construction loan in the maximum principal amount of ///[Ten Million Six Hundred Forty-Three Thousand Four Hundred Twenty-One and No/100th Dollars (\$10,643,421)]/// (the “**Construction Loan**”). The Convertible Loan shall be evidenced by that certain Promissory Note (Convertible Note) of even date herewith, executed by Borrower to the order of Issuer in the face principal amount of ///[\$2,229,579]/// (as amended and supplemented from time to time, the “**Convertible Note**”), and the Construction Loan shall be evidenced by that certain Promissory Note (Construction Note) of even date herewith,

executed by Borrower to the order of Issuer in the face principal amount of ///[\$10,643,421]/// (as amended and supplemented from time to time, the “**Construction Note**”, and together with the Convertible Note, the “**Notes**”). The Notes are secured by that certain Construction and Permanent Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing of even date herewith, executed by Borrower for the benefit of Issuer and recorded in the Official Records substantially concurrently with the Closing Date (as amended and supplemented from time to time, the “**Deed of Trust**”), which Deed of Trust shall be assigned by Issuer to the Bond Trustee.

D. The interests of Issuer in this Agreement, the Note, the Deed of Trust and the other Loan Documents, excluding the Reserved Rights (as defined in the Indenture), have been assigned by Issuer to Bond Trustee, pursuant to that certain Assignment of Deed of Trust and Loan Documents of even date herewith, recorded in the Official Records substantially concurrently with the Deed of Trust (as amended and supplemented from time to time, the “**Assignment of Deed of Trust**”).

E. Issuer and Bondowner Representative are each executing this Agreement, and are willing to make the Loans to Borrower and purchase the Bond, respectively, solely under the terms and conditions specified in this Agreement and in the other Loan Documents, to each of which Borrower agrees. Borrower understands and agrees that: (1) in granting, renewing, or extending the Loan, Issuer and Bondowner Representative are each relying upon Borrower’s representations, warranties, and agreements as set forth in this Agreement, and (2) the Loans shall be and remain subject the following terms and conditions of this Agreement.

F. In order to secure additional financing for the Project, Borrower has obtained three loans from the Los Angeles County Development Authority (the “**County**”) in the aggregate principal amount of ///[\$6,250,000]/// (collectively, the “**County Loan**”), pursuant to that certain ///[Loan Agreement]/// dated as of _____, 2020, by and between Borrower and County (the “**County HOME Loan Agreement**”). The County Loan is comprised of (1) a ///[\$2,500,000]/// loan (the “**County HOME Loan**”) evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of the County in the face principal amount of ///[\$2,500,000]/// (the “**County HOME Note**”), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of the County and recorded in the Official Records substantially concurrently with the Deed of Trust (the “**County HOME Deed of Trust**”); (2) a ///[\$3,750,000]/// loan (the “**County MHHP Loan**”) evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of the County in the face principal amount of ///[\$3,750,000]/// (the “**County MHHP Note**”, and together with the County HOME Note, the “**County Notes**”), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of the County and recorded in the Official Records substantially concurrently with the Deed of Trust (the “**County MHHP Deed of Trust**”, and together with the County HOME Deed of Trust, the “**County Deeds of Trust**”); and (3) a waiver of certain fees due to the County in the aggregate amount of ///[\$126,140]/// (the “**County Fee Deferral**”).

G. In order to secure additional financing for the Project, Borrower has obtained a loan from the Los Angeles County Development Authority (in such capacity, “**Successor**

Agency") in the principal amount of ///[\$539,000]/// (the "**Successor Agency Loan**"), pursuant to that certain ///[Loan Agreement]/// dated as of _____, 2020, by and between Borrower and Successor Agency (the "**Successor Agency Loan Agreement**"). The Successor Agency Loan is evidenced by that certain ///[Promissory Note]/// dated as of _____, 2020, executed by Borrower to the order of Successor Agency in the face principal amount of ///[\$539,000]/// (the "**Successor Agency Note**"), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of Successor Agency and recorded in the Official Records substantially concurrently with the Deed of Trust (the "**Successor Agency Deed of Trust**").

H. In order to secure additional financing for the Project, Borrower has obtained a loan from New Directions, Inc., a California nonprofit public benefit corporation ("**Sponsor**"), in the principal amount of \$250,000 (the "**Home Depot Sponsor Loan**"), evidenced by that certain Promissory Note dated as of _____, 2020, executed by Borrower to the order of Sponsor in the face principal amount of \$250,000 (the "**Home Depot Sponsor Note**"), and secured by that certain ///[Deed of Trust]/// dated as of _____, 2020, executed by Borrower for the benefit of Sponsor and recorded in the Official Records substantially concurrently with the Deed of Trust (the "**Home Depot Sponsor Deed of Trust**"). The Sponsor Loan will be funded with the proceeds of a grant from Home Depot to East LA Community Corporation, a California nonprofit public benefit corporation ("**Guarantor**"), which grant was subsequently assigned by Guarantor to Sponsor.

I. In order to secure additional financing for the Project, Borrower has obtained a commitment from the State of California Department of Housing and Community Development ("**HCD**") for a permanent loan to Borrower in the amount of ///[\$3,926,388]/// (the "**VHHP Loan**") pursuant to (i) that certain Standard Agreement dated as of _____, 2020 (the "**VHHP Loan Standard Agreement**"), by and between Borrower and HCD, and (ii) that certain award letter dated as of November 9, 2018 (the "**VHHP Loan Conditional Commitment**"), by and between Borrower and HCD.

J. In order to secure additional financing for the Project, Borrower has obtained a commitment from HCD for an additional permanent loan to Borrower in the amount of \$_____ (the "**MHP Loan**") pursuant to (i) that certain Standard Agreement dated as of _____, 2020 (the "**MHP Loan Standard Agreement**"), by and between Borrower and HCD, and (ii) that certain award letter dated as of _____, 2019 (the "**MHP Loan Conditional Commitment**"), by and between Borrower and HCD.

K. Borrower shall also receive additional funds for the Project from Wincopin Circle LLLP, a Maryland limited liability limited partnership, in its capacity as investor limited partner in Borrower (together with its permitted successors and assigns, "**Investor**"), in the projected aggregate amount of \$_____ (the "**Equity Deposits**"), in accordance with the terms and conditions of the Partnership Agreement.

NOW, THEREFORE, for value, the parties agree as follows:

SECTION 1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. As used in this Agreement:

1.1.1 “Act” shall have the meaning set forth in the Recitals.

1.1.2 “Affiliate” means, with respect to any Person, (i) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, (A) such Person or (B) any general partner of such Person; (ii) any other Person 50 percent or more of the equity interest of which is held beneficially or of record by (A) such Person or (B) any general partner of such Person, and (iii) any general or limited partner of (A) such Person or (B) any general partner of such Person. As used in the previous sentence, “control” means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise.

1.1.3 “AHAP Contract” means that certain ///[PBV Agreement to Enter Into Housing Assistance Payments Contract]/// dated as of _____, 2020, by and between Borrower and Contract Administrator.

1.1.4 “Appraisal” means the appraisal prepared by _____ dated _____, 2019.

1.1.5 “Approved Budget” means the line item budget for the Project as reviewed and approved by Bondowner Representative and set forth in Exhibit B attached hereto, and as modified from time to time in accordance with this Agreement.

1.1.6 “Approved Construction Costs” means the hard and soft costs of constructing the Project, as shown on the Approved Budget.

1.1.7 “Architect” means Gonzalez Goodale Architects.

1.1.8 “Architect’s Contract” means that certain Standard Form of Agreement Between Owner and Architect dated as of February 16, 2016, by and between East LA Community Corporation, as predecessor-in-interest to Borrower, and Architect.

1.1.9 “Architectural Documents” means the Architect’s Contract, the engineering contracts and all plans and specifications for the Project prepared by the Architect and the engineers.

1.1.10 “Assignment of Deed of Trust” shall have the meaning set forth in the Recitals.

1.1.11 “Assignment of AHAP” means the Assignment of Agreement to Enter Into Housing Assistance Payments Contract dated as of even date herewith, executed by Borrower for the benefit of Bond Trustee and consented to by Contract Administrator.

1.1.12 “Bank-Restricted Account” means the bank-restricted account in Borrower’s name held by the Bondowner Representative into which (a) the Funding Sources for the Project, including any portion of the Loans which Bondowner Representative elects to deposit in the Bank-Restricted Account, and (b) all other amounts which the Bondowner Representative requires the Borrower to deposit in the Bank-Restricted Account, will be deposited.

1.1.13 “Bonds” shall have the meaning set forth in the Recitals.

1.1.14 “Bond Trustee Annual Fee” means the annual fee of the Bond Trustee in the amount of \$3,250, payable in advance by the Borrower to the Bond Trustee on the Closing Date and on each ///[February]/// 1 thereafter, so long as any portion of the Bonds are outstanding.

1.1.15 “Bond Documents” means, collectively, the Bonds, the Indenture, the Bond Regulatory Agreement, the Assignment of Deed of Trust, the Tax Certificate, the UCC-1 and UCC-2 Financing Statements filed in connection with the Indenture, and all other documents now or hereafter executed by Borrower, Issuer, Bond Trustee and/or Bondowner Representative in connection with the Bonds.

1.1.16 “Bond Regulatory Agreement” means that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____ 1, 2020, by and among Issuer, Bond Trustee and Borrower, recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.17 “Bond Trustee” shall have the meaning set forth in the Recitals.

1.1.18 “Business Day” means a day when Bondowner Representative is open to the public in Sacramento, California, for carrying on substantially all of its banking functions other than a Saturday, Sunday, or national bank holiday.

1.1.19 “Closing Date” means _____, 2020.

1.1.20 “Closing Deadline” means _____, 2020.

1.1.21 “Code” means the United States Internal Revenue Code of 1986, as amended.

1.1.22 “Collateral” means the Project, including the Property and present and future buildings, improvements, systems, fixtures, equipment, machinery, furniture, tools, and furnishings on or used in connection therewith, and all present and future governmental approvals, permits, licenses, certificates, leases, executory contracts, accounts, instruments, documents, chattel paper, rents, income, deposits, money, general intangibles (including trade name) and entitlements, profits, proceeds, books, and records arising therefrom or related thereto, together with any other tangible or intangible assets in which Bondowner Representative is granted a Lien or Lien pursuant to any Security Document.

1.1.23 “Conditions to Conversion” shall have the meaning set forth in Section 8.

1.1.24 “Construction Account” means the deposit account (Account No. _____) in Borrower’s name at Bondowner Representative into which where proceeds of the Loans and other Funding Sources will be deposited by Bond Trustee as Disbursements for Approved Construction Costs.

1.1.25 “Construction Commencement Deadline” means the date that is thirty (30) days after the Closing Date.

1.1.26 “Construction Completion Deadline” means _____, 20__.

1.1.27 “Construction Contract” means that certain Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated as of _____, 20__, pursuant to which Contractor will construction the Project.

1.1.28 “Construction Documents” means the Architectural Documents, the Construction Contract, the Approved Budget, the schedule of Approved Construction Costs, and the construction schedule approved by Bondowner Representative.

1.1.29 “Construction Loan” has the meaning ascribed to such term in the Recitals, designated Loan No. _____.

1.1.30 “Construction Loan Maturity Date” means, as applicable, the Initial Construction Loan Maturity Date or the Extended Construction Loan Maturity Date.

1.1.31 “Construction Note” has the meaning set forth in the Recitals.

1.1.32 “Construction Period” means the period from the date of this Agreement through the earlier to occur of the Construction Loan Maturity Date and the Conversion Date.

1.1.33 “Contract Administrator” means the Los Angeles County Development Authority, a public body, corporate and politic.

1.1.34 “Contractor” means United Building Company, Inc., a California corporation, the general contractor for the Project.

1.1.35 “Conversion” means, upon satisfaction of the Conditions to Conversion, the conversion of the Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan and the extension of the Maturity Date of the Convertible Loan from the Construction Loan Maturity Date to the Convertible Loan Maturity Date.

1.1.36 “Conversion Date” shall have the meaning set forth in Section 8.2.

1.1.37 “Conversion Election Notice” shall have the meaning set forth in Section 8.2.

1.1.38 “Conversion Notice” shall have the meaning set forth in Section 8.2.

1.1.39 “Convertible Loan” has the meaning set forth in the Recitals, designated Loan No. _____.

1.1.40 “Convertible Loan Maturity Date” means the date that is fifteen (15) years after the Conversion Date.

1.1.41 “Convertible Note” has the meaning set forth in the Recitals.

1.1.42 “County Loan Documents” means, collectively, the County Loan Agreement, the County Notes, the County Deeds of Trust, ///[the County Regulatory Agreement]///, and all other documents evidencing, securing or otherwise executed in connection with the County Loan.

1.1.43 “County Regulatory Agreement” means that certain _____ dated as of _____, 2020, by and between Borrower and the County.

1.1.44 “County Subordination Agreement” means that certain Subordination Agreement (LACDC) dated as of the date hereof, by and among Borrower, Bondowner Representative and the County and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.45 “Credit Agency” means the California Tax Credit Allocation Committee.

1.1.46 “Debt Service” means, for any period, the sum of all principal and interest payments which would be due and payable under the Loan Documents during the period.

1.1.47 “Debt Service Coverage Ratio” means, for any period, the ratio of (a) Net Cash Flow for such period divided by (b) Debt Service for such period.

1.1.48 “Deed of Trust” shall have the meaning set forth in the Recitals.

1.1.49 “Default Rate” means an interest rate equal to the then current rate on the Note, plus five percent (5%).

1.1.50 “Deferred Developer Fee” means the final \$_____ of the Developer Fee to be paid to Developer.

1.1.51 “Developer” means, collectively, Guarantor and Sponsor.

1.1.52 “Developer Fee” means the \$_____ developer fee payable to the Developer pursuant to the Development Agreement, as set forth in the schedule attached hereto as Exhibit C-2.

1.1.53 “Development Agreement” means that certain Development Services Agreement by and between Developer and Borrower, dated as of _____, 2020, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.54 “Disbursement” means, as applicable, (a) an advance of Loan proceeds to the Bond Proceeds Account of the Construction Fund held by the Bond Trustee (which disbursements shall first be made under the Convertible Note until the full amount of the Convertible Note is outstanding and then from the Construction Note), (b) an advance of Loan proceeds from the Bond Trustee into the Construction Account, or (c) a disbursement of other Funding Sources from the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture) into the Construction Account, each as made or approved by Bondowner Representative upon the terms set forth herein.

1.1.55 “DSCR Shortfall Account” shall have the meaning set forth in Section _____.

1.1.56 “Environmental Reports” means, that certain Phase One Environmental Site Assessment dated as of August 5, 2019, prepared by Pacific Environmental Company under Project No. 19187.

1.1.57 “Equity Deposits” means the capital contributions to Borrower to be provided by the Investor, aggregating ///[\$7,314,000]///, as set forth on Exhibit C-1 attached hereto.

1.1.58 “Event of Default” shall have the meaning set forth in Section 9.

1.1.59 “Extended Construction Loan Maturity Date” means _____, 2022 ///[6 MONTH EXTENSION OPTION].

1.1.60 “Extension Fee” means the non-returnable fee in the amount of one-quarter of one percent (0.25%) of the maximum principal amount of the Loan (whether or not disbursed), payable by Borrower to the Bondowner Representative upon the exercise of the option to extend the Construction Loan Maturity Date as set forth in Section 4.9.

1.1.61 “Fiscal Year” means a calendar year, provided that such year shall not be changed without the prior written consent of Bondowner Representative.

1.1.62 “Funding Sources” means the Loan and all other sources of funds for the Project, as set forth in the Project Sources Schedule.

1.1.63 “GAAP” means the generally accepted accounting principles issued by the American Institute of Certified Public Accountants in effect in the United States at the time of application to the provisions of this Agreement.

1.1.64 “General Partner” means Whittier PSH Phase II LLC, a California limited liability company.

1.1.65 “Good Standing Certificate” means a certificate issued by the secretary of state or other appropriate government official, office, or agency concerning an Organization’s status.

1.1.66 “Governmental Agency” means any governmental or quasi-governmental agency, board, bureau, commission, department, court, administrative tribunal or other instrumentality or authority, and any public utility.

1.1.67 “Guarantor” shall have the meaning set forth in the Recitals.

1.1.68 “Guaranty” means that certain Unsecured Payment and Performance Guaranty dated as of the date hereof by Guarantor in favor of Bondowner Representative, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.69 “HAP Contract” means the housing assistance payments contract to be entered into between Borrower and Contract Administrator in accordance with the AHAP Contract, pursuant to which Contract Administrator will agree provide rental subsidies for thirty-three (33) of the units at the Project (the “**Section 8 Payments**”).

1.1.70 “HCD” has the meaning set forth in the Recitals.

1.1.71 “HCD Permanent Loan Documents” means, collectively, the MHP Loan Documents and the VHHP Loan Documents.

1.1.72 “Home Depot Sponsor Deed of Trust” has the meaning set forth in the Recitals.

1.1.73 “Home Depot Sponsor Loan” has the meaning set forth in the Recitals.

1.1.74 “Home Depot Sponsor Loan Documents” means, collectively, the Home Depot Sponsor Note, the Home Depot Sponsor Deed of Trust, and all other documents evidencing, securing or otherwise executed in connection with the Home Depot Sponsor Loan.

1.1.75 “Home Depot Sponsor Note” has the meaning set forth in the Recitals.

1.1.76 “HUD” means the U.S. Department of Housing and Urban Development Office of Housing.

1.1.77 “Improvements” shall have the meaning set forth in the Recitals.

1.1.78 “Indebtedness” means, for any Person, (a) all indebtedness of such Person (calculated on a consolidated basis) for borrowed money or for the deferred purchase price of property, (b) all direct or indirect guarantees of such Person in respect of, and all obligations or undertakings (contingent or otherwise) to assure a creditor against loss in respect of, indebtedness of any other Person for borrowed money or for the deferred purchase price of property, and (c) all obligations, debts, liabilities as well as all claims by any creditor against such Person, whether now existing or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated, whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitation or may become otherwise unenforceable.

1.1.79 “Indenture” shall have the meaning set forth in the Recitals.

1.1.80 “Insolvency Proceeding” means any proceeding intended to liquidate or rehabilitate the estate of the Person involved, including bankruptcy (liquidation or reorganization), receivership, and similar proceedings, and includes an assignment for the benefit of creditors.

1.1.81 “Investor” shall have the meaning set forth in the Recitals.

1.1.82 “Lien” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.1.83 “LIHTC” means federal Low Income Housing Tax Credits under Section 42 of the Code and state low income housing tax credits.

1.1.84 “Loans” shall have the meaning set forth in the Recitals.

1.1.85 “Loan Documents” means all documents executed in connection with the Loan, including, without limitation, this Agreement, the Note, the Guaranty, the Security Documents, the Unsecured Hazardous Materials Certificate and Indemnity, the Access Laws Certificate and Indemnity, the Subordination Agreement, and the Assignment of Contracts, Agreements, and Permits, all as originally executed and as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.86 “Material Adverse Occurrence” means any occurrence of whatsoever nature (including, without limitation, any adverse determination in any litigation, arbitration, or governmental investigation or proceeding) which Bondowner Representative shall determine could materially adversely affect the then present or prospective financial condition or operations of Borrower, General Partner, or Guarantor, the availability of the LIHTC, the value of the Improvements or the Project, or any other material Collateral securing repayment of the Loan, or impair the ability of Borrower, General Partner or Guarantor to perform its obligations as and when required under any of the Loan Documents, as determined by Bondowner Representative in its discretion.

1.1.87 “Maturity Date” means (a) with respect to the Construction Loan, the Construction Loan Maturity Date and (b) with respect to the Convertible Loan, the Construction Loan Maturity Date, as such date may be extended to the Convertible Loan Maturity Date upon satisfaction of the Conditions to Conversion.

1.1.88 “MHP Loan” shall have the meaning given such term in the Recitals.

1.1.89 “MHP Loan Conditional Commitment” shall have the meaning given such term in the Recitals.

1.1.90 “MHP Loan Documents” means, collectively, the MHP Loan Standard Agreement, the MHP Loan Conditional Commitment, the MHP Loan Estoppel Agreement, and any loan agreement, note, deed of trust, mortgage, security instrument, regulatory agreement, guaranty, assignment or other document executed in connection with the MHP Loan which shall

in each instance have been approved in advance by Bondowner Representative, in its sole and absolute discretion.

1.1.91 “MHP Loan Estoppel Agreement” means that certain Estoppel Agreement executed by HCD in favor of Bondowner Representative, in a form and substance approved by Bondowner Representative, in its sole and absolute discretion.

1.1.92 “MHP Loan Standard Agreement” shall have the meaning set forth in the Recitals

1.1.93 “Net Cash Flow” means, for any period, the excess, if any, of the actual gross operating income generated by the Project during such period (excluding insurance (other than rental loss insurance proceeds) and condemnation proceeds, loan proceeds, security and cleaning deposits made by any tenant (except to the extent such deposits are applied against rent or other amounts then payable by the tenant under the applicable lease) and similar items and items of a nonrecurring nature), over all costs and expenses incurred by Borrower during such period in connection with Borrower’s ownership, management, regular maintenance, operation and leasing of the Project during such period, all as determined by Bondowner Representative in its sole and absolute discretion; provided that for purposes of such determination, Bondowner Representative shall include as Project expenses for any monthly period or portion thereof, in such monthly period, 1/12th of the annual real estate taxes (or payments in lieu thereof) if not abated or otherwise exempt under applicable law and assessments constituting a lien on the Property, 1/12th of the annual insurance premiums for all insurance carried and/or required to be carried by Borrower with respect to the Project, 1/12th of the annual amounts then payable in respect of the Replacement Reserve Requirement, and such portion of such other non-monthly expenses as Bondowner Representative may deem appropriate in its sole discretion.

1.1.94 “Notes” shall have the meaning set forth in the Recitals.

1.1.95 “Obligations” has the meaning set forth in Section 13.1 below.

1.1.96 “Official Records” means the Official Records of Los Angeles County, California.

1.1.97 “Operating Reserve” has the meaning set forth in the Reserve and Security Agreement

1.1.98 “Operating Reserve Account” has the meaning set forth in the Reserve and Security Agreement

1.1.99 “Operating Reserve Requirement” has the meaning set forth in the Reserve and Security Agreement.

1.1.100 “Order” means a judgment, order, levy, executive or administrative decision, permit, license, or like legislative, judicial, executive, or administrative imposition of any federal, state, or municipal governmental unit.

1.1.101“Organization” means corporation, government subdivision or agency, partnership, limited partnership, limited partnership, estate, trust, association, or other legal or commercial entity.

1.1.102“Organizational Document” means the articles of incorporation, articles of organization, the certificate of limited partnership, the bylaws, the operating agreement, the partnership agreement, the trust agreement and all other certificates and documents related thereto.

1.1.103“Origination Fee” means a construction loan fee in the amount of one-half of one percent (0.5%) of the maximum principal amount of the Loan (*i.e.*, \$_____) and a loan processing fee in the amount of \$_____.

1.1.104“Partner” means, collectively, General Partner and Investor.

1.1.105“Partnership Agreement” means that certain First Amended and Restated Agreement of Limited Partnership of Borrower dated as of _____, 2020, as may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

1.1.106“Per Annum” means, when used in connection with a rate of interest, that interest is calculated by dividing the actual number of days in an interest period by an annual interest period or denominator of 360 days.

1.1.107“Permitted Encumbrances” has the meaning ascribed thereto in the Deed of Trust.

1.1.108“Person” means an Organization or an individual.

1.1.109“Plans” means the plans and specifications for the construction of the Project and all Improvements to be located on the Property, as approved by Bondowner Representative, together with any amendments or modifications thereof consented to by Bondowner Representative in its discretion.

1.1.110“Project” shall have the meaning set forth in the Recitals.

1.1.111“Project Sources Schedule” means the schedule of sources of funds attached hereto as Exhibit C.

1.1.112“Property” shall have the meaning set forth in the Recitals.

1.1.113“Property Management Agreement” means that certain Management Agreement dated as of March 16, 2016, by and between Borrower and Property Manager.

1.1.114“Property Manager” means John Stewart Company, a California corporation, or such other property manager as may be approved by Bondowner Representative

1.1.115“Prospective Default” means an event, circumstance, or condition that would constitute an Event of Default but for the giving of notice, the passage of time, or both.

1.1.116 “Regulatory Agreements” means all restrictive covenants recorded against the Property, including, without limitation, the Bond Regulatory Agreement, ///[the County Regulatory Agreements, the Successor Agency Regulatory Agreement]/// and the Tax Credit LURA.

1.1.117 “Replacement Reserve” has the meaning set forth in the Reserve and Security Agreement

1.1.118 “Replacement Reserve Account” has the meaning set forth in the Reserve and Security Agreement.

1.1.119 “Reserve and Security Agreement” means that certain Reserve and Security Agreement of even date herewith, between Bondowner Representative and Borrower, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

1.1.120 “Replacement Reserve Requirement” has the meaning set forth in the Reserve and Security Agreement.

1.1.121 “Retainage” means ten percent (10%) of approved hard costs covered by a Disbursement request.

1.1.122 “Security Documents” means the Deed of Trust, the Assignment for Security of Tax Credit Collateral, the Security Agreement (Pledge of Partnership Interest), the Assignment of Contracts, Agreements and Permits, the Assignment of AHAP, the financing statements, and any other document that is used to create or perfect Bondowner Representative’s Lien in any part of the Collateral, as each may be amended, restated, replaced, supplemented or otherwise modified from time to time.

1.1.123 “Sponsor Subordination Agreement” means that certain Subordination Agreement (Sponsor) dated as of the date hereof, by and among Borrower, Bondowner Representative and Sponsor and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.124 “Subordinate Lenders” means, collectively, the County, Successor Agency and Sponsor.

1.1.125 “Subordinate Loan Documents” means, collectively, the County Loan Documents, the Successor Agency Loan Documents and the Home Depot Sponsor Loan Documents.

1.1.126 “Subordinate Loans” means, collectively, the County Loan, the Successor Agency Loan and the Sponsor Loan.

1.1.127 “Subordination Agreements” means, collectively, the County Subordination Agreement, the Successor Agency Subordination Agreement and the Sponsor Subordination Agreement.

1.1.128“Successor Agency Loan Documents” means, collectively, the Successor Agency Loan Agreement, the Successor Agency Note, the Successor Agency Deed of Trust, the Successor Agency Regulatory Agreement, and all other documents evidencing, securing or otherwise executed in connection with the Successor Agency Loan.

1.1.129“Successor Agency Subordination Agreement” means that certain Subordination Agreement (Successor Agency) dated as of the date hereof, by and among Borrower, Bondowner Representative and Successor Agency and recorded in the Official Records substantially concurrently with the Deed of Trust.

1.1.130“Tax Certificate” means that certain Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated as of the Closing Date, executed and delivered by Issuer and Borrower.

1.1.131“Tax Credit LURA” means the Low-Income Housing Tax Credit Land Use Restriction Agreement executed by Borrower and the Credit Agency.

1.1.132“Title Commitment” means the preliminary report dated April 15, 2019, issued by the Title Insurance Company with respect to the Property.

1.1.133“Title Insurance Company” means Commonwealth Land Title Company or another title insurance company reasonably acceptable to Bondowner Representative.

1.1.134“Title Policy” means the mortgagee’s title insurance policy described in Section 3.1.6.

1.1.135“VHHP Loan” shall have the meaning given such term in the Recitals.

1.1.136“VHHP Loan Conditional Commitment” shall have the meaning given such term in the Recitals.

1.1.137“VHHP Loan Documents” means, collectively, the VHHP Loan Standard Agreement, the VHHP Loan Conditional Commitment, the VHHP Loan Estoppel Agreement, and any loan agreement, note, deed of trust, mortgage, security instrument, regulatory agreement, guaranty, assignment or other document executed in connection with the VHHP Loan which shall in each instance have been approved in advance by Bondowner Representative, in its sole and absolute discretion.

1.1.138“VHHP Loan Estoppel Agreement” mean that certain Estoppel Agreement executed by HCD in favor of Bondowner Representative, in a form and substance approved by Bondowner Representative, in its sole and absolute discretion.

1.1.139“VHHP Loan Standard Agreement” shall have the meaning set forth in the Recitals

1.2 Recitals. The Recitals are incorporated into this Agreement by this reference.

1.3 Exhibits. The following exhibits that are attached to this Agreement are incorporated into this Agreement by this reference:

- Exhibit A - Legal Description of the Property
- Exhibit B - Approved Budget
- Exhibit C - Project Sources Schedule (Including Timing of Sources)
- Exhibit D - Compliance Certificate
- Exhibit E - Insurance Requirements
- Exhibit F - Form of Conversion Election Notice
- Exhibit G - Form of Conversion Notice
- Exhibit H - Multi-Family Bond Policies and Procedures

1.4 Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

1.4.1 The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(a) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(b) Article, Section, Exhibit, and Schedule references are to the Loan Document in which such reference appears.

(c) The term “including” is by way of example and not limitation.

(d) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(e) The use of the word “or” is not exclusive.

1.4.2 In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

1.4.3 Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.5 Accounting Terms.

1.5.1 All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time.

1.5.2 If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Bondowner Representative shall so request, Bondowner Representative and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide to Bondowner Representative financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.6 References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

SECTION 2. REPRESENTATIONS AND WARRANTIES

2.1 Borrower's Representations and Warranties. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.1.1 As of the Closing Date, Borrower holds a fee simple interest in the Property subject only to the Permitted Encumbrances.

2.1.2 Borrower, General Partner and Guarantor are duly organized and validly existing under the laws of the State of California and are authorized to conduct business in the State of California.

2.1.3 Borrower, General Partner and Guarantor have been duly authorized to execute the Loan Documents to which they are a party and to pay and perform the debts and obligations of Borrower to Bondowner Representative under the Loan Documents when and as such payment and performance are due.

2.1.4 The execution of the Loan Documents by each of Borrower, General Partner and Guarantor and the payment and performance of the debts and obligations of Borrower under the Loan Documents are not prohibited by, and will not result in a fine, penalty, or similar sanction under, any applicable Laws and Orders, will not violate any of the Organizational Documents of Borrower, General Partner or Guarantor, as applicable, and will not breach, or constitute an Event of Default under, any agreement, instrument, indenture, or similar contract documents to which Borrower, General Partner or Guarantor is a party or by which Borrower, General Partner or Guarantor or its respective property is bound.

2.1.5 The Loan Documents are enforceable against Borrower, General Partner and Guarantor in accordance with their respective terms subject to the effect of insolvency, moratorium, or other similar laws affecting the rights and remedies of creditors generally, general principles of equity, whether applied by a court of law or equity, and other generally applicable rules of law.

2.1.6 Borrower has furnished financial statements to Bondowner Representative that fairly present the financial condition of Borrower and Guarantor as of the date of such financial statements.

2.1.7 There are no direct or contingent liabilities of Borrower that have not been disclosed to Bondowner Representative in the financial statements or other information that has been provided in writing to Bondowner Representative. Borrower and Guarantor are and will remain solvent after giving effect to all borrowings and guaranties contemplated in the Loan Documents.

2.1.8 There is no litigation, prosecution, investigation, or proceeding of any nature whatsoever now pending or overtly threatened in writing against Borrower, General Partner or Guarantor that seeks to affect the enforceability of the Loan Documents, is likely to adversely affect the ability of Borrower, General Partner or Guarantor to pay and perform its respective obligations to Bondowner Representative, or is likely to prevent, substantially delay, or interfere with Borrower's construction of the Project.

2.1.9 No Material Adverse Occurrence has occurred since the date when Borrower applied for the Loan and furnished financial information to Bondowner Representative.

2.1.10 The Property has suitable soils and geology for the Project to be constructed.

2.1.11 The Property is properly planned and zoned for occupancy for its intended use and constitutes one or more legal lots.

2.1.12 The construction work will be done in a good and workmanlike manner substantially in accordance with the Construction Documents, and no change orders will be made except in accordance with Section 7.19.

2.1.13 To the knowledge of Borrower, neither the Appraisal nor the Title Commitment contains any material errors or omissions.

2.1.14 The Construction Contract and the Architect's Contract are effective and binding, and Borrower has submitted full, complete, and accurate copies thereof to Bondowner Representative. Borrower has independently evaluated the economic viability of the Project and the reliability and skill of the Contractor, the Architect, all other design professionals (e.g., engineers, etc.), and all other persons and entities involved in or retained for the Project. Borrower is solely relying on its own independent data, evaluations and business judgment

regarding the project, and no action or statement by Bondowner Representative shall be construed as an endorsement or recommendation relating to any aspect of the Project.

2.1.15 Borrower and Guarantor have filed all tax returns that are required to be filed by them and have paid, or have made adequate provision for the payment of, all taxes that have or may become due pursuant to said returns or to assessments received by them, including, without limitation, all property taxes and assessments for the Project. Borrower is not aware of any deficiency assessment or proposed deficiency assessment of taxes for which Borrower or Guarantor may be liable, except as may otherwise be disclosed in writing to Bondowner Representative prior to the date hereof.

2.1.16 The Property is served by water, sanitary sewer and storm drain facilities adequate to service the Property and the Project for their intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Property and the Project are located either in the public right of way abutting the Property (which are connected so as to serve the Property and the Project without passing over other property) or in recorded easements serving the Property and the Project and described in the Title Policy.

2.1.17 The use of the Property by Borrower, to construct the Project and any and all contemplated accessory uses by Borrower, will not violate (a) any Laws (including subdivision, zoning, building, environmental protection and wetland protection Laws) or Orders, or (b) any building permits, restrictions of record, or agreements affecting the Project or any part thereof, in each case in any material respect. Neither the zoning authorizations, approvals or variances, nor any other right to construct, operate or use the Project, is to any extent dependent upon or related to any real estate other than the Property. All approvals from Governmental Agencies required for Borrower's construction and operation of the Project for its intended purposes, including all required permits and licenses, have been obtained or will be obtained prior to commencement of construction, and Borrower has complied, and will continue to comply, with all Laws and Orders relating to the construction and operation of the Improvements and the Project in all material respects.

2.1.18 Except for the building permits to be obtained by Borrower within ninety (90) days of the Closing Date, no consent, approval, authorization or order of any court or governmental authority or body or any other Governmental Agency is required for the consummation by Borrower or Guarantor of the transactions contemplated by the Loan Documents.

2.1.19 There is no uncured Event of Default or Prospective Default that now exists under the Loan Documents.

2.1.20 Borrower has not failed to disclose to Bondowner Representative any material fact necessary in order to make the representations and warranties made, in light of the circumstances under which they are made, not misleading.

2.1.21 The representations and warranties made by Guarantor in the Guaranty are true and correct.

2.1.22 Borrower has submitted full, complete, and accurate copies of the Environmental Reports to Bondowner Representative.

2.1.23 The Project is exempt from taxation.

2.2 Bond-Related Representations and Warranties. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.2.1 Other than the Bonds, no other obligations have been or are expected to be issued under Section 103 of the Code for sale at substantially the same time as the Bonds are sold pursuant to a common plan of marketing and at substantially the same rate of interest as the Bonds and which are payable in whole or part by Borrower or otherwise have with the Bonds any common or pooled security for the payment of debt service thereon, or which are otherwise treated as the same “issue of obligations” as the Bonds as described in Revenue Ruling No. 81 216.

2.2.2 Borrower is not in the trade or business of selling properties such as the Project and has acquired the Project for investment purposes only or otherwise for use by Borrower in its trade or business. Therefore Borrower has no present intention to voluntarily sell, surrender or otherwise transfer, in whole or part, its interest in the Project in the foreseeable future, other than in connection with any purchase option, if any, granted to General Partner in the Partnership Agreement.

2.2.3 Borrower has reviewed and approved the provisions of the Indenture and accepts that it is bound by the Indenture and the other Bond Documents.

2.2.4 To the best of Borrower’s knowledge, no member of the governing body of the Issuer or any other officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in Borrower, the Project or the transactions contemplated hereby.

2.2.5 The covenants, representations and warranties of Borrower in the Bond Regulatory Agreement are true and correct as of the date hereof and are incorporated herein by reference and made a part of this Agreement.

2.2.6 Borrower has not entered into the transaction evidenced hereby with the actual intent to hinder, delay or defraud any creditor and Borrower has received reasonably equivalent value in exchange for its obligations hereunder and under the Deed of Trust and the Bond Regulatory Agreement.

2.2.7 Borrower has no known material contingent liabilities except as created by the Partnership Agreement and under the Subordinate Loan Documents.

2.2.8 Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower is a party or by which Borrower or the Project are otherwise bound, other than (a) obligations under this Agreement and the other Loan Documents to which Borrower is a party; (b) the Subordinate

Loan Documents; (c) the HCD Permanent Loan Documents; (d) the existing deed of trust in favor of Low Income Investment Fund which will be paid in full and released of record prior to or upon the closing of the Loan; and (e) obligations which may be incurred by Borrower from time to time in the ordinary course of business.

2.2.9 Borrower has not borrowed or received other debt financing that has not been heretofore repaid in full.

2.2.10 Borrower is not (a) an “investment company” or a company “controlled by an investment company” within the meaning of the Investment Company Act of 1940, as amended; (b) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict its ability to borrow money other than Article 15 of the California State Constitution.

2.2.11 Except as disclosed in the Title Policy, there are no pending or, to the knowledge of Borrower, proposed special or other assessments for public improvements affecting the Project, nor, to the knowledge of Borrower, are there any contemplated improvements to the Property that may result in such special or other assessments.

2.2.12 No statement of fact made by Borrower herein or in the Loan Documents to which Borrower is a party contains any untrue statement of a material fact or omits to state any material fact necessary to make statements made by Borrower herein or therein not materially misleading. There is no fact presently known to Borrower which has not been disclosed which materially adversely affects or, to the best of Borrower’s knowledge, would materially adversely affect the business, operations or conditions (financial or otherwise) of Borrower.

2.2.13 All reports, documents, instruments, information and forms of evidence delivered to Bondowner Representative or Issuer by Borrower concerning the Loan or required by the Loan Documents are (or, in the case of materials prepared by persons other than Borrower or its General Partner, are to the best of Borrower’s knowledge) accurate, correct and sufficiently complete to give Bondowner Representative or Issuer, as applicable, true and accurate knowledge of their subject matter.

2.2.14 Borrower owns directly, and not through any affiliated entity, all of the personal property and fixtures necessary for the operation of the Property for the uses presently being conducted thereon.

2.2.15 Before any Guarantor became obligated in connection with the Loan, Borrower made full disclosure to such Guarantor regarding Borrower’s financial condition and business operations, the present and former condition, uses and ownership of the Property and all other circumstances bearing upon Borrower’s ability to pay and perform its obligations under the Loan Documents.

2.2.16 Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which Borrower is a party or of which it is a beneficiary, including the Indenture; that it understands the risks inherent in such transactions; and that it has not relied on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Bond Documents and the Indenture or otherwise relied on the Issuer or its counsel for any advice.

2.2.17 Borrower agrees that, because the components of the Project have been and are to be designated and selected by it, the Issuer has not made an inspection of the Project or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, fitness for use for any particular purpose, or condition or durability thereof, or as to the quality of the material or workmanship therein, it being agreed that all risks incident thereto are to be borne by Borrower. In the event of any defect or deficiency of any nature in the Project or any fixture or other item constituting a portion thereof, whether patent or latent, the Issuer shall have no responsibility or liability with respect thereto. The provisions of this Section have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the Project or any fixture or other item constituting a portion thereof, whether arising pursuant to the uniform commercial code or any other law now or hereafter in effect.

2.2.18 Borrower is not related to Bondowner Representative or any other holder of the Bonds.

2.2.19 Borrower shall comply with Issuer's Multi-Family Bond Policies and Procedures, in accordance with Exhibit H hereto, unless waived by Issuer in writing.

2.3 Borrower's Representations and Warranties Related to Certain Tax Matters. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

2.3.1 As of the Closing Date, Borrower is in compliance with all requirements of the Tax Certificate, and the representations set forth in the Tax Certificate pertaining to Borrower and the Project are true and accurate.

2.3.2 The Bonds are not "federally guaranteed" as defined in Section 149(b) of the Code.

2.3.3 In accordance with Section 147(b) of the Code, the weighted average maturity of the Bond does not exceed one hundred twenty percent (120%) of the weighted average reasonably expected economic life of the facilities (comprising the Project) financed with the proceeds of the Bond, determined as of the date the Bonds are issued.

2.3.4 Neither Borrower nor, to the best knowledge of Borrower, any “related person” to Borrower (within the meaning of Section 147(a)(2) of the Code), will purchase the Bond pursuant to any arrangement, formal or informal.

2.3.5 The information furnished by Borrower and used by the Issuer in preparing the certificate pursuant to Section 148 of the Code and information statement pursuant to Section 149(e) of the Code is accurate and complete as of the date of the issuance of the Bond.

2.3.6 The construction of the Project was not commenced prior to the thirtieth (30th) day preceding the Issuer’s expression of intent with respect to the Project on May 18, 2018, and no obligation for which reimbursement will be sought from proceeds of the Bond relating to the construction or equipping of the Project was paid or incurred prior to sixty (60) days prior to such date.

2.3.7 The Project is, as of the Closing Date, in compliance with all requirements of the Bond Regulatory Agreement, including all applicable requirements of the Act, and the Code, to the extent such requirements are applicable on the Closing Date and the representations and warranties of Borrower in Sections 2, 3, 4, 5, 7 and 12 of the Bond Regulatory Agreement are true and correct.

2.3.8 Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Bond Regulatory Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases which comply with all applicable laws and the Bond Regulatory Agreement.

2.3.9 No money on deposit in any fund or account in connection with the Bond, whether or not such money was derived from other sources, will be used by or under the direction of Borrower in a manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

2.3.10 Borrower agrees it will not discriminate in the rental of units or in its employment practices against any employee or applicant for employment because of the applicant’s race, religion, national origin, ancestry, sex, age, sexual orientation, gender identity/expression, transgender status, disability, marital status, domestic partner status or medical condition. All contracts entered into by Borrower which relate to the Project shall contain a like provision.

Borrower’s obligations under this Section 2.2 shall survive the termination of this Agreement and the payment and performance of all of the other obligations of Borrower hereunder and under the other Bond Documents to which it is a party for so long as may be required to maintain the tax-exempt status of the interest on the Bond in accordance with applicable law or until Borrower has transferred the Project to an unaffiliated entity, with the prior written consent of the Issuer, which transferee assumes the obligations of Borrower pursuant to this Section.

Borrower understands and agrees that Issuer and Bondowner Representative are relying upon the above representations and warranties in making the above-referenced Loans to Borrower, and the Loans would not have been made but for such representations and warranties. Borrower further

agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as Borrower's Loans and the Notes shall be paid in full, or until this Agreement shall be terminated in the manner provided for herein, whichever is the last to occur.

2.4 Continued Effectiveness. Each time that Borrower requests a draw of Equity Deposits or any Disbursement or exercises an option provided in the Loan Documents, Borrower and Guarantor will be deemed to reaffirm that the representations and warranties in Sections 2.1 and 2.2 and the Guaranty continue to be true and correct in all material respects except (a) as otherwise specifically disclosed in the Disbursement request or the notice of exercise and (b) that the representation and warranty relating to financial statements will be deemed to refer only to the most recent financial information that has been provided by Borrower or Guarantor to Bondowner Representative.

SECTION 3. CONDITIONS PRECEDENT

3.1 Loan Closing and Initial Disbursement. The following conditions must be satisfied by Borrower prior to the Closing Date and to the first Disbursement of the proceeds of the Bonds, and, until satisfied, Bondowner Representative shall have no obligations under this Agreement:

3.1.1 Borrower provides and Bondowner Representative approves copies of the Organizational Documents, Good Standing Certificates, resolutions, and other similar documents as Bondowner Representative may reasonably require that verify: (a) the existence and good standing of Borrower, General Partner, and Guarantor in the State of California; (b) the authorization of each of Borrower, General Partner and Guarantor to conduct business in the State of California; (c) the authority of each of Borrower, General Partner and Guarantor to execute the Loan Documents and the Partnership Agreement to which it is a party and to pay and perform its debts and obligations thereunder; and (d) the authority of the representatives of each of Borrower, General Partner and Guarantor who execute the Loan Documents and the Partnership Agreement to which it is a party to take such action.

3.1.2 Borrower, General Partner and Guarantor execute and deliver all of the Loan Documents and any certificates, questionnaires, and back-up materials reasonably required by Bondowner Representative.

3.1.3 Borrower provides and Bondowner Representative approves the opinion of Borrower's counsel, General Partner's counsel and Guarantor's counsel, addressed to Issuer and Bondowner Representative, addressing the following topics and such others as Bondowner Representative may require: (a) the due formation, existence and good standing of Borrower, General Partner and Guarantor in their respective state of organization and their respective qualification to do business in the State of California if organized in a state other than California; (b) the authority of Borrower, General Partner and Guarantor to execute the Loan Documents and the Partnership Agreement and to pay and perform their respective debts and obligations under the Loan Documents and the Partnership Agreement; and (c) the authority of the representatives of Borrower, General Partner and Guarantor who execute the Loan Documents and the Partnership Agreement to take such action.

3.1.4 Borrower and Guarantor provide and Bondowner Representative approves all financial information reasonably required by Bondowner Representative and all certificates related thereto required by Bondowner Representative.

3.1.5 Borrower pays all fees payable in connection with the closing of the Loans, including, but not limited to, Bondowner Representative's Origination Fee, Issuer's Annual Fee (as defined in the Indenture), the initial fees and expenses of Bond Trustee, and all other fees and costs incurred by Bondowner Representative, Bond Trustee and Issuer in connection with the Loans and the Bond Documents.

3.1.6 Borrower causes the Title Insurance Company to commit to issue to Bondowner Representative a 2006 Extended ALTA mortgagee's title insurance policy, with such endorsements as may be required by Bondowner Representative, insuring that title to the Property is vested in Borrower and that the Deed of Trust is and will continue to be an encumbrance against the Property and the Project, securing a debt in the amount of the Loan first, prior, and paramount to all other liens and encumbrances of any nature or kind whatsoever except the Permitted Encumbrances.

3.1.7 Borrower provides and Bondowner Representative approves any soils report that Bondowner Representative requires regarding the Property and its suitability as a site for the Project to be constructed.

3.1.8 Borrower provides and Bondowner Representative approves an environmental survey of the Property, together with the results of any additional environmental testing required by Bondowner Representative.

3.1.9 Borrower shall have furnished to Bondowner Representative evidence that Borrower has purchased, and has in full force and effect, the policies of insurance described on Exhibit E.

3.1.10 Borrower provides to Bondowner Representative evidence reasonably satisfactory to Bondowner Representative that its Lien in the items of personal property Collateral at the Project has been perfected and that the priority of such Lien is senior to all other Liens and claims, except the Permitted Encumbrances.

3.1.11 Bondowner Representative receives, in form and substance acceptable to Bondowner Representative, a certificate from the Architect certifying that the Project as constructed will comply with all Laws pertaining to access by disabled Persons.

3.1.12 Borrower provides to Bondowner Representative a survey of the Project prepared by a registered surveyor or engineer and Bondowner Representative accepts all items disclosed on such survey. The survey shall contain the legal description as provided by the Title Policy, which description shall be certified by the surveyor. The survey shall show the location of any improvements on the Property with respect to lot lines, streets, alleys, driveways, known easements, and encroachments, together with all easements of record and other exceptions identified by exception numbers on the Title Commitment.

3.1.13 The survey confirms, or Borrower provides other evidence confirming, that the Property consists of one or more separate legal lots and does not include less than an entire legal lot.

3.1.14 Bondowner Representative approves the Architect selected by Borrower to prepare the plans and specifications for the Project and the Contractor selected by Borrower to perform the construction work for the Project.

3.1.15 Borrower provides and Bondowner Representative approves copies of the Construction Documents (including the hard and soft costs for the Project and the construction schedule) for the work to be done using Loan proceeds and any other Funding Sources for the Project.

3.1.16 Bondowner Representative receives and approves a cost and constructability report for the Project, in form and substance acceptable to Bondowner Representative.

3.1.17 The Architect executes the consent to assignment of the Architectural Documents, the Contractor executes the consent to assignment of the Construction Contract, and such other parties execute a consent to assignment with respect to such other contracts as Bondowner Representative may require.

3.1.18 Borrower provides and Bondowner Representative approves a fully executed and compiled copy of the Construction Contract.

3.1.19 Borrower provides and Bondowner Representative approves the list of all subcontractors and materials suppliers (identified on such list by name, address, phone number, and estimated subcontract amount) who will perform labor or services or provide materials associated with the construction work, together with, if requested by Bondowner Representative, copies of supporting subcontracts, bids, and proposals.

3.1.20 Borrower provides copies of all of the permits and licenses that are required by applicable Laws and Orders from any Governmental Agency to construct the Project and any other evidence reasonably required by Bondowner Representative to verify that the Project will comply with all applicable Laws and Orders from any Governmental Agency necessary for the construction, lawful occupancy, use, and operation of the Project for its intended purpose when the construction work is completed.

3.1.21 Borrower provides evidence that all utilities and municipal services required for use and operation of the Project are installed and available in adequate capacity for use, or will be in place by completion of the construction of the Project and are available at budgeted cost including, if any, capacity charges.

3.1.22 Borrower provides and Bondowner Representative approves copies of all Organizational Documents of Borrower, General Partner and Guarantor.

3.1.23 Bondowner Representative receives a fully executed copy of the validly issued and effective allocation or reservation of Code Section 42 federal low income housing tax credits in an amount sufficient to support the full investment by Investor in an amount at least equal to the aggregate amount of the Equity Deposits.

3.1.24 Borrower receives and uses for Approved Construction Costs or deposits into the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture), as required pursuant to this Agreement, (a) the first Equity Deposit in the amount of \$ _____, (b) \$ _____ in equity from the General Partner, and (c) one hundred percent (100%) of Subordinate Loan proceeds, and Bondowner Representative receives evidence satisfactory to it that Borrower has received or has commitments to obtain the other Funding Sources in the amounts and at the times set forth in the Project Sources Schedule.

3.1.25 The representations and warranties made in this Agreement continue to be true and correct in all material respects.

3.1.26 Bondowner Representative receives and approves copies of the fully executed copies of the Subordinate Loan Documents and the Subordination Agreements, each in form and substance acceptable to Bondowner Representative.

3.1.27 Bondowner Representative receives and approves copies of the fully executed copies of the MHP Loan Standard Agreement, the MHP Loan Conditional Commitment, the MHP Loan Estoppel Agreement, the VHHP Loan Standard Agreement, the VHHP Loan Conditional Commitment, and the VHHP Loan Estoppel Agreement, each in form and substance acceptable to Bondowner Representative.

3.1.28 There is no uncured Event of Default or Prospective Default under the Loan Documents.

3.1.29 Borrower provides to Bondowner Representative evidence satisfactory to Bondowner Representative that Borrower has paid for all permits and other items described in Section 3.1.20.

3.1.30 Bondowner Representative receives and approves copies of the executed Property Management Agreement and the Development Agreement.

3.1.31 Bondowner Representative receives and approves a letter from all appropriate Governmental Agencies having jurisdiction and real property taxing power over the Project, or such other comfort as to real property taxation exemption matters as is deemed to be satisfactory in form and substance and from sources satisfactory to Bondowner Representative, evidencing that the Project is exempt from all real property taxation by such taxing authorities.

3.1.32 Bondowner Representative receives and approves the fully-executed AHAP Contract, in a form approved by Bondowner Representative, in its sole and absolute discretion, pursuant to which Contract Administrator commits to enter into a Section 8 Housing Assistance Payments Contract covering thirty-three (33) units in the Project and with a term of no less than _____ (____) years, and Borrower shall have executed the Assignment

of AHAP and Contract Administrator shall have consented in writing to such assignment, with such consent being in a form and substance approved by Bondowner Representative in its sole and absolute discretion.

3.1.33 Bondowner Representative receives and approves an executed original of an opinion of bond counsel and/or counsel for the Issuer, addressed to Bondowner Representative, opining as to the due execution, delivery and performance by the Issuer of the Bond Documents, the enforceability of the Bond Documents, and the availability of an exemption from federal and state income taxation for all interest accruing on the Bonds.

3.1.34 Bondowner Representative receives and approves the form of Form 8038 to be filed in connection with the Bonds.

3.2 Subsequent Disbursements. The following are conditions precedent to Bondowner Representative's obligation to make the second Disbursement and each and every Disbursement thereafter (including the final Disbursement):

3.2.1 Borrower pays the Contractor and the Contractor pays the subcontractors and materialmen for the work and materials covered by all prior Disbursement requests less the amount of the Retainage.

3.2.2 The construction work is being done in a good and workmanlike manner by appropriate means substantially in accordance with plans and specifications accepted by Bondowner Representative and all required inspections and approvals by Bondowner Representative and Governmental Agencies for that stage of construction have been obtained as and when necessary (as determined by Bondowner Representative or the applicable Governmental Agency).

3.2.3 No material or essential part of or interest in the Project has been lost permanently or for any significant period of time through condemnation (including voluntary transfers under the threat of condemnation), casualty, or other catastrophe.

3.2.4 The Title Insurance Company is willing to insure the validity and priority of Bondowner Representative's Lien in the Project as to the total Loan amount of \$ _____, subject only to the Permitted Encumbrances.

3.2.5 Borrower is substantially on time with respect to the construction schedule.

3.2.6 The Disbursement request ("**Draw Request**") is in the form attached to the Indenture and Borrower has provided all supporting documentation required by Bondowner Representative, including work progress certifications by the Architect and the Contractor, and approval as to quality and quantity of the work from the consultant named by Bondowner Representative, as well as invoices and, unless waived in writing by Bondowner Representative, unconditional lien claim waivers for work and materials covered by prior Disbursements and conditional lien claim waivers for work and materials covered under the current Disbursement request. Under all circumstances, Bondowner Representative reserves the right to request and

obtain at any time copies of any hard cost invoice/billing regardless of amount or subcontractor lien waiver regardless of contract price.

3.2.7 The representations and warranties made in this Agreement and the Guaranty continue to be true and correct in all material respects.

3.2.8 Borrower is in balance on the Loan (as defined in Section 5.2) and Approved Budget, and in Bondowner Representative's judgment Borrower can finish the Project and pay for it without additional money (other than any available and undisbursed Funding Sources identified in the Project Sources Schedule and all amounts held in the Bank-Restricted Account).

3.2.9 There is no uncured Event of Default or Prospective Default under the Loan Documents or the Construction Documents.

3.2.10 Bondowner Representative shall have received, for attachment to the Title Policy, a CLTA 122 date-down endorsement, or such other endorsement as may be approved by Bondowner Representative, in its sole discretion.

3.2.11 Borrower provides and Bondowner Representative accepts the list of all subcontractors and materials suppliers (identified in such list by name, address, phone number, and estimated subcontract amount) who will perform labor or services or provide materials associated with the construction work, together with, if requested by Bondowner Representative, copies of supporting subcontracts, bids, and proposals.

3.2.12 All Funding Sources shown on the Project Sources Schedule that are scheduled to be received by Borrower prior to the date of the requested Disbursement shall have been received by Borrower and applied to pay Approved Construction costs or deposited into the Bank-Restricted Account. In no event shall Bondowner Representative be required to advance (a) Loan funds in excess of the amount of the Loan, (b) Construction Loan funds in excess of the amount of the Construction Loan, or (c) Convertible Loan funds in excess of the amount of the Convertible Loan.

3.2.13 The Subordinate Loan Documents, the MHP Loan Standard Agreement and the VHHP Loan Standard Agreement, are in full force and effect and have not been modified or amended.

3.2.14 Any condition to closing set forth in Section 3.1 that was waived by Bondowner Representative at closing shall have been satisfied or waived again by Bondowner Representative.

3.3 Final Disbursement. The following are conditions precedent to Bondowner Representative's obligation to approve the final Disbursement (including the Retainage) and are in addition to the conditions stated in Sections 3.1 and 3.2:

3.3.1 Borrower accepts the Project as complete and Bondowner Representative reasonably concurs in that acceptance.

3.3.2 Borrower receives a final certificate of occupancy (or other written assurance reasonably satisfactory to Bondowner Representative) from the appropriate Governmental Agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy.

3.3.3 Bondowner Representative receives certificates from the Architect and Bondowner Representative's consultant that, based upon personal observations at adequate intervals (not less frequently than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the plans and specifications and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders from any Governmental Agency.

3.3.4 Borrower provides evidence satisfactory to Bondowner Representative that all hard and soft construction costs (other than fees and reserves that are not yet due and payable) will be paid in full from the final Disbursement or that any claims relating to any unpaid balance thereof will be waived by the person entitled thereto.

3.3.5 The period for filing construction lien claims has expired and the Contractor provides to Bondowner Representative and Bondowner Representative approves releases of liens from all potential lien claimants (provided that such releases may provide that they become effective upon payment of the amount specified therein from the sums due at final Disbursement).

3.3.6 The Title Policy is endorsed by the Title Insurance Company to show the Deed of Trust as a first priority lien, except for Permitted Encumbrances.

3.3.7 Bondowner Representative receives and accepts an AIA G704 Certificate of Substantial Completion, an AIA G706 Contractor's Affidavit of Payment of Debts and Claims, and the Contractor's final certificate of construction certifying that the Project has been completed in accordance with the Construction Documents and all applicable Laws.

3.3.8 Borrower provides evidence reasonably satisfactory to Bondowner Representative that all costs for personal property included in the Collateral will be paid in full from the final Disbursement.

3.3.9 The Architect certifies to Bondowner Representative that the Project, as constructed, complies with all applicable Laws and Orders from any Governmental Agency related to access by disabled Persons.

3.3.10 Borrower provides Bondowner Representative with a final as-built survey acceptable to Bondowner Representative, showing the location of all completed improvements.

3.3.11 Borrower has received the _____ installment of the Equity Deposits in the amount of \$_____, all of which shall have been applied to pay down the Loan.

3.3.12 Borrower shall have paid to Bondowner Representative all costs and expenses incurred by Bondowner Representative in connection with the Loan.

3.3.13 Receipt by Bondowner Representative of such other certificates (including without limitation G706 and G706A affidavits), assurances, and opinions as Bondowner Representative shall reasonably require and satisfaction of all other requirements, conditions, and covenants of this Agreement.

3.3.14 Bondowner Representative receives and approves certificates of insurance in form and substance satisfactory to Bondowner Representative, evidencing coverage of the completed Project in accordance with Bondowner Representative's insurance requirements.

SECTION 4. TERMS OF LOAN

4.1 Agreement to Lend. Upon satisfaction of the conditions set forth in Section 3, above, Bondowner Representative shall disburse proceeds of the Bonds to Bond Trustee, and Bond Trustee shall use the proceeds of the Bonds to disburse Loan proceeds to Borrower. The proceeds of the Loans shall be disbursed in the following order: first, the Convertible Loan shall be disbursed in full, and then, the Construction Loan shall be disbursed. Bond Trustee shall disburse proceeds of the Loans into the Construction Account, subject to the terms and conditions set forth herein. Disbursements of Loan proceeds will be made only for the purpose of financing the hard and soft costs of constructing the Project in accordance with the Construction Documents. The proceeds of the Loans will be disbursed in conformance with the Approved Construction Costs and Bondowner Representative's standard policies and procedures for disbursement of construction loans. Bondowner Representative will approve Disbursements only if and when all of the conditions precedent have been satisfied by Borrower to Bondowner Representative's satisfaction.

4.2 Promise of Repayment. Borrower promises and agrees to repay the Loans, plus interest, fees, and costs, in accordance with the terms of the Notes and the other Loan Documents. Interest shall accrue on each Disbursement of Loan proceeds commencing on the date of such disbursement in accordance with the terms of the applicable Note. Principal and interest on the Construction Loan shall be due and payable in the amounts and at the times set forth in the Construction Note. Principal and interest on the Convertible Loan shall be due and payable in the amounts and at the times set forth in the Convertible Note.

4.3 Security for Loan. Borrower promises and agrees to execute the Deed of Trust and any other Security Documents that are necessary in Bondowner Representative's judgment to create and perfect Bondowner Representative's Lien in the Collateral to secure payment of the Note and performance of the related obligations of Borrower to Bondowner Representative. Borrower hereby grants Bondowner Representative a Lien for the purpose of securing repayment of the Loan and performance of Borrower's obligations under the Loan Documents in any amount (whether the proceeds of the Loan or funds deposited by Borrower pursuant to Sections 5.3 or 5.4) deposited in any deposit or credit account with Bondowner Representative or any of its affiliates and such funds may not be withdrawn by Borrower or paid to any third person without the prior written consent of Bondowner Representative.

4.4 Loan Expenses. Borrower shall pay all fees, charges, and expenses incurred in connection with the procuring and closing of the Loan, disbursement and administration of the proceeds of the Loan and repayment of the Loan, including, without limitation, cost of title examination, title insurance premiums, survey costs, photocopy expenses, mortgage recording charges, escrow charges, appraisal fees, costs of foreclosure reports, documentary, transfer and tangible or other similar taxes, revenue stamps and architects' and engineers' services, consultant fees, and Bondowner Representative's attorneys' fees and expenses. With respect to collection of the debt or enforcement of this Agreement, Borrower agrees to pay attorneys' fees and collection costs even though no civil action is filed and, if a civil action or arbitration is filed, such additional sum as the trial judge, arbitrator, or the appellate court may adjudge reasonable as attorney fees in the action and the appeal, if any, along with statutory costs and disbursements, as set forth in Section 13.2 below.

4.5 Advances. Bondowner Representative shall have the right, but not the obligation, to pay taxes, assessments, charges, claims, liens, or encumbrances and to cause compliance with all applicable governmental requirements if Bondowner Representative considers it necessary to protect the validity or priority of Bondowner Representative's Lien in the Collateral and/or for prospects of repayment of the Loan. Such payments and expenses are repayable on demand with interest at the Default Rate.

4.6 Security for Expenses and Advances. The Deed of Trust and the other Security Documents shall secure repayment of any and all loan expenses of Bondowner Representative and all payments and advances made by Bondowner Representative hereunder to or for the account of Borrower or for the protection of its trust deed lien and Lien, whether or not the total of the Loan proceeds already disbursed plus such loan expenses, advances, and costs exceed the face amount of the Loan.

4.7 Accounts and Reserves. Borrower hereby pledges to Bondowner Representative, and grants a security interest to Bondowner Representative in, the Bank-Restricted Account, the Construction Account, and all amounts now or hereafter deposited therein, as additional security for all of Borrower's obligations under the Loan Documents.

4.8 Interest. Proceeds of the Loans may be used to pay interest on the Loans to the extent of the interest reserve in the Approved Budget.

4.9 Option to Extend the Construction Loan Maturity Date. Borrower shall have one (1) option to extend the Construction Loan Maturity Date for a period of six (6) months. Upon written request of the Borrower not less than thirty (30) and not more than ninety (90) days before the Construction Loan Maturity Date, Bondowner Representative will extend the Construction Loan Maturity Date from _____, 2022 (as used in this Section 4.9, the "**Initial Construction Loan Maturity Date**") to _____, 2022 (the "**Extended Construction Loan Maturity Date**"), provided that as of the date the Borrower requests the extension of the Construction Loan Maturity Date and as of the date of such extension:

4.9.1 No Event of Default and no Prospective Default shall have occurred and be continuing;

4.9.2 The _____ installment of the Equity Deposits and all other Funding Sources shall have been funded in accordance with Exhibit C;

4.9.3 The Loan is deemed to be in balance, as determined by Bondowner Representative in accordance with 4.10 of this Agreement;

4.9.4 Completion of construction has occurred in accordance with the Plan, as determined by Bondowner Representative, free and clear of all liens;

4.9.5 The Extension Fee, any applicable fee required to extend the forward interest rate lock with respect to the Convertible Note, and all other amounts due to Bondowner Representative shall have been paid;

4.9.6 All representations and warranties made by the Borrower, General Partner and Guarantor in this Agreement and the other Loan Documents shall be true and correct;

4.9.7 No Material Adverse Occurrence shall have occurred;

4.9.8 Borrower delivers to Bondowner Representative such documentation as Bondowner Representative may reasonably require in connection with such extension, all of which shall be in the form and substance acceptable to Bondowner Representative;

4.9.9 Borrower delivers to Bondowner Representative an endorsement to or reissuance of the existing Title Policy, bringing current the effective date of the coverage, stating that the coverage afforded by the Title Policy shall not be affected because of the extension and showing that there have been no liens or other exceptions to title against the Project from and after the date hereof, unless consented to in writing by Bondowner Representative;

4.9.10 Borrower delivers to Bondowner Representative evidence, in form and substance satisfactory to Bondowner Representative, that (a) all conditions set forth in Section 3.3 have been satisfied and (b) evidence that ninety percent (90%) of the units in the Project are occupied by tenants under lease forms approved by Bondowner Representative;

4.9.11 Borrower delivers to Bondowner Representative written evidence that General Partner, Guarantor, Investor, Special Limited Partner, and the Subordinate Lenders have consented to such extension.

4.9.12 The Partnership Agreement shall be in full force and effect and no default or ///[Event of Default]/// shall have occurred thereunder, and any outside date for the funding of the third installment of the Equity Deposits shall have been extended to a date not earlier than the Extended Construction Loan Maturity Date; and

4.9.13 The Subordinate Loan Documents, the AHAP Contract, the MHP Loan Standard Agreement and the VHHP Loan Standard Agreement shall be in full force and effect and no default or ///[Event of Default]/// shall have occurred thereunder, and any outside date for converting to the permanent phase under the Subordinate Loan Documents and any outside dates

for the funding of the MHP Loan, the VHHP Loan or the Successor Agency Loan shall have been extended to a date not earlier than the Extended Construction Loan Maturity Date.

4.10 Bond Fees and Expenses. Borrower agrees: (i) to pay to each of Bondowner Representative, Issuer and the Bond Trustee from time to time reasonable compensation for all services rendered by it (including, but not limited to, the reasonable compensation, expenses and disbursements of its agents and counsel) under the Indenture, the Bond Regulatory Agreement and any other agreements relating to the Bonds to which Bondowner Representative, Issuer or the Bond Trustee is a party, which shall include, without limitation, the Bond Trustee Annual Fee (collectively, “**Ordinary Fees and Expenses**”); (ii) except as otherwise expressly provided in the Indenture, this Agreement or such other agreements related to the Bond or the Project, to reimburse Bondowner Representative, Issuer and the Bond Trustee upon its request for all reasonable expenses, disbursements and advances (including reasonable counsel fees) incurred or made by Bondowner Representative, Issuer or the Bond Trustee (provided that Bondowner Representative shall not be required to make advances) in accordance with any provision of the Indenture or other agreements to which Bondowner Representative, Issuer or the Bond Trustee is a party (including, but not limited to, the reasonable compensation and the expenses and disbursements of its agents and counsel and the cost of printing the Bond), except any such expense, disbursement or advance (provided that Bondowner Representative or the Bond Trustee shall not be required to make advances) as may be attributable to its gross negligence or willful misconduct, (iii) to pay to an arbitrage consultant reasonable compensation for all services rendered by it, and (iv) to pay to the Bond Trustee any rebatable arbitrage required to be paid to the federal government. This obligation shall remain valid and in effect notwithstanding repayment of the Loans hereunder or termination of this Agreement.

SECTION 5. SUFFICIENCY OF FUNDS TO COMPLETE CONSTRUCTION

5.1 Loan In Balance. Prior to the Conversion Date, notwithstanding anything in this Agreement or the Loan Documents to the contrary, the Loan being made hereunder shall at all times be “in balance” as set forth in Section 5.2, and Bondowner Representative shall have no obligation to make any Disbursement or perform any other act unless and until the Loan is in balance.

5.2 Definition of In Balance. Prior to the Conversion Date, anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the Loan at all times shall be in balance. The Loan shall be deemed to be in balance only when the sum of the undisbursed Loan proceeds, plus any undisbursed Funding Sources that are scheduled to be disbursed during the Construction Period, plus any additional funds deposited in the Construction Fund equals or exceeds the amount necessary to complete the Improvements, as determined by Bondowner Representative. The cost of completion of the Improvements shall be based upon Bondowner Representative’s estimate of the cost of construction from time to time to pay for all work and labor done or to be done and all materials furnished or to be furnished for the completion of the construction of the Improvements in accordance with the plans and specifications approved by Bondowner Representative, and also to pay the amounts necessary for the estimated or actual costs of professional services, start-up expenses, tenant finish improvements, leasing commissions, initial operating deficits, including all operating expenses and interest expenses through the date Bondowner Representative projects Operating Revenues

to equal (or exceed) Operating Expenses, and all other non-construction costs associated with the Loan and with Borrower's actual or proposed use of the Project and Improvements. If for any reason the Loan is not in balance, regardless of how such condition may be caused, then Bondowner Representative may suspend disbursement of Loan proceeds and Borrower shall deposit with Bondowner Representative within ten (10) days of demand funds sufficient to bring the Loan in balance, as determined by Bondowner Representative. Bondowner Representative will not be obligated to make further disbursements hereunder until Borrower complies with Bondowner Representative's demand. The amount so deposited shall be disbursed to pay for the cost of completion of the Improvements before any additional Loan proceeds will be disbursed. If Bondowner Representative determines that the Loan is not in balance as described above and Borrower fails to deposit with Bondowner Representative, within ten (10) days of demand, sufficient funds to bring the Loan back in balance, this shall be deemed an Event of Default.

5.3 Additional Deposit. In the event that Bondowner Representative notifies Borrower in writing that the Loan is not in balance, Borrower promises to deposit into the Bank-Restricted Account within 10 days after Borrower's receipt of such notice the amount of additional equity money that Bondowner Representative specifies as being necessary to balance the Loan. This additional equity money will be disbursed prior to Disbursement of any Loan proceeds.

5.4 Sources of Funds. Borrower agrees to deposit in the Bank-Restricted Account the Equity Deposits and the other Funding Sources in the amount and at the times set forth in the Project Sources Schedule.

SECTION 6. DISBURSEMENTS

6.1 Disbursements Generally.

6.1.1 Bondowner Representative will approve Disbursements not more than once a month within 10 Business Days after (a) Borrower submits to Bondowner Representative a Disbursement requisition prepared by Borrower in proper form with all supporting documentation reasonably required by Bondowner Representative's construction loan administrators, and (b) Bondowner Representative determines that Borrower has satisfied all conditions precedent to such Disbursement. Disbursements will be made based on actual costs incurred and not to exceed a line item percentage-of-completion basis as determined by the Architect and as verified by Bondowner Representative. If costs are incurred in excess of any line item in the budget approved by Bondowner Representative, funds may be reallocated from the applicable contingency reserve line item or from other line items, in each case, subject to Bondowner Representative's prior written approval. The Borrower shall submit a Draw Request in the form attached to the Indenture (together with all other documentation required by Bondowner Representative to fund such Draw Request) monthly to Bondowner Representative, whether such Draw Request is funded from Loan proceeds or any other Funding Sources. In addition to the other terms and conditions for Disbursement set forth herein, Bondowner Representative shall make a Disbursement only after Bondowner Representative receives and approves an inspection report from its consultant to evaluate any Draw Request, whether such Draw Request is funded from Loan proceeds or any other Funding Sources. No proceeds of the Bonds shall be disbursed after December 31, 2023, unless an opinion of bond counsel is

delivered, which opinion states that such Disbursement will not adversely affect the exclusion of interest on the Bonds from gross income of the holder of the Bonds.

6.1.2 Subject to satisfaction of the conditions for Disbursements set forth herein, (a) except with respect to the advance of Loan proceeds for the payment of any and all accrued but unpaid interest on the Loan, Bondowner Representative will make Disbursements of Loan proceeds to Bond Trustee for disbursement into the Construction Account, (b) Bondowner Representative may make and/or approve monthly Disbursements of Loan proceeds for payment when due of any and all accrued but unpaid interest on the Loan directly to Bondowner Representative without the prior request or consent of Borrower, and (c) Bondowner Representative will approve Disbursements of other Funding Sources from the Bank-Restricted Account to the Construction Account. All funds on deposit in the Bank-Restricted Account shall be disbursed in full, prior to the disbursement of any Loan proceeds.

6.1.3 Bondowner Representative shall decide, in its sole discretion, whether to disburse Loan proceeds for work and materials not yet installed or incorporated into the Project, regardless of whether such materials are stored on-site, off-site, or for deposits for materials or equipment. In order for Bondowner Representative to consider any request to disburse Loan proceeds for deposits or materials stored off-site that are not yet incorporated into the Project (any such materials, the "Stored Materials" or "Deposits" as applicable), Borrower shall provide evidence satisfactory to Bondowner Representative (a) that the Stored Materials are stored at a bonded warehouse or storage yard acceptable to Bondowner Representative; (b) that, should Bondowner Representative so require, the seller or fabricator of the Stored Materials and/or Deposits, as well as the warehouse or yard, has been notified that Bondowner Representative has a security interest in the Stored Materials and/or Deposits; (c) that the Stored Materials and/or Deposits are protected against theft or damage; (d) that the Stored Materials and/or Deposits are adequately identified as belonging to Borrower and are segregated from materials and equipment not intended to be incorporated into the Project; (e) the Stored Materials and/or Deposits are fully insured against theft, damage, or destruction for the full insurable value, including coverage while in transit, covered by insurance satisfactory to Bondowner Representative under a policy that names Bondowner Representative as the loss payee and as an additional insured on such policies and (f) that the Stored Materials and/or Deposits are free and clear of any other liens. If applicable and requested by Bondowner Representative, Bondowner Representative shall be provided with the original warehouse receipt for any such Stored Materials. If such materials are not, in Bondowner Representative's opinion, adequately covered by the security agreement contained in the Deed of Trust, Borrower shall deliver to Bondowner Representative such security agreements and financing statements executed by the appropriate persons, sufficient to give Bondowner Representative a perfected first lien priority security interest in such materials. Notwithstanding any security agreements, financing statements, or other evidence or documents provided by Borrower to Bondowner Representative in connection with a request to disburse Loan proceeds for unincorporated materials, Bondowner Representative may, at its reasonable election, deny any request to disburse Loan proceeds to pay for such materials.

6.2 Requisition Form. Each Disbursement requisition will be supported by a non-negotiable order of Disbursement and certificate that will be in a form acceptable to Bondowner Representative, signed by Borrower's authorized representative on its behalf, and approved and

countersigned by the Architect or a consultant approved by Bondowner Representative. Each such Disbursement requisition will set forth in trade breakdown form and in such detail as Bondowner Representative may require the amounts expended or costs incurred for work done and material for which payment is requested, and will be accompanied by copies of invoices and all other documents required by Bondowner Representative's construction loan administrators, including without limitation forms AIA G702 and AIA G703. Bondowner Representative may impose an additional fee for any extra services, such as draws more than once per month, provided to Borrower.

6.3 Hard Costs. Disbursements to cover hard construction costs will be made only for materials incorporated into the improvements or stored on the Property in a prudent manner in a secure area as determined by Bondowner Representative. Disbursements for stored materials and equipment (not yet installed and in place on the Property) or for deposits may be made at the sole discretion of Bondowner Representative. Any funding against materials or equipment stored offsite shall, at a minimum, require: (a) evidence satisfactory to Bondowner Representative that the materials are stored in a bonded warehouse or storage yard approved by Bondowner Representative, and the warehouse or yard and seller or fabricator have been notified that Bondowner Representative has a security interest in the subject materials, (b) receipt by Bondowner Representative of the original warehouse receipt, if applicable and requested by Bondowner Representative, (c) evidence satisfactory to Bondowner Representative that the materials are protected against theft or damage and have been suitably identified as belonging to Borrower, (d) evidence satisfactory to Bondowner Representative that Bondowner Representative's security interest in the materials is perfected and that the materials are free of any other liens, and (e) the materials are covered by insurance satisfactory to Bondowner Representative and Bondowner Representative is named as an additional insured or loss payee.

6.4 Soft Costs. Each monthly Disbursement requisition may include soft costs, as well as hard costs, and will include the same documentation for soft costs as is provided above for hard costs but no Architect's certificate will be necessary for Disbursements relating to soft costs. Funds shall be disbursed to cover soft costs only as required to cover actual costs incurred by Borrower for soft costs included in the Approved Budget.

6.5 Retainage. All interim Disbursements will be equal to (a) 100 percent of approved hard construction costs covered by the Disbursement less the Retainage and (b) 100 percent of the approved soft construction costs covered by the Disbursement. The Retainage will be retained by Bondowner Representative until the conditions for the final Disbursement specified in Section 3.3 have been satisfied.

6.6 Developer Fee. The Developer Fee shall be paid from Equity Deposits in accordance with the schedule attached hereto as Exhibit C-2, provided that the Deferred Developer Fee shall not be disbursed until after the Conversion Date. No portion of the Developer Fee shall be paid from Loan proceeds.

6.7 General Contractor's Certificate/Lien Waivers. Bondowner Representative may require, in connection with each Disbursement for hard construction costs, that (a) the Contractor certify to Bondowner Representative that the work or materials for which payment is requested has been properly and completely performed or, in the case of materials, conform to

the order, have been delivered to the Project and are prudently stored, the work and/or materials are included in the plans and specifications, are within the amounts included in the Approved Construction Costs, (b) the Contractor and each subcontractor or vendor provide conditional lien releases for the current pay period and unconditional lien releases for the prior pay period, each in recordable form covering the labor or materials for which payment is requested, and (c) Borrower deliver to Bondowner Representative title endorsements evidencing that there are no Liens against the Property other than Permitted Encumbrances, which endorsements shall be in form and substance approved by Bondowner Representative, in its sole discretion.

6.8 Approved Construction Costs. Bondowner Representative will not be required to approve Disbursements for any item in an amount greater than the amount scheduled for such item in the Approved Construction Costs (except for change orders within the limits set forth in Section 7.19 below). Changes in items are subject to prior written approval of Bondowner Representative. The line items in the Approved Budget designated for “soft cost contingency” and “hard cost contingency” represent the amounts necessary to provide reasonable assurances to Bondowner Representative that additional funds are available to be used for hard costs or soft costs, as applicable, if the allowances for Approved Construction Costs are not sufficient or if additional unexpected costs and expenses are incurred. Borrower may from time to time request that portions of the hard cost contingency line item be reallocated to other Approved Construction Costs line items for hard costs. Borrower may from time to time request that portions of the soft cost contingency line item be reallocated to other Approved Construction Costs line items for soft costs. Such requests shall be subject to Bondowner Representative’s written approval, which shall not be unreasonably withheld. Any approved reallocation of the hard cost contingency line item shall be in amounts commensurate with the percent completion of construction.

6.9 Lien Claims. In the event construction or other Liens (other than Permitted Encumbrances) are claimed or recorded against the Property, Bondowner Representative shall have the right to withhold approval of all Disbursements and to reserve sufficient Loan proceeds to pay 150 percent of the Lien amount, to direct disbursement to the claimant for the account of Borrower, or to direct disbursement by check payable jointly to Borrower and the claimant.

6.10 Prospective Default. Bondowner Representative may suspend its obligation to make Disbursements to Borrower at any time a Prospective Default has occurred and is continuing.

6.11 No Waiver. To the extent that Bondowner Representative has approved a Disbursement without requiring Borrower then to strictly comply with the terms of this Agreement, that leniency shall not constitute a waiver or grounds for estoppel and Bondowner Representative at any time thereafter may insist on strict compliance to avoid default by Borrower.

SECTION 7. COVENANTS

Borrower covenants and agrees as follows:

7.1 [Intentionally Omitted].

7.2 Good Standing. Borrower will maintain its legal status and licenses and pay all taxes and annual fees in connection therewith.

7.3 Law Compliance. Borrower will comply with all Laws and Orders from any Governmental Agency applicable to Borrower and the ownership, improvement, construction, occupancy, leasing, and operation of the Project.

7.4 Insurance. Borrower will obtain and maintain with responsible carriers reasonably acceptable to Bondowner Representative the insurance coverage specified in Section 3.1.9 and by the Security Documents and provide evidence of such insurance coverage when and as reasonably required by Bondowner Representative.

7.5 Quality of Work. The construction work will be performed in a good and workmanlike manner substantially in accordance with the Construction Documents and applicable Laws and Orders from any Governmental Agency and Borrower will provide to Bondowner Representative copies of the inspection certificates issued by the Architect and the appropriate Governmental Agencies.

7.6 Permits. Borrower has obtained or will obtain all permits required for construction of the Project, prior to commencing construction.

7.7 Taxes and Impositions.

7.7.1 Borrower shall pay, prior to delinquency, all of the following (collectively, the “**Impositions**”): (a) all general and special real property taxes if not abated or otherwise exempted and assessments due and owing on the Property; (b) all other due and owing taxes and assessments and charges of every kind that are assessed upon the Property (or upon the owner and/or operator of the Property) and that create or may create a lien upon the Property (or upon any personal property or fixtures used in connection with the Property), including, without limitation, non-governmental levies and assessments pursuant to applicable covenants, conditions or restrictions; and (c) all license fees, taxes and assessments imposed on Bondowner Representative which are measured by or based upon (in whole or in part) the amount of the obligations secured by the Property. If permitted by law, Borrower may pay any Imposition in installments (together with any accrued interest). Borrower shall deliver to Bondowner Representative within 10 days following the due date of any Imposition, evidence of payment acceptable to Bondowner Representative. Immediately upon request of Bondowner Representative, Borrower shall establish with Bondowner Representative an escrow account or other impound in form and substance acceptable to Bondowner Representative with respect to any Imposition (whether or not delinquent) and thereafter commence monthly deposits thereto in the amount specified by Bondowner Representative as necessary to pay such Impositions from time to time when due and payable. The immediately foregoing sentence shall apply in each instance without regard to the general availability of and Borrower’s pursuit of exemptions for such Impositions (in whole or in part) whether in respect of real property taxes or otherwise.

7.7.2 Within 90 days after the Closing Date and thereafter within 120 days after the end of each tax year, there shall be provided to Bondowner Representative letters or certificates from all Governmental Agencies having real property taxing power over or other

similar jurisdiction over the Project to the effect that the Project is and will remain exempt from all real property taxation for the immediately succeeding tax year or, if different, the immediately succeeding real property taxation assessment, levy, and collection cycle for the taxing authority; provided that, in lieu of such letters, Borrower may, with the prior, written consent of Bondowner Representative, provide such other comfort as to real property taxation exemption matters as is deemed to be satisfactory in form and substance and from sources (including without limitation, opinions of counsel) satisfactory to Bondowner Representative.

7.8 Accounts and Disbursements. Borrower shall maintain the Construction Account, the Bank-Restricted Account and all other accounts with Bondowner Representative. Borrower shall deposit or cause to be deposited into the Bank-Restricted Account (a) all amounts required to be deposited pursuant to Sections 5.3 and 5.4, and (b) amounts described in Sections 1.3 and 1.12 of the Deed of Trust relating to casualty insurance and condemnation proceeds. Bondowner Representative shall cause Bond Trustee to deposit all Disbursements (whether from Bond or Loan proceeds or other Funding Sources) for Approved Construction Costs into the Construction Account. Bondowner Representative shall deposit or cause to be deposited all Disbursements from other Funding Sources for Approved Construction Costs into the Construction Account. All amounts deposited in the Construction Account and Bank-Restricted Account shall be disbursed solely to pay Approved Construction Costs or, if applicable with respect to amounts described in Sections 1.3 and 1.12 of the Deed of Trust, to repair, rebuild and restore the Project on the same terms, and subject to the same conditions, that proceeds of the Loan are to be disbursed under this Agreement. All funds in the Construction Account and the Bank-Restricted Account are subject to the pledges described in the Loan Documents.

7.9 No Liability for Disbursements. Under no circumstances shall Bondowner Representative be responsible or liable to any Person, including, without limitation, Borrower, Guarantor or any Partner for or on account of any disbursement of, or the failure to disburse, any of the proceeds of the Loan (or any portion thereof). The foregoing shall be in addition to all other limitations on the responsibility and liability of Bondowner Representative set forth in this Agreement.

7.10 Affordability Compliance and Covenant Reporting. Within 120 days after December 31, 2021 and the end of each Fiscal Year thereafter, Borrower shall deliver to Bondowner Representative a Compliance Certificate, in the form of Exhibit D, signed by Borrower to the effect that for the immediately preceding annual period no default or Event of Default shall have occurred under the Regulatory Agreements or the Loan Documents and that as of the end of the immediately preceding annual period and as of the date of such certificate, no Event of Default or Prospective Default exists.

7.11 Compliance and Cooperation in Enforcement of Regulatory Agreements. Borrower hereby covenants and agrees as follows:

7.11.1 to comply and cause compliance with all provisions of the Regulatory Agreements;

7.11.2 to advise Bondowner Representative, Issuer and Bond Trustee in writing promptly upon learning of any default with respect to the covenants, obligations and agreements of Borrower set forth in the Regulatory Agreements;

7.11.3 upon written direction by Bondowner Representative, to cooperate fully and promptly in enforcing the terms and provisions of the Regulatory Agreements; and

7.11.4 to file in accordance with the time limits established by the Regulatory Agreements, as applicable, all reports and certificates required thereunder.

Borrower Representative shall not incur any liability in the event of any breach or violation of the Regulatory Agreements, and Borrower agrees to indemnify Bondowner Representative from any claim or liability for such breach or purported breach thereof.

7.12 Financial and Covenant Compliance Reporting Requirements.

7.12.1 Annual Financial Statements. Not more than 120 days after the Fiscal Year ending December 31, 2020, and within 120 days after the end of each Fiscal Year thereafter, Borrower shall deliver to Bondowner Representative (a) an audited balance sheet for Borrower as of the end of such Fiscal Year and an audited statement of profit and loss for Borrower and for Borrower's operations in connection with the Property for such Fiscal Year, together with all supporting schedules and (b) the opinion of an independent certified public accountant acceptable to Bondowner Representative stating that such materials (i) were prepared in accordance with generally accepted accounting principles applied on a consistent basis, (ii) fairly present Borrower's financial condition, (iii) show all material liabilities, direct and contingent, (iv) fairly present the results of Borrower's operations, and (v) disclose the existence of any hedge and/or off-balance sheet transactions. Borrower shall also deliver to Bondowner Representative, or cause Guarantor to deliver to Bondowner Representative, within 180 days after the end of each Fiscal Year, audited financial statements for Guarantor in form and substance satisfactory to Bondowner Representative.

7.12.2 Monthly Operating Statements. Commencing with the first calendar month after the month in which completion of construction occurs, and for each calendar month thereafter until the Conversion Date, Borrower shall prepare and deliver to Bondowner Representative, within 30 days after the end of each calendar month, an operating statement for the Property for the month then ended, together with a current rent roll and leasing status report for the Property, each certified by Borrower as being true and correct in all material respects and in form and substance satisfactory to Bondowner Representative. Borrower shall also deliver to Bondowner Representative, concurrently with Borrower's delivery of the monthly operating statement and monthly rent roll for the Property described above, a cash flow statement for the Property for the month then ended (to the extent not reflected in the monthly operating statement), in form and substance satisfactory to Bondowner Representative.

7.12.3 Quarterly Operating Statements. Commencing with the first calendar quarter after the quarter in which Conversion occurs, and for each calendar quarter thereafter, Borrower shall prepare and deliver to Bondowner Representative, within 30 days after the end of each calendar quarter, an operating statement for the Property for the month then ended, together

with a current rent roll and leasing status report for the Property, each certified by Borrower as being true and correct in all material respects and in form and substance satisfactory to Bondowner Representative. Borrower shall also deliver to Bondowner Representative, concurrently with Borrower's delivery of the quarterly operating statement and quarterly rent roll for the Property described above, a cash flow statement for the Property for the quarter then ended (to the extent not reflected in the quarter operating statement), in form and substance satisfactory to Bondowner Representative.

7.12.4 Affordability Compliance, Covenant and Tax Exemption Reporting. Within 120 days after the end of each Fiscal Year, Borrower shall deliver to Bondowner Representative the Compliance Certificate described in Section 7.10. Within 90 days after the Closing Date and thereafter within 120 days after the end of each tax year, Borrower shall deliver to Bondowner Representative evidence of tax exemption as required pursuant to Section 7.7.2.

7.12.5 Operating Budget. By December 31, 20___, and by December 1 of each Fiscal Year thereafter, Borrower shall deliver to Bondowner Representative an operating budget for the upcoming Fiscal Year.

7.12.6 Other Reports. Upon Bondowner Representative's request, Borrower shall deliver to Bondowner Representative, and shall cause Guarantor to deliver to Bondowner Representative, a credit report and such other information reasonably requested by Bondowner Representative.

7.13 Inspections and Inquiries. Borrower hereby grants Bondowner Representative, Issuer and Bond Trustee the right at all times to: (a) inspect and photocopy the books and records (including those kept in electronic form) of Borrower regarding the Project and the Collateral; (b) inspect the Project, the progress of construction, and all materials stored on other real estate; (c) perform environmental and other engineering tests on the Project and the Property; (d) obtain from and discuss with the Architect, the surveyor, and the Contractor all information within the possession or control of such Persons that is pertinent to the Project and the construction work; and (e) verify the status of performance and payment of all subcontracts and purchase orders for materials directly with all subcontractors and suppliers of materials.

7.14 Disclosure. Borrower will keep Bondowner Representative and Issuer fully informed at all times as to the legal status and financial condition of Borrower and Guarantor. Borrower will disclose to Bondowner Representative all material facts and developments regarding the Collateral, including any facts that are necessary to make all previous disclosures and representations not misleading.

7.15 Use of Proceeds. Borrower will use the proceeds of the Loan solely and exclusively for the uses and purposes specified in the Approved Budget.

7.16 Payment of Debts. Borrower will pay and perform its debts and obligations to Bondowner Representative when due under the Loan Documents and will reimburse Bondowner Representative on demand for all advances made by Bondowner Representative pursuant to Section 4.5 and for all costs and expenses incurred by Bondowner Representative as set forth in

Section 4.4 hereof. Borrower will pay and perform its debts and obligations to third parties, including tenants and prospective tenants at the Project, when due.

7.17 Indemnity.

7.17.1 Indemnification of Bondowner Representative. Borrower will indemnify, defend, and hold harmless Bondowner Representative from and against all claims and causes of action (and any resulting liability, cost, or expense) that are asserted against Bondowner Representative and arise from or relate to the Project or Borrower's ownership, construction, or operation of the Project or Borrower's failure to comply with applicable Laws. Borrower's obligations under this Section 7.17 shall survive repayment of the Loan and Bondowner Representative's taking possession of the Property through foreclosure, deed-in-lieu, or otherwise.

7.17.2 Indemnification of Issuer and Bond Trustee. To the fullest extent permitted by law, without limiting the indemnity provided in the Bond Regulatory Agreement, Borrower releases and agrees to indemnify, hold harmless and defend, regardless of whether Borrower is negligent, the Issuer, the County of Los Angeles, Bond Trustee, and each of their respective staff, directors, officials, officers, employees, supervisors, counsel, attorneys, and agents, past, present and future of each of them (and as to Issuer, members of its governing body) and any person who controls Issuer or Bond Trustee within the meaning of the Securities Act of 1933 (collectively, as used in this Section, the "**Indemnified Parties**"), from and against any and all losses, damages, claims, demands, actions, liabilities, taxes (other than income taxes payable by any party as a result of any fees payable to such parties in connection with the transaction contemplated hereby), causes of action, suits, judgments of any nature, joint or several, cost and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees and expenses, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments), except those arising out of the Indemnified Parties' gross negligence or willful misconduct, to which the Indemnified Parties, or any of them, may be subject under any statutory law (including federal or state securities laws) or at common law or otherwise, by or on behalf of any person, arising out of or based upon or in any way relating to:

(a) The transactions provided for in the Loan Documents or the Indenture or otherwise in connection with the Project, the Bonds, the Loans, or the execution and delivery or amendment of any other document entered into in connection with the transactions provided for in the Indenture or the Loan Documents (however, in no case shall payment of the Notes be a recourse obligation);

(b) The approval of the financing for the Project or the making of the Loans;

(c) The issuance and sale of the Bonds or any certifications or representations made by any person other than the Indemnified Party seeking the indemnification;

(d) Any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Indenture, the Loan Documents or any other documents relating to the Project or the Bonds or in connection with any federal or

state tax audit or any questions or other matters arising under such documents (however, in no case shall payment of the notes be a recourse obligation);

(e) The carrying out by the Borrower of any of the transactions provided for in the Indenture or the Loan Documents;

(f) Any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss or use of property) or persons, occurring or allegedly occurring in, or on or about the Project or arising out of any action or inaction of the Borrower, whether or not related to the Project, or resulting from or in any way connected with the acquisition and construction or management of the Project, the issuance of the Bonds or otherwise in connection with the transactions contemplated or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Project or the Bonds;

(g) Any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, rehabilitation, construction, repair or equipping of, the Project or any part of it, including, but not limited to, the Americans with Disabilities Act, if applicable (as evidenced by an architect's certificate to such effect);

(h) Any act or omission of Borrower or any of its agents, contractors, servants, constituent partner, employees or licensees or any contractor, subcontractor, or material supplier, engineer, architect or other person in connection with the Loans, the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it (however, in no case shall payment of the Notes be a recourse obligation);

(i) Any lien or charge upon payments by Borrower to Issuer or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Bond trustee in respect of any portion of the Project;

(j) Any violation of any environmental laws, rules or regulations with respect to, or the release of any toxic or hazardous substances from, the Project or any part thereof;

(k) The defeasance and/or redemption, in whole or in part, of the Bonds;

(l) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, the Project or the Borrower, or the Tax Certificate executed by the Borrower, or any other certificate executed by the Borrower, or any omission or alleged omission from any

offering statement or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(m) Any declaration of taxability of interest on the Bonds, or allegations (or regulatory inquiry) that interest on the Bonds is taxable, for federal tax purposes;

(n) Bond Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under this Agreement, the Bond Regulatory Agreement or any of the documents relating to the Bonds to which it is a party except for claims arising from the Bond Trustee's administration where such is a result of actions contrary to the Bond Trustee's duties or obligations;

(o) The failure of Borrower to perform any obligations not set forth above as and when required by this Agreement, the Bond Regulatory Agreement or any of the other Loan Documents (however in no case shall payment of the Notes be a recourse obligation); and

(p) Any failure at any time of any of Borrower's representations or warranties to be true and correct.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Agreement or the Bond Regulatory Agreement, Borrower shall remain obligated to indemnify the Indemnified Parties pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Indemnified Parties have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder, or the Indemnified Parties, in such case, shall have executed a full and unconditional release of Borrower.

Borrower shall promptly pay to the Indemnified Parties upon demand any amounts owing under this indemnity, together with interest from the date the indebtedness arises until paid at the rate of interest applicable to the principal balance of the Notes. The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses hereunder shall survive the final payment or defeasance of the Bonds and in the case of Bond Trustee any resignation or removal. The provisions of this Section shall survive the termination of this Agreement, reconveyance or partial reconveyance, payment of the Bonds or discharge of the Indenture.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and Borrower shall pay the reasonable fees and expenses of

such separate counsel, if the Indemnified Party, upon the advice of counsel, determines that a conflict of interest exists or could arise between the Indemnified Parties and the interests of the Borrower or such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

Borrower understands and agrees that the foregoing release includes all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, and Borrower has read and understands and hereby waives the benefits of, Section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor”.

Borrower acknowledges that it may hereafter discover facts different from or in addition to those which it now knows or believes to be true with respect to the foregoing release by Borrower and agree that the foregoing release shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery thereof.

7.18 Satisfaction of Conditions. Borrower will, at Borrower’s sole cost, take all actions necessary to cause each and every condition precedent described in Section 3 hereof to be satisfied.

7.19 Change Orders. Unless Borrower obtains Bondowner Representative’s prior written consent, Borrower will not make or authorize (a) any changes in the line items in the Approved Budget or (b) any changes or additions to the Project or the Approved Budget except for changes that (i) do not cost more than \$50,000 individually or \$100,000 in the aggregate and (ii) do not diminish the scope, quality, or value to the Property. Bondowner Representative may require the deposit of additional funds deemed necessary by Bondowner Representative to cover any increased cost and evidence of consent to the change orders by Subordinate Lenders.

7.20 No Transfers. Except for Permitted Transfers (as defined in the Deed of Trust), Borrower will not transfer, convey, assign, mortgage, pledge, or encumber all or any part of or interest in Borrower, the Property or the Project.

7.21 Liens. Borrower shall not at any time grant or permit to exist any Lien in any or all of its presently owned or hereafter acquired real or personal property, except for Permitted Encumbrances.

7.22 Rental Units. Borrower shall rent (a) _____ (___) units in the Project to households whose income is at or below _____ percent (___%) of median family income for Los Angeles County, California, at the time that a household initially occupies that unit, and (b) _____ (___) units in the Project to households whose income is at or below _____ percent (___%) of median family income for Los Angeles County, California, at the time that a household initially occupies that unit.

7.23 Reserve Accounts. Borrower shall open the Replacement Reserve Account and the Operating Reserve Account on or prior to the Conversion Date and thereafter shall maintain the Replacement Reserve Account and the Operating Reserve Account in the amounts and subject to the terms and conditions set forth in the Reserve and Security Agreement.

7.24 Limitations on Additional Indebtedness and Other Transactions. Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, incur any indebtedness of any kind other than the indebtedness to Bondowner Representative under the Loan Documents and the indebtedness described in the Project Sources Schedule (provided that such indebtedness shall have been subordinated to all indebtedness to Bondowner Representative). In addition to the foregoing, Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, enter into, engage in or benefit from any off balance sheet or hedge transactions, including, without limitation, interest rate swap agreements.

7.25 Tax Credit Allocation; Tax Credits. Borrower shall take or cause to be taken all actions necessary to maintain the allocation of LIHTC awarded to Borrower prior to the Closing Date (“**Allocation**”). Borrower shall not and shall not cause or allow any party to amend, supplement, restate, rescind or allow to lapse or expire the Allocation. Borrower shall satisfy all conditions precedent to the eligibility for and issuance of the LIHTC as soon as reasonably possible and in any event prior to the date upon which the allocation of tax credits described herein would expire or lapse. Borrower shall comply, and cause the Project to comply, with all requirements imposed by the Code, the applicable Laws and orders from any Governmental Agency, and/or by Governmental Agencies in order to preserve the LIHTC in the full amount provided in the Allocation. Without limiting the foregoing, Borrower shall timely file all certifications and reports required in connection with the LIHTC, and if requested shall deliver copies of such certifications and reports to Bondowner Representative concurrently with the filing of the same.

7.26 Equity Deposits. Borrower shall take and cause to be taken all actions necessary under the Partnership Agreement or otherwise to cause the Investor to timely and fully make the Equity Deposits in the amounts and at the times set forth in Exhibit C-1. Prior to the Conversion Date, all such Equity Deposits shall be promptly deposited by Borrower either into escrow on the Closing Date or into the Bank-Restricted Account.

7.27 No Amendments to Partnership Agreement; Exception. The Partnership Agreement shall not be amended, supplemented or restated, in whole or in part, without the prior, written consent of Bondowner Representative.

7.28 Further Assurances. Borrower shall execute and deliver any and all instruments, agreements and documents and shall take such other action as may be necessary or desirable in the opinion of Bondowner Representative to maintain, perfect or insure Bondowner Representative’s security provided for herein and in the other Loan Documents, including the filing or recording of UCC renewal statements or amendments, the execution of such amendments to the Deed of Trust and the other Loan Documents and the delivery of such endorsements to the Title Insurance Company, all as Bondowner Representative reasonably

requires, and shall pay all fees and expenses (including attorneys' fees) related thereto or incurred by Bondowner Representative in connection therewith.

7.29 Limitations on Additional Indebtedness and Other Transactions. Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, incur any indebtedness of any kind other than (a) the indebtedness to Bondowner Representative under the Loan Documents and (b) the indebtedness described in the sources of funds listed on Exhibit C (provided that such indebtedness shall have been subordinated to all indebtedness to Bondowner Representative). In addition to the foregoing, Borrower shall not, without the prior written consent of Bondowner Representative granted in its sole discretion, enter into, engage in or benefit from any off balance sheet or hedge transactions, including, without limitation, interest rate swap agreements.

7.30 Required Debt Service Coverage Ratio. Commencing with the calendar year ending on December 31, 20___, Borrower shall maintain, on an annual basis, a Debt Service Coverage Ratio of at least 1.10 to 1.00 based on the operating data and Project performance for the immediately preceding calendar year; provided that, in the event the Debt Service Coverage Ratio falls below 1.10 to 1.00 for any calendar year, the same shall not, in and of itself, constitute an Event of Default hereunder so long as the following requirements are timely satisfied:

7.30.1 In the event the Debt Service Coverage Ratio for any calendar year is less than 1.10 to 1.00, Borrower agrees to (i) prepare and submit to Bondowner Representative, within 45 days after notice from Bondowner Representative that the Debt Service Coverage Ratio test has not been met, a corrective action plan reasonably satisfactory to Bondowner Representative explaining in sufficient detail why the Debt Service Coverage Ratio was less than 1.10 to 1.00 for the immediately preceding calendar year and what steps will be taken and diligently pursued to ensure that the required 1.10 to 1.00 Debt Service Coverage Ratio will be met for the then current calendar year, and (ii) comply with, and diligently pursue, the corrective action plan until the Debt Service Coverage Ratio for any subsequent calendar year is at least 1.10 to 1.00, provided the Investor shall have the right to cure any failure to comply with and diligently pursue the corrective action plan by removing and replacing the General Partner (subject to the terms of Section ///[4.5(e)]/// of the Deed of Trust) with a new general partner that complies with and diligently pursues the corrective action plan within 30 days after such replacement;

7.30.2 In the event the Debt Service Coverage Ratio is less than 1.10 to 1.00 for any subsequent calendar year, Borrower agrees that, within 30 days after notice of any shortfall, Borrower shall deposit in a blocked account held by Bondowner Representative (the "**DSCR Shortfall Account**") an amount in immediately available funds (together with any funds then held in the DSCR Shortfall Account) equal to the amount required, on an annualized basis, to achieve the required minimum 1.10 to 1.00 Debt Service Coverage Ratio, which amounts are hereby pledged to Bondowner Representative to secure all obligations of Borrower under the Loan Documents. Such funds may be used to pay debt service and operating expenses approved by Bondowner Representative to the extent revenues from the Project are insufficient to pay the same. Once the Debt Service Coverage Ratio for any subsequent calendar year is restored to at least 1.10 to 1.00, then any amounts held by Bondowner Representative in the DSCR Shortfall Account shall be released to Borrower (or on the written order of Borrower); and

7.30.3 No other Event of Default shall have occurred and be continuing.

Any failure to comply with the requirements set forth above shall constitute an immediate Event of Default hereunder.

7.31 Limitation on Distributions. No distributions of Net Cash Flow shall be made to Borrower, Guarantor, or any Partner or any of their respective Affiliates for any purpose on or prior to the Conversion Date, other than Developer Fee payments in strict accordance with the Approved Budget and property management fees payable pursuant to the Property Management Agreement approved by Bondowner Representative. After the Conversion Date, if applicable, no distributions of Net Cash Flow shall be made to Guarantor, any Partner or any Affiliate of Borrower or Guarantor during any period when the Debt Service Coverage Ratio for the Property is less than 1.10 to 1.00. In the event the Debt Service Coverage Ratio is at least 1.10 to 1.00 for any calendar year period, distributions of Net Cash Flow from the Project (after payment of debt service and provided that all required reserves are fully funded) shall be permitted, but only to the extent that, on a pro forma basis, the Debt Service Coverage Ratio for such calendar year period would have not been less than 1.10 to 1.00 had the amount of the then proposed distribution been treated as a reduction in the amount of operating income generated by the Project for purposes of determining Net Cash Flow for the same period.

7.32 Remargin Requirements.

7.32.1 If, as of the proposed Conversion Date, the Debt Service Coverage Ratio requirement set forth in Section 7.31 has not been satisfied on the basis of evidence in form and substance satisfactory to Bondowner Representative in its sole and absolute discretion, Bondowner Representative shall have the right and the power to require Borrower to remargin the Convertible Loan in an aggregate principal amount necessary in the judgment of Bondowner Representative to satisfy the foregoing requirement (such aggregate principal amount is referred herein as the “**Remargin Amount**”). Borrower hereby understands, acknowledges and agrees that no portion of the Loan or the proceeds of the Note shall be used to pay the Remargin Amount. Borrower shall pay the Remargin Amount to Bondowner Representative in immediately available funds no later than the tenth (10th) Business Day after receiving notice of Bondowner Representative’s decision to remargin the Convertible Loan as described herein. The Remargin Amount shall be applied by Bondowner Representative against the then outstanding principal balance of the Convertible Loan. Without limiting the foregoing, Borrower shall also be responsible for paying all accrued and unpaid interest on the Convertible Loan as of the date of any such remargining.

7.32.2 Borrower agrees to deliver any necessary or desirable amendments, supplements or restatements of this Agreement and/or any of the Loan Documents to reflect the remargining of the Convertible Loan, all at Borrower's expense. Borrower shall pay all costs and expenses associated with such remargining, including but not limited to (i) the attorneys’ fees of Bondowner Representative, (ii) costs of any title insurance endorsements required by Bondowner Representative in its discretion, and (iii) costs related to any federal tax consequences as a result of such remargining.

7.32.3 Borrower understands, acknowledges and agrees that the foregoing remarkin requirement shall be and hereby is made in addition to all other rights available to Bondowner Representative under terms and conditions of this Agreement and the other Loan Documents.

7.32.4 Borrower understands, acknowledges and agrees that the foregoing remarkin requirements and mechanics shall be used to determine the remarkin amount due as a result of any condemnation and/or casualty as further described in Sections ///[1.3 and 1.12]/// of the Deed of Trust.

7.33 Bond Documents; Tax Exempt Status.

7.33.1 Borrower shall timely perform its obligations under the Bond Documents and Borrower shall not enter into any new Bond Document or amend, modify, supplement, cancel or terminate any Bond Document without the prior written consent of Bondowner Representative.

7.33.2 Borrower shall not, directly or indirectly, take any action or fail to take any action or permit any action to be taken or not taken which would adversely affect the exemption of interest earned on the Bonds from gross income of the holders thereof for federal and state income tax purposes. Borrower agrees to fulfill all of its obligations under the Tax Certificate and the Code and its accompanying regulations, including, without limitation, its arbitrage and rebate obligations under Code Section 148, as amended. If Borrower should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

7.33.3 Borrower understands that the interest rate set forth in each Note has been established on the assumption that interest paid on the Bonds will be excludable from the holder's gross income for federal income tax purposes under the Code and for state income taxes under applicable state law. In the event that Borrower receives notice or evidence of a final determination from the Internal Revenue Service or other Governmental Agency that interest payable on the Bonds is not tax-exempt for federal and state income tax purposes (other than as a result of the application of Code Section 265(b)(3) or any successor provision) then the interest rate set forth in each Note shall be increased, both prospectively and retroactively, as set forth in Section 2.3 of the Construction Note and Section 2.4 of the Convertible Note, as applicable, and Borrower shall pay to Bondowner Representative promptly upon demand an amount sufficient to adjust previous payments of interest to the increased rate. Borrower shall also indemnify, defend and hold Bondowner Representative, Issuer and Bond Trustee harmless for, from and against any penalties, interest expense, charges or other costs, including reasonable attorneys' fees and accountants' costs, resulting from any dispute, challenge, audit or similar action or investigation concerning the exclusion from gross income for federal income tax purposes of interest on the Bonds. In addition, Borrower shall, within 30 days after filing, provide Bondowner Representative with a copy of each IRS Form 8038, 8038G, or 8038GC, as applicable, filed in connection with the Bond.

7.34 AHAP Contract. Borrower agrees that it shall not modify, amend, terminate or reduce the number of Project units included under the scope of the HAP Contract or AHAP Contract without first obtaining Bondowner Representative's prior written consent. Borrower will timely perform all obligations of Borrower with respect to the HAP Contract and the AHAP Contract, and shall take all actions necessary to maintain the HAP Contract and the AHAP Contract in full force and effect and to prevent the termination or reduction of the Section 8 Payments to the Project provided thereunder.

7.35 Reappraisal Requirements. Borrower agrees that Bondowner Representative shall have the right to obtain, at Borrower's expense, an appraisal of the Property prepared by an appraiser selected by and acceptable to Bondowner Representative and in conformance with applicable Laws and Orders of any Governmental Agency applicable to Bondowner Representative and accepted by Bondowner Representative at any time that (a) an Event of Default has occurred hereunder, (b) any condemnation, damage or destruction of the Property occurs, (c) Bondowner Representative determines in its sole opinion that the security for the Loan has been physically or financially impaired in any material manner, or (d) such appraisal is required by then current banking laws or regulations. In the event that Bondowner Representative shall elect to obtain such an appraisal, Bondowner Representative may immediately commission an appraiser acceptable to Bondowner Representative, at Borrower's cost and expense, to prepare the appraisal and Borrower shall fully cooperate with Bondowner Representative and the appraiser in obtaining the necessary information to prepare such appraisal. In the event such appraisal is required by reason of the damage or destruction of a portion of the Property, the fair market value shall be calculated on the Property after restoration of the Improvements, but subject only to then existing leases which will remain in full force and effect following such restoration.

7.36 Property Management. Borrower will not suffer or permit any breach or default to occur in any of Borrower's obligations under the property management agreement with Property Manager nor suffer or permit any amendment, assignment, termination or other modification to the property management agreement with Property Manager without the prior written consent of Bondowner Representative. Borrower shall not change or terminate the Property Manager without the prior written consent of Bondowner Representative.

7.37 Subordinate Loan Documents. Borrower shall not: (a) commit any breach or default under the Subordinate Loan Documents; (b) fail to maintain the Subordinate Loan Documents in full force and effect until all sums owing to Bondowner Representative with respect to the Loan have been repaid in full; (c) consent to any termination, amendment or modification of the Subordinate Loan Documents without Bondowner Representative's prior written consent; or (d) use any of the proceeds of the permanent loan for any purpose other than for payment to Bondowner Representative until such time as all sums owing to Bondowner Representative under the Loan Documents have been paid in full.

7.38 HCD Permanent Loan Documents. Borrower shall not: (a) commit any breach or default under the HCD Permanent Loan Documents; (b) fail to maintain the HCD Permanent Loan Documents in full force and effect until all sums owing to Bondowner Representative with respect to the Loans have been repaid in full; (c) consent to any termination, amendment or modification of the HCD Permanent Loan Documents without Bondowner Representative's prior

written consent; or (d) use any of the proceeds of the permanent loan for any purpose other than for payment to Bondowner Representative until such time as all sums owing to Bondowner Representative under the Loan Documents have been paid in full.

SECTION 8. CONVERSION

8.1 Conversion of Convertible Loan. Borrower will have the option of converting the Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan with the Maturity Date extended to the Convertible Loan Maturity Date. Following delivery to Bondowner Representative, Issuer and Bond Trustee of the Conversion Election Notice (defined below), conversion shall occur, subject to satisfaction of all of the following conditions precedent (collectively, “**Conditions to Conversion**”) on or prior to the Construction Loan Maturity Date:

(a) No Event of Default or Prospective Default exists at the time the option to convert to a term loan is exercised and on the date of conversion to the term loan;

(b) Except as otherwise disclosed to and accepted by Bondowner Representative, the representations and warranties made in this Agreement continue to be true and correct as if made on and as of the date of the Conversion Election Notice and the Conversion Date;

(c) Completion of construction has occurred in accordance with the Plan, as determined by Bondowner Representative, free and clear of all liens;

(d) Borrower receives a final certificate of occupancy (or other written assurance reasonably satisfactory to Bondowner Representative) from the appropriate government agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy;

(e) Bondowner Representative receives certificates from the Architect and Bondowner Representative’s inspector that, based upon personal inspections at adequate intervals (not less than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the Plans and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders;

(f) The period for filing construction lien claims has expired and Borrower provides to Bondowner Representative and Bondowner Representative approves releases of liens from all potential lien claimants;

(g) Bondowner Representative received an endorsement to the Title Policy from the Title Insurance Company or a re-write of the Title Policy, as required by Bondowner Representative, showing the Deed of Trust to be a first priority lien upon the Property, subject only to the Permitted Encumbrance, and including such additional endorsements as may be required by Bondowner Representative, including, without limitation, a CLTA 101.2 endorsement and updated tax parcel endorsements, if applicable;

(h) Borrower pays Bondowner Representative, Issuer and Bond Trustee all costs and expenses incurred by Bondowner Representative, Issuer and Bond Trustee in connection with the conversion, including reasonable attorneys' fees;

(i) Borrower has given written notice to Bondowner Representative of exercise of the option to convert at least 30 days before the Conversion Date and Borrower has provided to Bondowner Representative any additional documentation reasonably required by Bondowner Representative in connection with the conversion;

(j) The Project has achieved, for the three consecutive months immediately preceding the Conversion Date, (a) a minimum Debt Service Coverage Ratio of 1.15 to 1.00 (provided, however, that Borrower may cause this debt service coverage condition to be satisfied by making a prepayment of principal under the Convertible Note prior to the Conversion Date in an amount sufficient, in Bondowner Representative's sole judgment, to cause the Project to satisfy the foregoing minimum Debt Service Coverage Ratio requirement), and (b) stabilized occupancy of ///[ninety percent (90%)]///;

(k) No Material Adverse Occurrence shall have occurred since the Closing Date;

(l) Borrower has received the _____ installment of the Equity Deposits and the _____ installment of the Equity Deposits, as set forth on Exhibit C-1, in the aggregate amount of \$_____;

(m) All Subordinate Loans have been disbursed in full to Borrower and Borrower has received all other Funding Sources in the amounts and at the times set forth in the Project Sources Schedule;

(n) The Construction Loan shall have been repaid in full, together with all other amounts due and owing under the Loan Documents as of the Conversion Date;

(o) Borrower has established the Replacement Reserve Account with Bondowner Representative and Borrower has established the Operating Reserve Account with Bondowner Representative and deposited therein an amount equal to ///[\$101,035]///, in accordance with the Reserve and Security Agreement;

(p) Borrower provides to Bondowner Representative evidence satisfactory to Bondowner Representative that the Property continues to be exempt from real property taxation; and

(q) All conditions to the final Disbursement set forth in Section 3.3 have been satisfied.

8.2 Conversion Notices. Borrower shall, at least 30 days prior to the proposed Conversion Date, give Bondowner Representative, Issuer and Bond Trustee written notice in the form attached hereto as Exhibit F ("**Conversion Election Notice**") that Borrower has elected to convert the Convertible Loan from a floating interest rate construction loan to a fixed interest

rate term loan with a maturity date extended to the Convertible Loan Maturity Date. The Conversion Election Notice shall be accompanied by (a) a rent roll covering the Project for the prior three consecutive, full calendar months immediately preceding the date of the Conversion Election Notice, certified by Borrower as true, correct, and complete, (b) operating statements for the Project for each of those three consecutive calendar months, and (c) computations and other supporting documentation evidencing satisfaction of all financial covenants set forth in this Agreement and the other Loan Documents and the other Conditions to Conversion requiring (in the judgment of Bondowner Representative) computation and/or supporting documentation, and certified in each instance by Borrower to be true, correct, and complete. If Bondowner Representative, based upon the information described above, and such other information as it may reasonably require Borrower to deliver to it as evidence of satisfaction of the Conditions to Conversion, shall concur that the Conditions to Conversion have been fully satisfied, Bondowner Representative shall give written notice in the form attached hereto as Exhibit G (“**Conversion Notice**”) of such determination to Borrower. The Conversion Notice shall establish the effective date of the conversion to a fixed interest rate term loan (“**Conversion Date**”), which shall be a Payment Date (as defined in the Convertible Note), and the Convertible Loan Maturity Date.

8.3 Conversion Default. If all of the Conditions to Conversion are not satisfied on or before the Construction Loan Maturity Date, an Event of Default shall automatically be deemed to have occurred under this Agreement, and all amounts owing under the Notes shall be immediately due and payable.

8.4 No Liability for Failure to Convert the Term Loan. Under no circumstances shall Bondowner Representative, Issuer or Bond Trustee be responsible or liable to any Person (including, without limitation, Borrower or the Guarantor) for or on account of any failure to satisfy the Conditions to Conversion or for the failure of the Convertible Loan to convert from a floating interest rate construction loan to a fixed interest rate term loan with the Maturity Date extended to the Convertible Loan Maturity Date. The foregoing shall be in addition to all other limitations on the responsibility and liability of Bondowner Representative, Issuer and Bond Trustee set forth in this Agreement or in any of the Loan Documents.

SECTION 9. EVENTS OF DEFAULT

Borrower will be in default if any one or more of the following events occurs after the expiration of any applicable cure periods provided in the Loan Documents (each an “**Event of Default**”):

9.1 Payment. Borrower fails to make any payment under the Notes, this Agreement or any other Loan Document when due.

9.2 Additional Equity. Any contribution, loan, or deposit, required by Section 5.4 is not made in accordance with the requirements of Section 5.4 and Exhibit C, or Borrower fails to deposit additional money to balance the Loan following Bondowner Representative’s written demand for such deposit as set forth in Section 5.3.

9.3 Unauthorized Changes. Borrower breaches the covenant prohibiting change orders set forth in Section 7.19.

9.4 Prohibited Transfers. Other than for Permitted Transfers, the actual or attempted conveyance, assignment, transfer, mortgage, pledge, encumbrance, hypothecation, or other disposition of the Project, Borrower's interest in the Property, or Borrower's rights under this Agreement in violation of this Agreement or the Deed of Trust, or there occurs any sale, transfer, pledge, or assignment of any interest in Borrower or any of its Partners.

9.5 Other Covenants. Borrower fails to perform or comply with any other covenant in this Agreement or any other Loan Document when required hereunder.

9.6 Misrepresentation. Borrower or Guarantor misrepresents a material fact to Bondowner Representative, Issuer or Bond Trustee or any of the representations in Section 2.1 hereof or in the Guaranty are false.

9.7 Liens. A Lien (including without limitation, any construction, mechanic's or materialman's lien), writ of execution, or attachment or any similar process shall be issued or levied against all or any part of or interest in the Collateral, or any judgment involving monetary damages shall be entered against Borrower which shall become a Lien on the Collateral or any portion thereof or interest therein and such Lien, execution, attachment, or similar process or judgment is not released, bonded, satisfied, vacated, or stayed within 30 days after its entry or levy. If Borrower elects to bond over any such Lien, at any time prior to Borrower's posting of a bond or other security satisfactory to Bondowner Representative, Bondowner Representative may, at its option, reduce and reserve Disbursements of Loan proceeds in the amount of 150 percent of the value of the Lien until such Lien is bonded over in form satisfactory to Bondowner Representative.

9.8 Dissolution. Borrower or any Partner or Guarantor is dissolved, liquidated, or terminated, or all or substantially all of the assets of Borrower, any Partner or Guarantor are sold or otherwise transferred without Bondowner Representative's prior written consent, or any Partner withdraws as a partner of Borrower.

9.9 Insolvency. Borrower, any Partner or Guarantor is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability (whether through repudiation or otherwise) to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower, any Partner or Guarantor applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower, any Partner or Guarantor, as the case may be, and the appointment continues undischarged or unstayed for 60 days; or Borrower, any Partner or Guarantor institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, construction or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Borrower, any Partner or Guarantor, as the case may be, and continues undismissed or unstayed for 60 days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Borrower, any Partner or Guarantor and is not released, vacated or fully bonded within 30 days after its issue or levy.

9.10 Title. Title to the Property is not satisfactory to Bondowner Representative by reason of any Lien, encumbrance, or defect (even though the same may have existed at the time of any prior advance), except those matters affecting title which have at any time been consented to in writing by Bondowner Representative, and such Lien, encumbrance, or other defect is not corrected to Bondowner Representative's satisfaction within 30 days after its recording; or the Title Insurance Company fails or refuses to insure that the Deed of Trust on the Property is a valid Lien securing any Disbursement of Loan proceeds, subject only to the Permitted Encumbrances.

9.11 Construction Failure. Borrower does not construct the Project in accordance with the Construction Documents (as may be amended from time to time with the approval of Bondowner Representative) and all Laws now existing or hereafter enacted, adopted, or promulgated of all Governmental Agencies having jurisdiction over the Property, or Borrower fails to file with the appropriate departments of any Governmental Agency or other governmental authority having jurisdiction over the Property amended or supplemental plans and specifications for the Project if required by Law, or Borrower fails to furnish to Bondowner Representative written certificates issued by such departments approving the plans and specifications for the Project.

9.12 Law Compliance. Borrower fails to comply with any requirement of any Governmental Agency having jurisdiction over the Property within 30 days after notice in writing of such requirement shall have been given to Borrower (subject to any cure period expressly set forth in such notice).

9.13 Delay. The substantial delay, discontinuation, or prohibition of construction of the Project except as provided in Section 12.3.

9.14 Other Loan Documents. An event of default occurs under any other Loan Document, and such default continues beyond all applicable notice and cure periods.

9.15 Guarantor Defaults. (a) The Guaranty is repudiated, revoked or terminated in whole or in part without Bondowner Representative's prior written consent, (b) Guarantor is dissolved, (c) any individual Guarantor dies, or (d) a Guarantor claims that the Guaranty is ineffective or unenforceable, in whole or in part and for any reason, with respect to amounts then outstanding or amounts that might in the future be outstanding.

9.16 Partnership Agreement. The Partnership Agreement is amended, modified or terminated without Bondowner Representative's prior written consent (except solely to memorialize a Permitted Transfer), or a default occurs under the Partnership Agreement which remains uncured beyond all applicable notice and cure periods.

9.17 Partners. Except for Permitted Transfers, (a) the withdrawal, removal, or substitution of any Investor, or (b) the withdrawal, removal or substitution of any General Partner and the failure to provide, within thirty (30) days thereof, a replacement general partner approved by Bondowner Representative, in its sole discretion.

9.18 Conversion. The Conditions to Conversion are not fully satisfied on or prior to the Construction Loan Maturity Date.

9.19 Regulatory Agreements. Any default occurs under the Tax Credit LURA or any other Regulatory Agreement which is not cured within any applicable time period provided for therein, or Borrower fails to remain in compliance with the requirements for the LIHTC.

9.20 Material Adverse Occurrence. The occurrence of any Material Adverse Occurrence.

9.21 LIHTC. There is a loss or material reduction in the LIHTC projected under the Partnership Agreement that could result in a removal of the General Partner or a repurchase of the Investor's interest under the Partnership Agreement.

9.22 HAP Contract. (a) The occurrence of a default by Borrower under the AHAP Contract or the HAP Contract that is not cured within the cure period set forth in such document, or the failure of satisfaction by Borrower of all conditions precedent to the availability of Section 8 Payments for the Project as set forth in the AHAP Contract or the HAP Contract, (b) the withdrawal of consent by the Contract Administrator to the assignment of the AHAP Contract, the HAP Contract or the Section 8 Payments in favor of Bondowner Representative which is not cured within thirty (30) days thereafter, or (c) the amendment, reduction, modification, termination, rescission or cancellation of the AHAP Contract, the HAP Contract or the Section 8 Payments without the prior written consent of Bondowner Representative.

9.23 Subordinate Loan Documents. (a) The Subordinate Loan Documents are modified, terminated, or surrendered in whole or in part without Bondowner Representative's prior written consent, or (b) a default occurs under any Subordinate Loan Document and is not cured within any applicable notice and cure periods.

9.24 HCD Permanent Loan Documents. (a) The HCD Permanent Loan Documents are modified, terminated, or surrendered in whole or in part without Bondowner Representative's prior written consent, or (b) a default occurs under any HCD Permanent Loan Document and is not cured within any applicable notice and cure periods.

9.25 Loss of Tax-Exemption. Interest payable on either Note becomes includable in the gross income of the holders of such Note for federal or state income tax purposes for reasons other than Bondowner Representative becoming a "substantial user" of the Project or a "related person" for the purposes of Code Section 147(a).

SECTION 10. REMEDIES

If an Event of Default occurs, in addition to any other rights Issuer, Bond Trustee or Bondowner Representative may have, Bondowner Representative may exercise any one or more of the following rights and remedies (or, in its sole discretion, may direct Bond Trustee to do so):

10.1 Suspension/Cancellation of Commitment. Terminate any obligation or responsibility on the part of Bondowner Representative to make further Disbursements of Loan

proceeds or any other amounts held in the Bank-Restricted Account. The loan fees provided for in this Agreement have been fully earned and will not be subject to refund in the event of cancellation.

10.2 Complete Construction. Bondowner Representative may take over and complete any construction work, and, for that purpose may disburse or request Disbursement of equity money and Loan proceeds. Any contracts entered into or debts incurred on the exercise of such right may be in the name of Borrower, and Bondowner Representative is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to enter into contracts, incur debts and obligations, enforce contracts or agreements theretofore made by or on behalf of Borrower, and to do any and all things necessary or proper to complete the work, including the signing of Borrower's name to such contracts and documents, as may be deemed necessary by Bondowner Representative. Bondowner Representative will not be required to use its own funds to complete construction work if undisbursed equity money and Loan proceeds are insufficient, but Bondowner Representative may advance such funds at its option. Any funds so advanced shall be payable to Bondowner Representative by Borrower on demand together with interest at the Default Rate until paid and shall be secured by Bondowner Representative's Lien in the Collateral.

10.3 Acceleration of Due Date. Bondowner Representative may declare the principal of the Loans immediately due and payable. All amounts due under the Note and the other Loan Documents shall bear interest at the Default Rate from the date of default until paid.

10.4 Repossession and Foreclosure. Bondowner Representative may repossess the Collateral and/or eliminate Borrower's interest in the Collateral through judicial or nonjudicial foreclosure.

10.5 Other Rights and Remedies. Bondowner Representative may exercise or pursue any other remedy or cause of action permitted by this Agreement, any other Loan Document, or applicable laws and Orders of any Governmental Agency. All rights and remedies are cumulative and non-exclusive.

10.6 Other Remedies. Without limiting the generality of the foregoing and regardless of the availability of any other remedy hereunder or under applicable law or in equity, Bondowner Representative shall also have the right, to the fullest extent permitted under applicable law, to declare the outstanding principal amount of the Loans (or any portion thereof), together with all accrued interest thereon and other amounts owing in connection therewith, to be immediately due and payable regardless of any specified due date. Any such election by Bondowner Representative to so accelerate the Loans (or any portion thereof), if made, may be revoked or rescinded by Bondowner Representative in whole or in part acting in its sole and absolute discretion at any time without notice and without prejudicing or adversely affecting any right or remedy hereunder or under applicable laws or in equity.

10.7 Cure Rights of Investor. Bondowner Representative agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "**Foreclosure Remedy**") unless and until Investor has first been given thirty (30) days written notice of the Event(s) of Default, or the Prospective Default, giving rise

to Bondowner Representative's right to complete such Foreclosure Remedy, and Investor has failed, within such thirty (30) day period to cure such Event(s) of Default and/or Prospective Default; provided, however, that Bondowner Representative shall be entitled during such thirty (30)-day period to continue to pursue all of its rights and remedies under the Loan Documents, including but not limited to acceleration of the Note (subject to any de-acceleration provisions specifically set forth in the Loan Documents), commencement and pursuit of foreclosure (but not completion of the foreclosure sale), any guaranty (subject to any notice and cure provisions contained therein), and/or any other Loan Document. In the event Bondowner Representative has accelerated the Note and the Investor cures all Events of Default giving rise to such acceleration within the thirty (30) day cure period described above, such cure shall have the effect of de-accelerating the Note; provided, however, that such de-acceleration shall not waive or limit any of Bondowner Representative's rights to accelerate the Note or exercise any other remedies under the Loan Documents as to any future or continuing Events of Default. It is the express intent of the parties hereunder that Bondowner Representative shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Investor for failure to provide notice to Investor, and that Bondowner Representative's liability hereunder shall be expressly limited to actual damages to Investor directly caused by Bondowner Representative's completion of a Foreclosure Remedy without Investor receiving the notice and opportunity to cure described above. Bondowner Representative's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Bondowner Representative under this Agreement or any other Loan Document. Unless expressly prohibited by Law, Investor agrees to record a "Request for Notice", or similar appropriate document requesting notice of any foreclosure sale, in the Official Records, and in the event Bondowner Representative has failed to sooner provide notice to Investor, the receipt of such notice of foreclosure sale shall be deemed to be notice to the Investor as contemplated hereunder. Bondowner Representative shall give Investor notice at the address set forth below or such other address as Investor may instruct Bondowner Representative in writing from time to time:

Enterprise Housing Credit Investments
70 Corporate Center
11000 Broken Land Parkway
Columbia, Maryland 20144
Email: sshack@enterprisecommunity.com
Telephone: (410) 964-0552

SECTION 11. TAX COVENANTS

The Borrower shall comply with the requirements and conditions of the Tax Certificate and the Bond Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

11.1 Borrower will not use the proceeds of the Loan, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, in the manner which

will cause the Bonds to be an “arbitrage bond” within the meaning of such section, and will comply with the requirements of such Section throughout the term of the Bond;

11.2 Borrower will prepare and file any statements required to be filed by it in order to maintain such exclusion;

11.3 Borrower will pay to the United States any amount required to be paid by the Issuer or Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, and Borrower shall compute, or cause to be computed, such amounts annually so long as required by the Code.

11.4 Not less than ninety five percent (95%) of the net proceeds of the Bonds (within the meaning of Section 142(a) of the Code) shall be used to pay Qualified Project Costs (as defined in the Bond Regulatory Agreement);

11.5 In order to satisfy the requirements set forth in subpart (4) of the definition of “program investment” that appears in Section 1.148 1(b) of the Treasury Regulations (which requirements must be met in order for the Loans to qualify as a program investment within the meaning of that section), neither the Borrower nor any related person will purchase any interest in the Bonds in amount related to the amount of the Loans;

11.6 No changes will be made to the Project, no actions will be taken by Borrower, and Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the interest on the Bonds;

11.7 If Borrower becomes aware of any circumstance, event or condition which would result in the interest payable on the Bonds becoming includable in gross income for federal income tax purposes, Borrower will promptly give written notice of such circumstance, event or condition to the Issuer and Bondowner Representative;

11.8 The full amount of each disbursement from the Loan will be applied to pay or to reimburse Borrower for the payment of Project Costs (as defined in the Bond Regulatory Agreement) and, after taking into account any proposed disbursement, (i) at least ninety five percent (95%) of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to pay Qualified Project Costs (as defined in the Bond Regulatory Agreement) to provide a qualified residential rental project (as defined in Section 142(d) of the Code), (ii) less than twenty-five percent (25%) of the net proceeds of the Bond will have been disbursed to pay or to reimburse Borrower for the cost of acquiring land, (iii) not more than two percent (2%) of the proceeds of the Bonds will have been used for Costs of Issuance (as defined in the Bond Regulatory Agreement), and (iv) none of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

11.9 Borrower will cause all of the residential units in the Project first occupied after the Closing Date and to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Bond Regulatory Agreement;

11.10 All leases for the Project entered into after the Closing Date will comply with all applicable laws and the Bond Regulatory Agreement;

11.11 In connection with any lease entered into after the Closing Date or grant by Borrower of the use of the Project, Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Agreement or the Bond Regulatory Agreement; and

11.12 No portion of the proceeds of the portion of the Loan shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Loan shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

In any matter relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the terms and provisions of the Tax Certificate shall control in the event of any conflict between this Agreement and the Tax Certificate.

SECTION 12. TIME

12.1 Commencement and Completion. Borrower shall commence the construction work at the Project no later than the Construction Commencement Deadline. Borrower will substantially complete all construction, site work, and landscaping, post and record a completion notice, and obtain a final certificate of occupancy all in substantial accordance with the Construction Documents not later than the Construction Completion Deadline.

12.2 Expiration of Commitment. In the event that any condition precedent set forth in Section 3.1 is not fulfilled or waived by Bondowner Representative before the Closing Deadline, Bondowner Representative shall have the right to terminate this Agreement and to retain all fees paid to Bondowner Representative related hereto.

12.3 Frustration of Purpose. In the event that the construction work is substantially delayed or prohibited by act of God, government interference, or other circumstance beyond the control of Borrower, such delay or prohibition shall not constitute an Event of Default unless Bondowner Representative determines that construction cannot reasonably be expected to be completed by the Construction Loan Maturity Date, or the earlier date when possession of any material part of the improvements has been promised to a tenant. If Bondowner Representative makes such determination, Bondowner Representative may treat the delay or prohibition as an Event of Default.

12.4 Time Essence. Time is of the essence in the payment and performance of the debts and obligations of Borrower to Bondowner Representative under this Agreement and the other Loan Documents.

12.5 Term. This Agreement shall remain in full force and effect until all amounts due under the Loan Documents have been paid in full.

SECTION 13. MISCELLANEOUS

13.1 Right of Setoff. To secure payment of the Loan and performance of all of Borrower's obligations under the Loan Documents and any other obligations of Borrower to Bondowner Representative of any nature whatsoever (collectively "**Obligations**"), Borrower hereby grants to Bondowner Representative a Lien in, a lien on, and an express contractual right to set off against all depository account balances, cash and any other property of Borrower now or hereafter in the possession of Bondowner Representative. Bondowner Representative may immediately without notice upon the occurrence of an Event of Default hereunder (after expiration of any notice requirements or grace/cure periods under this or other agreements between Borrower and Bondowner Representative) exercise the aforesaid right to setoff against such Obligations whether or not such Obligations (including future installments) are then due or have been accelerated, and/or Bondowner Representative may refuse to allow withdrawals from any account, all without any advance or contemporaneous notice or demand of any kind to Borrower, such notice and demand being expressly waived.

13.2 Attorneys' Fees and Expenses.

(a) The prevailing party in the trial or appeal of any civil action, Insolvency Proceeding, or arbitration proceeding to construe or enforce this Agreement or any of the other Loan Documents, to repossess Collateral, to foreclose liens and Liens, and/or to defend any claims, offsets, defenses, counterclaims, and third-party claims that are asserted under contract, tort, or other common law theories will be entitled to recover attorneys' fees in addition to costs and disbursements and such fees, costs, and disbursements will bear interest at the Default Rate.

(b) Borrower agrees to pay on demand all of Bondowner Representative's, Issuer's and Bond Trustee's costs and expenses, including Bondowner Representative's, Issuer's and Bond Trustee's attorneys' fees and legal expenses, incurred in connection with the Loan and the enforcement of this Agreement and the other Loan Documents. Bondowner Representative may hire or pay someone else to help enforce this Agreement. Bondowner Representative may also use attorneys who are salaried employees of Bondowner Representative to enforce this Agreement. Borrower shall pay all costs and expenses of all such enforcement. In the event suit, action or other legal proceeding is brought to interpret or enforce this Agreement, Borrower agrees to pay all additional sums as the referee or court may adjudge reasonable as Bondowner Representative's, Issuer's and Bond Trustee's costs, disbursements, and attorneys' fees at hearing, trial, and on any and all appeals. As used in this paragraph, "Agreement" means this Agreement and all other Loan Documents. Whether or not a court action is filed, all reasonable attorneys' fees and expenses Bondowner Representative, Issuer and Bond Trustee incurs in protecting their interests and/or enforcing this Agreement shall become part of the indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the Notes or credit agreement, and shall be paid to Bondowner Representative, Issuer and/or Bond Trustee, as applicable, by Borrower on demand. The attorneys' fees and expenses covered by this paragraph include without limitation all of Bondowner Representative's, Issuer's and Bond Trustee's attorneys' fees (including the fees charged by Bondowner Representative's in-

house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Bondowner Representative's, Issuer's and Bond Trustee's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Bondowner Representative's, Issuer's and Bond Trustee's post-judgment collection activities, Bondowner Representative's, Issuer's and Bond Trustee's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Bondowner Representative's collateral, all to the fullest extent allowed by law.

13.3 Assignment by Borrower. Borrower may not assign or otherwise transfer its rights under the Loan Documents or delegate its obligations under the Loan Documents without the prior written consent of Bondowner Representative. A breach of this clause, directly or indirectly, will constitute an Event of Default and will not vest any rights in the purported transferee.

13.4 Participations, Pledges and Syndication and Securitization. Subject to the terms of the Indenture, Bondowner Representative may transfer, assign, sell and/or grant participations in the Loan, the Loan Documents or any of them at any time, in whole and in part, and may furnish any transferee, assignee, purchaser or participant or prospective transferee, assignee, purchaser or participant with any and all documents and information (including, without limitation, financial information) relating to Borrower, any Partner, Guarantor, and the Loan, the Loan Documents, or any of them that Bondowner Representative deems advisable in connection therewith. Borrower's indemnity obligations under the Loan Documents shall also apply with respect to any transferee, assignee, purchaser or participant and the directors, officers, agents and employees of any transferee, assignee, purchaser or participant. In the event of any such transfer, assignment, sale or participation, Bondowner Representative and the parties to such transaction shall share in the rights and obligations of Bondowner Representative as set forth in the Loan Documents only as and to the extent they agree among themselves. In connection with any such transfer, assignment, sale or participation, Borrower further agrees that the Loan Documents shall be sufficient evidence of the obligations of Borrower to each transferee, assignee, purchaser, or participant, and upon written request by Bondowner Representative, Borrower shall enter into such amendments or modifications to the Loan Documents as may be reasonably required in order to evidence any such transfer, assignment, sale or participation, as the case may be.

13.5 Rights to Share Information. Bondowner Representative shall have the right to discuss with any Partner or Guarantor the affairs of Borrower, course of construction, lease-up, operation, and management of the Project, the financial condition of Borrower, Guarantor and the Project, and to disclose any non-confidential information received by Bondowner Representative regarding Borrower, Guarantor, the Project or any Partner with any other Partner, Guarantor and/or other third parties, singularly or together, as Bondowner Representative may choose in its sole and absolute discretion.

13.6 Advertising. During the construction work, Bondowner Representative may place a sign at the Project that advertises that Bondowner Representative is providing the construction financing. Bondowner Representative also will have the right to publicize the

financing and may include in publicity releases, if applicable, the name of Borrower, the trade name of the Project, and a general description of the Project.

13.7 Communications. Any notice, approval, waiver, consent, demand, request, or declaration required or allowed under the Loan Documents will be effective on the third Business Day after it is given by certified mail, return receipt requested, to the address set forth below or last specified in writing by the party to whom such communication is to be delivered or on the same Business Day that it is delivered personally.

Borrower:	Whittier PSH Phase II, L.P. c/o East LA Community Corporation 2917 E. 1 st Street, Suite 101 Los Angeles, California 90033 Attention: President
Bondowner Representative:	Umpqua Bank One Capitol Mall, Suite 610 Sacramento, California 95814 Attention: Monica Sharp
Bond Trustee:	U.S. Bank National Association 633 West 5th Street, 24th Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Ref: LACDA MF (Whittier Place 2019H)
Issuer:	Los Angeles County Development Authority 700 West Main Street Alhambra, CA 91801-3312 Attention: Mark Trinidad and Jewel Warren-Reed

13.8 Waiver and Estoppel. Bondowner Representative may at any time and from time to time waive any one or more of the conditions contained in the Loan Documents, but any such waiver shall be deemed to be made pursuant to this Agreement and not in modification thereof, and any such waiver in any instance or under any particular circumstances will not be construed a waiver of such condition as to future circumstances or of any subsequent default. The failure of Bondowner Representative to promptly exercise its rights or remedies will not be deemed to be a waiver or grounds for the claim of estoppel.

13.9 Agreement Binding. The Loan Documents will bind and inure to the benefit of the parties and their respective successors, permitted assigns, officers, employees, and agents. The Loan Documents are for the sole protection and benefit of such persons and no other persons will have any claims or causes of action arising from or related to the Loan Documents or the Loan.

13.10 Counterpart Signatures. The Loan Documents may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, taken together shall constitute one and the same contract.

13.11 Relationship of Parties. Bondowner Representative is not in any joint venture, partnership, fiduciary, or agency relationship with Borrower. Borrower acknowledges that there is no attorney-client relationship between Bondowner Representative's attorneys and Borrower.

13.12 Liability to Others. Bondowner Representative will not be liable to any person other than Borrower for the manner and/or time in which Loan proceeds and money deposited by Borrower is disbursed. No architect, engineer, contractor, subcontractor, or materialman will have any right or claim against Bondowner Representative under the Loan Documents or arising from Bondowner Representative's administration of the Loan. To the extent that Bondowner Representative performs inspections or reviews and/or approves plans and specifications, architects, contractors, engineers, supporting documents for draws, or other construction-related persons, entities, items, or matters, it will be deemed to have exercised such rights solely as a bank in determining the value of its security for internal loan purposes exclusively and not for the benefit of Borrower or any other person, as an expert in construction-related matters, or for any other purpose. Borrower agrees that Bondowner Representative will not be required to do, or refrain from doing, any act that would result in Bondowner Representative being held to be responsible for the payment of any state or federal employee withholding tax related to Borrower. Borrower covenants and agrees to remain current at all times in the payment of any state or federal employee withholding tax.

13.13 Limitation on Issuer's Liability. Issuer shall not be obligated to pay the principal (or prepayment amount) of or interest on the Loans, except from moneys and assets received by Bond Trustee on behalf of Issuer pursuant to this Agreement. Neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, nor the faith and credit of Issuer or the County of Los Angeles is pledged to the payment of the principal (or prepayment amount) of or interest on the Bonds. Neither Issuer nor the County of Los Angeles shall be liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement or the Indenture, except only to the extent amounts are received for the payment thereof from Borrower under this Agreement. Issuer shall not be obligated to pay the principal of or interest on the Bonds, except from moneys and assets received by Bond Trustee on behalf of Issuer pursuant to this Agreement. Neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, nor the faith and credit of Issuer or the County of Los Angeles is pledged to the payment of the principal of or interest on the Bonds. Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, the Loans or the Indenture, except only to the extent amounts are received for the payment thereof from Borrower under this Agreement.

Borrower hereby acknowledges that Issuer's sole source of moneys to repay the Bonds will be provided by the payments made by Borrower pursuant to this Agreement and the Notes, together with investment income on certain funds and accounts held by Bond Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay

all principal (or prepayment amount) of and interest on the Bonds as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from Bond Trustee or Bondowner Representative, Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or prepayment amount) of or interest on the Bonds, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of Bond Trustee, Bondowner Representative, Borrower, Issuer or any third party, subject to any right of reimbursement therefor from Bond Trustee, Bondowner Representative, Issuer or any such third party, as the case may be.

THE BONDS ARE ORIGINATED IN ACCORDANCE WITH THE ACT AND ARE A LIMITED OBLIGATION OF ISSUER. NEITHER ISSUER OR THE BOARD OF COMMISSIONERS OR BOARD OF SUPERVISORS OF ISSUER NOR ANY OFFICIAL OR EMPLOYEE OF ISSUER, NOR ANY PERSON EXECUTING THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS ISSUANCE. THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF ISSUER, PAYABLE ONLY FROM THE REVENUES, FUNDS AND PROPERTY ASSETS OF ISSUER PLEDGED UNDER THE INDENTURE AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF ISSUER. NEITHER ISSUER, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS, OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR.

THE BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR A GENERAL OBLIGATION OF ISSUER, THE STATE OR ANY MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ISSUER, THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF OR THE FAITH AND CREDIT OF ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT DEBTS OF THE UNITED STATES OF AMERICA.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds for any claim based thereof or upon any obligation, covenant or agreement in this Agreement contained, against any past, present or future member of Issuer, its governing body, its officers, attorneys, accountants, financial advisors, agents or staff or the officers, attorneys, accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through Issuer or any such successor public entity, under any rule of law or penalty or otherwise, and all such liability of any member of Issuer, its governing body and its officers, attorneys, accountants, financial advisors, agents and staff is hereby, and by the acceptance of the Bonds, expressly waived and released as a condition of, and in consideration for, the execution of this Agreement and the issuance of the Bonds. It is recognized that notwithstanding any other provision of this Agreement, neither Borrower, Bondowner Representative nor Bond Trustee shall look to the members of Issuer's governing body, its officials, or its officers, program

participants, attorneys, accountants, financial advisors, agents or staff, past, present or future, for damages suffered by Borrower, the holders or such Bond Trustee as a result of the failure of Issuer to perform any covenant, undertaking or obligation under this Agreement, the Bonds, the Bond Regulatory Agreement, any of the other Bond Documents or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by Issuer in any of such documents, nor for any other reason except for representations made by Issuer in any certificate of the Issuer and the opinion of counsel to Issuer delivered on the date of origination of the Bonds. Although this Agreement recognizes that such documents shall not give rise to any pecuniary liability of Issuer, nothing contained in this Agreement shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against Issuer or any of its officers or employees to enforce the provisions of any of such documents which Issuer is obligated to perform and the performance of which Issuer has not assigned to Bond Trustee, Bondowner Representative or any other person.

Anything in the Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Agreement that (a) Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to Issuer by Bond Trustee, Borrower or Bondowner Representative as to the existence of any fact or state of affairs, (b) Issuer shall not be under any obligation under the Indenture or this Agreement to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by Bond Trustee or Bondowner Representative, and (c) none of the provisions of the Indenture, this Agreement, the Bond Regulatory Agreement or any Bond Document shall require Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under the Indenture, this Agreement, the Bond Regulatory Agreement and any Bond Document unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. It is recognized that notwithstanding any other provision of this Agreement, neither Borrower nor Bondowner Representative shall look to Issuer or the members of its governing body, officers, program participants, attorneys, accountants, financial advisors, agents or staff for damages suffered by Borrower or Bondowner Representative as a result of the failure of Issuer to perform any covenant, undertaking or obligation under this Agreement, the Bonds, the Bond Regulatory Agreement, any of the Bond Documents or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by Issuer in any of such documents, nor for any other reason except for representations made by Issuer in the Indenture, this Agreement and any certificate of the Issuer and the opinion of counsel to the Issuer delivered on the Closing Date.

13.14 References. All references in this Agreement to any section refers to the sections of this Agreement. Use of the singular can include the plural and where so used to refer to Persons, the Persons referred to are jointly and severally liable or responsible (except as otherwise expressly set forth herein).

13.15 Conflict. The terms and conditions of this Agreement and of the other Loan Documents are intended to complement and supplement each other and are to be construed so as to be consistent and complementary. The Loan Documents will govern over any conflicting term or condition contained in any term sheet provided to Borrower. This Agreement will govern over any conflicting term or condition contained in the other Loan Documents.

13.16 Captions. The captions and headings are for convenience and substantively are not a part of this Agreement.

13.17 Standard for Discretion. In the event this Agreement is silent on the standard for any consent, approval, determination, or similar discretionary action by Bondowner Representative, the standard shall be sole and unfettered discretion as opposed to any standard of good faith, fairness, or reasonableness, provided, however, that Borrower understands that Bondowner Representative shall retain the right to modify the construction related conditions and requirements set forth in this Agreement to the extent reasonably necessary to ensure the Project is completed in a workmanlike manner and free and clear of liens.

13.18 Governing Law. Construction, performance, and enforcement of the Loan Documents will be governed by California law (without regard to the rules for conflict of laws), but if Bondowner Representative has greater rights or remedies under federal law, then such rights and remedies under federal law also will be available to Bondowner Representative.

13.19 Complete and Final Agreement. The Loan Documents are the complete, final, and exclusive agreement of the parties relating to the Loan. No term or condition can or will be explained, supplemented, waived, or modified by conduct or oral agreement either before, at, or after signing and delivery of the Loan Documents.

13.20 Patriot Act. Bondowner Representative (for itself and not on behalf of any other party) hereby notifies Borrower that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (“**PATRIOT Act**”), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Bondowner Representative to identify Borrower in accordance with the PATRIOT Act. Borrower agrees to provide all such required information to Bondowner Representative.

13.21 Additional Banking Laws. Borrower shall (a) ensure, and cause each Affiliate to ensure, that no person who owns a controlling interest in or otherwise controls Borrower or any Affiliate is or shall be listed on the “Specially Designated Nationals and Blocked Person List” or other similar lists maintained by the Office of Foreign Assets Control (“**OFAC**”), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each Affiliate to comply, with all applicable bank secrecy act laws and regulations, as amended.

13.22 Tax Shelter Disclosure. None of Borrower, Guarantor, or any Affiliate or subsidiary of any of the foregoing intends to treat the Loan or the transactions contemplated by this Agreement and the other Loan Documents as being a “reportable transaction” (within the

meaning of Regulation Section 1.6011-4). If Borrower, or any other party determines to take any action inconsistent with such intention, Borrower shall promptly notify Bondowner Representative thereof in writing. If Borrower so notifies Bondowner Representative, Borrower acknowledges that Bondowner Representative may treat the Loan as part of a transaction that is subject to Regulation Section 301.6112-1, and Bondowner Representative will maintain the lists and other records, including the identity of the applicable party to the Loan as required by such Regulation.

13.23 Costs of Enforcement.

(a) The prevailing party in the trial or appeal of any civil action, Insolvency Proceeding, or arbitration proceeding to construe or enforce this Agreement or any of the other Loan Documents, to repossess Collateral, to foreclose liens and Liens, and/or to defend any claims, offsets, defenses, counterclaims, and third-party claims that are asserted under contract, tort, or other common law theories will be entitled to recover reasonable attorney fees in addition to costs and disbursements and such fees, costs, and disbursements will bear interest at the Default Rate.

(b) Borrower agrees to pay on demand all of Bondowner Representative's out-of-pocket costs and expenses, including Bondowner Representative's reasonable attorneys' fees and legal expenses, incurred in connection with enforcement of this Agreement. Bondowner Representative may hire or pay someone else to help enforce this Agreement. Bondowner Representative may also use attorneys who are salaried employees of Bondowner Representative to enforce this Agreement. Borrower shall pay all costs and expenses of all such enforcement. In the event suit, action or other legal proceeding is brought to interpret or enforce this Agreement, Borrower agrees to pay all additional sums as the referee or court may adjudge reasonable as Bondowner Representative's costs, disbursements, and attorney fees at hearing, trial, and on any and all appeals. As used in this paragraph, "Agreement" means this Agreement and all other Loan Documents. Whether or not a court action is filed, all reasonable attorney fees and expenses Bondowner Representative incurs in protecting its interests and/or enforcing this Agreement shall become part of the indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the Notes or credit agreement, and shall be paid to Bondowner Representative by the other party or parties signing this Agreement on demand. The attorneys' fees and expenses covered by this paragraph include without limitation all of Bondowner Representative's attorney fees (including the fees charged by Bondowner Representative's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Bondowner Representative's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Bondowner Representative's post-judgment collection activities, Bondowner Representative's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Bondowner Representative's collateral, all to the fullest extent allowed by law.

13.24 WAIVER OF RIGHT TO TRIAL BY JURY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT, EXCEPT ISSUER, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY

CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY, EXCEPT ISSUER, HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT BORROWER AND BONDOWNER REPRESENTATIVE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE BORROWER AND BONDOWNER REPRESENTATIVE TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

13.25 Judicial Reference. In any judicial action or cause of action arising from this Agreement or otherwise (“**Dispute**”), including without limitation contract and tort disputes, all decisions of fact and law shall, at the request of either Borrower or Bondowner Representative or other holder of this Agreement, be referred to a referee in accordance with Section 638 et seq. of the California Code of Civil Procedure if the action is before a court of any judicial district of the State of California. The referee shall prepare written findings of fact and conclusions of law, and judgment upon the referee’s award shall be entered in court in which such proceeding was commenced. No provision or exercise of any right under this provision shall limit the right of the undersigned or Bondowner Representative or other holder of this Agreement to exercise self-help remedies, such as foreclosure against or sale of any real or personal property collateral or security, or to obtain provisional or ancillary remedies from a court of competent jurisdiction before, during or after the pendency of any judicial reference proceeding. The exercise of a remedy does not waive the right of either party to resort to judicial reference. Borrower and Bondowner Representative further agree that all disputes, claims and controversies between them shall be brought in their individual capacities and not as a plaintiff or class member in any purported class or representative proceeding.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

BONDOWNER REPRESENTATIVE:

UMPQUA BANK,
an Oregon banking corporation

By: _____
Monica Sharp
Vice President

[Construction Loan Agreement Signature Page]

ISSUER:

**LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY,**
as Issuer

By: _____
Executive Director or Designee

Printed Name

APPROVED AS TO FORM:

Mary C. Wickham, County Counsel

Deputy

[Construction Loan Agreement Signature Page]

BORROWER:

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its General Partner

By: East LA Community Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
Isela Gracian
President

[Construction Loan Agreement Signature Page]

EXHIBIT A

Legal Description

Exhibit A

EXHIBIT B
Approved Budget

[See Attached]

Exhibit B

EXHIBIT C

Project Sources Schedule

I. LOANS

<u>Lender/Program</u>	<u>Loan Amount</u>	<u>Required Funding Date</u>
County HOME Loan	///[\$2,500,000]///	On or before Closing Date
County MHHP Loan	///[\$3,750,000]///	On or before Closing Date
Successor Agency Loan	///[\$539,000]///	On or before Closing Date
Sponsor Loan	///[\$250,000]///	On or before Closing Date
HCD MHP Loan	///[\$_____]///	On or before Construction Loan Maturity Date
HCD VHHP Loan	///[\$3,926,388]///	On or before Construction Loan Maturity Date

II. EQUITY/OTHER

<u>Funder</u>	<u>Amount</u>	<u>Required Funding Date</u>
Investor	///[\$7,314,000]///	See <u>Exhibit C-1</u>
General Partner	\$100	Closing Date

III. DEFERRED DEVELOPER FEE

<u>Funder</u>	<u>Amount</u>	<u>Required Funding Date</u>
Developer	\$_____	After the Conversion Date

Exhibit C

EXHIBIT C-1

Schedule of Equity Deposits

Investor Capital Equity Installments	Amount of Capital Contribution	Capital Contribution Due Date
---	---------------------------------------	--------------------------------------

First Capital Contribution	\$_____	Closing Date
----------------------------	---------	--------------

This Capital Contribution shall be used to pay Approved Construction Costs.

Second Capital Contribution	\$_____	Upon completion of construction of the Project, but not earlier than _____, 20____.
-----------------------------	---------	---

This Capital Contribution shall be used to pay down the Loan.

Third Capital Contribution	\$_____	On or before the Construction Loan Maturity Date
----------------------------	---------	--

This Capital Contribution shall be used to pay off the Loan, and, provided that the Loan has been repaid in full, to pay such other obligations as set forth in the Partnership Agreement.

Fourth Capital Contribution	\$_____	After the Construction Loan Maturity Date
-----------------------------	---------	---

This Capital Contribution shall be used in accordance with the Partnership Agreement.

EXHIBIT C-2

Schedule of Development Fee Payments

Fee Installment	Amount of Fee Payable	Fee Due Date	Payment Source
First Developer Fee Payment	\$ _____	Upon Investor's making of the Fourth Capital Contribution	Fourth Capital Contribution
Deferred Developer Fee Payment	\$ _____	After the Construction Loan Maturity Date	Net Cash Flow

Exhibit C-1

EXHIBIT D

Compliance Certificate

To: Umpqua Bank

This Compliance Certificate is delivered pursuant to Section 7.10 of the Construction and Term Loan Agreement executed on _____, 2020 (the “**Loan Agreement**”), among Whittier PSH Phase II, L.P., a California limited partnership (the “**Borrower**”), Los Angeles County Development Authority (“**Issuer**”) and Umpqua Bank, an Oregon banking corporation (“**Bondowner Representative**”). All capitalized terms have the meanings set forth in the Loan Agreement:

The undersigned, being the General Partner of Borrower, hereby certify that as of the end of the Fiscal Year and as of the date of this Compliance Certificate: (a) there were and are no defaults that occurred under the Regulatory Agreements; (b) there were and are no Prospective Defaults or Events of Default in regards to the Loan; and (c) the Property was, and continues to be, exempt from real property taxation.

If, however, there were any such defaults under the Regulatory Agreements or Prospective Defaults or Events of Default in regards to the Loan, they are listed below along with the action we propose to take in respect to each such default, Prospective Default, or Event of Default.

With respect to the Credits:

1. The LIHTC documents are in full force and effect.
2. There have been no occurrences which would result in a loss or material reduction in the amount of any LIHTC.
3. The Borrower has not received a Form 8823 or any other notice of non-compliance from the Credit Agency or any other Governmental Agency.
4. The Form 8609 has been or is anticipated to be received by the date required in the Partnership Agreement.
5. Borrower has provided Bondowner Representative with all required LIHTC documents.
6. If required by the Internal Revenue Code, the Tax Credit LURA has been recorded in the appropriate filing office.

Exhibit D

Dated: _____, 20__.

BORROWER:

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its General Partner

By: East LA Community Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
Isela Gracian
President

Exhibit D

EXHIBIT E

Insurance Requirements

Borrower: Whittier PSH Phase II, L.P., a California limited partnership

Loan Number: [_____]

Project Address: 4101 Whittier Boulevard, Los Angeles, California

Bondowner Representative shall have received evidence acceptable to Bondowner Representative that Borrower or the applicable third-party has procured insurance as set forth below, as required by Bondowner Representative in its sole discretion:

1. General Liability Insurance. A Commercial General Liability insurance policy on the Project shall be evidenced by an ACORD Form 25 insuring against claims of bodily injury, death or property damage on an “occurrence” rather than “claims made” basis (combined single limit form), in an amount not less than \$1,000,000 per occurrence, and providing coverage in an aggregate amount of at least \$2,000,000 (per location) and umbrella coverage of not less than \$2,000,000, with a deductible amount, if any, not in excess of \$15,000 all naming Bondowner Representative as an additional insured.

2. Builder’s Risk Policy. A Builder’s All Risk insurance policy on the Project, during the construction of the Improvements, shall be evidenced by an ACORD Form 28. Such insurance shall name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy, shall be for the full insurable value of the Improvements, with a deductible amount, if any, not in excess of \$10,000 and shall be effective upon the date of the Notice to Proceed, the date of site mobilization or the start of any shipment of materials, machinery or equipment to the Project, whichever is earlier and is to remain in effect until replaced by permanent Property/All-Risk Hazard Insurance. The term “full insurable value” means 100 percent of the actual replacement cost of the insurable Improvements. The policy shall contain: the replacement cost endorsement, no coinsurance clause, in-transit coverage/temporary storage (based on each occurrence), demolition and increased cost of construction coverage, delay in completion and delay in rents/startup coverage. Unless waived by Bondowner Representative, the policy shall include: no exclusions for acts of terrorism, earthquake coverage, boiler and machinery coverage, sprinkler leakage coverage and vandalism and malicious mischief coverage and such other endorsements and coverages as Bondowner Representative may require.

3. Property/All-Risk Policy. An “All-Risk” hazard insurance policy on the Project shall be evidenced by an ACORD Form 28, name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy and shall be for the full insurable value of the completed improvements, with a deductible amount, if any, not in excess of \$10,000 and shall include the replacement cost endorsement, no coinsurance clause, demolition and increased cost of construction coverage. The term “full insurable value” means 100 percent of the actual replacement cost of the insurable Improvements without the deduction for depreciation. Unless waived by Bondowner Representative, the policy shall include: no exclusions for acts of terrorism, earthquake coverage, boiler and machinery coverage, sprinkler

Exhibit E

leakage coverage, vandalism and malicious mischief coverage and other such endorsements and coverages as Bondowner Representative may require.

4. Business Interruption. If the Project is owner-occupied, a one year's business interruption insurance policy in an amount acceptable to Bondowner Representative. The policy shall name Bondowner Representative as mortgagee and loss payee.

5. Loss of Rents. If the Project is occupied by tenants, a loss of rents/business income policy with coverage for a minimum of 12 months of Rental Value. The policy shall name Bondowner Representative as mortgagee and loss payee. Borrower shall not be required to provide loss of rents coverage until the initial occupancy of the Project.

6. Flood Coverage. A flood insurance policy in the maximum amount available, as required by applicable law, if the Property is located in an area designated by the United States Federal Emergency Management Agency as a special flood hazard area. The policy shall name Bondowner Representative as loss payee on a Form 438 BFU or acceptable equivalent attached to the policy.

7. Contractor's Coverage. During the construction of the Improvements, the following policies of insurance are to be maintained by the Contractor for the Project, which policies may be combined with the policies required to be maintained by Borrower as set forth above:

a. Public Liability/Property Damage Coverage for at least \$1,000,000 per occurrence (\$2,000,000 annual aggregate) to be written on Comprehensive General Liability form including all broad form coverages or other form providing like coverage on an "occurrence" rather than "claims made" basis naming Bondowner Representative as an additional insured;

b. Worker's Compensation Coverage per applicable state law and employers liability at minimum limits of \$500,000/\$500,000/\$500,000 naming the Contractor;

c. Excess Liability Policy for not less than \$2,000,000; and

d. Automotive Liability Limits of no less than \$1,000,000 for any automobile.

8. Other Insurance Required by Bondowner Representative. Insurance against such similar or other hazards, casualties, liabilities and contingencies, in such forms and amounts, as Bondowner Representative may from time to time reasonably require.

9. All Policies of Insurance. Each insurance policy required under this section shall be in form acceptable to Bondowner Representative and issued by a company or companies approved by Bondowner Representative and rated A- or better in the most current issue of Best's Insurance Reports and licensed to do business in the state in which the Property is located. Each hazard insurance policy will include a Form 438 BFU, ISO 1218, or equivalent mortgagee endorsement in favor of and in form acceptable to Bondowner Representative. All required

Exhibit E

policies will provide for at least 10 days written notice to Bondowner Representative prior to the effective date of any cancellation, non-renewal or material amendment, which term shall include any reduction in the scope or limits of coverage. Any policy with a co-insurance clause shall include an endorsement with a waiver of such co-insurance clause. All policies are to include waiver of subrogation against any party whose interest are covered in the policy and must be primary and non-contributory. The certificates and endorsements shall set forth the coverage, the limits of liability, the carrier, the policy number, the expiration date, the deductible amounts, loan number and Project address and/or description of the collateral insured. Borrower shall provide certified copies of the actual policies and endorsements when requested by Bondowner Representative.

10. Insurance Mailing Address. All documents and other materials relating to the insurance required hereunder shall be delivered to: Umpqua Bank, Post Office Box 1580, Roseburg, Oregon 97470.

Exhibit E

EXHIBIT F

Conversion Election Notice

[Date]

Umpqua Bank
One Capitol Mall, Suite 610
Sacramento, California 95814
Attention: Monica Sharp

Umpqua Bank
Post Office Box 1580
Roseburg, Oregon 97470-9972
Loan No. _____

Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801-3312
Attention: Mark Trinidad and Jewel Warren-Reed

U.S. Bank National Association
633 West 5th Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Ref: LACDA MF (Whittier Place 2019H)

Reference is made to that certain Construction and Term Loan Agreement among Whittier PSH Phase II, L.P., a California limited liability company (“**Borrower**”), Los Angeles County Development Authority (“**Issuer**”) and Umpqua Bank (“**Borrower Representative**”) dated _____, 2020 (the “**Loan Agreement**”). Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Loan Agreement. Borrower hereby requests that Convertible Loan be converted from a floating interest rate construction loan to a fixed interest rate term loan pursuant to the terms and conditions of the Loan Agreement. Borrower hereby certifies to Borrower Representative that the Conditions to Conversion set forth in Section 8.1 of the Loan Agreement either have been satisfied as of the date hereof or will be satisfied on or before the Conversion Date, including but not limited to:

1. No Event of Default or Prospective Default exists as of the date hereof and no Event of Default or Prospective Default will exist as of the Conversion Date;
2. The representations and warranties made in the Loan Agreement continue to be true and correct in all material respects as if made on and as of the date hereof and will continue to be true and correct as of the Conversion Date, except

_____;

3. Borrower accepts the Project as complete;
4. Borrower has received a final certificate of occupancy (or other written assurance) from the appropriate government agency certifying that the Project may be lawfully occupied for its intended use and Borrower has complied with all conditions contained in such permit for occupancy;
5. Bondowner Representative has received certificates from the Architect and, to Borrower's knowledge, Bondowner Representative's inspector, that, based upon personal inspections at adequate intervals (not less than monthly) during construction, all construction work was completed in a good and workmanlike manner in accordance with the plans and specifications and Construction Documents (subject only to change orders approved by Bondowner Representative) and in accordance with applicable Laws and Orders;
6. Bondowner Representative has received the Contractor's final certificate of construction, certifying that the Project has been completed in accordance with the Plans, the Construction Documents and all applicable Laws;
7. The period for filing construction lien claims has expired, and Borrower has provided to Bondowner Representative releases of liens from all potential lien claimants;
8. The Title Policy has been, or will be by the Conversion Date, endorsed by the Title Insurance Company to show that the Deed of Trust shall continue to be a first priority lien immediately after the Conversion Date, except for Permitted Encumbrances, and, if applicable, updated tax parcel endorsements;
9. Borrower has paid, or will pay by the Conversion Date, to Bondowner Representative all costs and expenses incurred by Bondowner Representative in connection with the conversion, including reasonable attorney fees;
10. This notice is being given to Bondowner Representative at least 30 days before the anticipated Conversion Date and Borrower has provided, or will provide by the Conversion Date, to Bondowner Representative any additional documentation reasonably required by Bondowner Representative in connection with the conversion;
11. The Project has achieved for the three consecutive months immediately preceding the anticipated Conversion Date (a) a minimum Debt Service Coverage Ratio of 1.15 to 1.00 and (b) stabilized occupancy of ninety percent (90%);
12. No Material Adverse Occurrence has occurred since the Closing Date and none shall occur prior to the Conversion Date;
13. ///[Borrower has received the First Capital Contribution and the Second Capital Contribution, and Borrower will receive the Third Capital Contribution in Equity Deposits on or before the Conversion Date, as set forth on Exhibit C-1 to the Loan Agreement, in the aggregate amount of \$_____];///[

Exhibit F

14. Borrower has received all Subordinate Loan proceeds and all other Funding Sources set forth in the Project Sources Schedule in the amounts and at the times set forth therein;
15. The Construction Loan has been, or will be on or prior to the Conversion Date, repaid in full, together with all other amounts due and owing under the Loan Documents as of the Conversion Date;
16. All reserves required under the Reserve and Security Agreement as of the Conversion Date have been, or will be on or prior to the Conversion Date, funded in accordance with the Reserve and Security Agreement;
17. Borrower has provided to Bondowner Representative evidence that the Property continues to be exempt from real property taxation as required pursuant to Section 7.7.2 of the Loan Agreement;
18. All conditions to the final Disbursement set forth in Section 3.3 have been satisfied; and
19. The following items are being delivered to Bondowner Representative with this notice and are true, correct and complete as of the date hereof: (a) a rent roll covering the Project for the prior three consecutive, full calendar months immediately preceding the date hereof, (b) operating statements for the Project for each of those three consecutive calendar months, and (c) computations and other supporting documentation evidencing satisfaction of all financial covenants set forth in the Loan Agreement, the other Loan Documents and the other Conditions to Conversion requiring computation and/or supporting documentation.

Date: _____

BORROWER:

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its General Partner

By: East LA Community Corporation,
a California nonprofit public benefit corporation,
its Sole Member/Manager

By: _____
Isela Gracian
President

Exhibit F

EXHIBIT G

Conversion Election Notice

[Date]

Whittier PSH Phase II, L.P.
c/o East LA Community Corporation
2917 E. 1st Street, Suite 101
Los Angeles, California 90033
Attention: President

Re: Commercial Real Estate Loan Number _____

NOTICE OF CONVERSION

Reference is made to that certain Construction and Term Loan Agreement dated _____, 2020, among you, Los Angeles County Development Authority (“**Issuer**”) and Umpqua Bank (the “**Loan Agreement**”). Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Loan Agreement. We are pleased to notify you that we agree that all Conditions to Conversion set forth in Section 8.1 of the Loan Agreement have been satisfied, and we are now able to convert your existing Convertible Loan from a floating interest rate construction loan to a fixed interest rate term loan upon the following updated terms:

The Conversion Date shall be _____.

The next Payment Date shall be _____.

The Convertible Loan Maturity Date shall be _____.

The amortization schedule attached as Exhibit A to the Convertible Note is hereby replaced with the amortization schedule attached hereto as Exhibit A.

Additionally, we confirm that, pursuant to ///[Section 11]/// of that certain Unsecured Payment and Performance Guaranty dated _____, 2020, and executed by EAST LA COMMUNITY CORPORATION (“**Guarantor**”), for the benefit of Umpqua Bank (the “**Guaranty**”), Guarantor’s obligations under the Guaranty are terminated except for, and subject to, those continuing obligations set forth in ///[Section 11(b)]/// of such Guaranty.

Please do not hesitate to contact us regarding any questions you may have regarding the conversion and/or above information. We would like to take this opportunity to thank you again for working with Umpqua Bank, the World’s Greatest Bank!

Sincerely,

Umpqua Bank

Exhibit G

EXHIBIT H

Multi-Family Bond Policies and Procedures

Exhibit H

INDENTURE OF TRUST

by and among

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY,
as Issuer

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

UMPQUA BANK,
as Initial Bondowner Representative

Dated as of [February] 1, 2020

relating to:

[\$2,229,579]

Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-1

[\$10,643,421]

Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-2

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EXHIBIT D	MULTI-FAMILY BOND POLICIES AND PROCEDURES

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of [February] 1, 2020 (this “Indenture”), is by and among the **LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**, a public body, corporate and politic, organized and existing under the laws of the State of California (together with its successors and assigns, the “Issuer”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as Trustee hereunder (together with any successor trustee hereunder and their respective successors and assigns, the “Trustee”), and **UMPQUA BANK**, an Oregon banking corporation, as initial purchaser of the Bond hereunder (herein called the “Bondowner Representative”).

WITNESSETH:

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the “Act”), the Issuer is empowered to issue bonds to finance the acquisition, construction and development of multifamily rental housing for persons of low and moderate income; and

WHEREAS, the Issuer proposes to issue in accordance with the Act, its Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-1 and 2019 Series H-2 (together, the “Bond”); and

WHEREAS, Whittier PSH Phase II, L.P., a California limited partnership (the “Owner”), has applied to the Issuer for financial assistance for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, construction and equipping of a 33-unit (plus one manager unit) multifamily rental housing project located at 4101-4117 Whittier Boulevard, in unincorporated Los Angeles County, California, known or to be known as Whittier Place Apartments Phase II (the “Project”); and

WHEREAS, the provision of the Loan (as hereinafter defined), is authorized by the Act and will accomplish a valid public purpose of the Issuer, and the Issuer has determined that it is in the public interest to issue the Bond in the maximum principal amount of \$[12,873,000] for the purpose of providing funding necessary for the acquisition, construction and equipping of the Project; and

WHEREAS, pursuant to a Loan Agreement (as defined herein) dated as of even date herewith among the Issuer, the Bondowner Representative and the Owner, the Issuer has agreed to issue the Bond and lend the proceeds thereof to the Owner (the “Loan”) and the Owner has agreed to (a) apply the proceeds of the Loan to pay a portion of the costs of acquisition, construction and equipping of the Project, (b) make payments sufficient to pay the principal of and interest on the Bond when due (whether at maturity, by redemption, acceleration or otherwise), and (c) observe the other covenants and agreements and make the other payments set forth therein; and

WHEREAS, in order to provide for the authentication and delivery of the Bond, to establish and declare the terms and conditions upon which the Bond is to be issued and to secure

the payment of the principal thereof and of the interest and premium, if any, thereon, the Issuer has authorized the execution and delivery of this Indenture; and

WHEREAS, the Issuer has determined that all conditions, things and acts required by the Act, and by all other laws of the State, to exist, have happened and have been performed in satisfaction of conditions precedent to and in connection with the issuance of the Bond exist, have happened, and have been performed in due time, form and manner as required by law, and the Issuer is duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bond for the purpose, in the manner and upon the terms herein provided; and

WHEREAS, the Issuer has determined that all acts and proceedings required by law necessary to make the Bond, when executed by the Issuer, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligation of the Issuer, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

A G R E E M E N T:

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, the Bond at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bond is to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bond by the owner thereof, and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective registered owner from time to time of the Bond, as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of the Loan Agreement and of any indenture supplemental hereto or agreement supplemental thereto, have the meanings herein specified, as follows:

The term “**Act**” shall mean Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California as in effect on the Closing Date.

The term “**Affiliate**” shall mean, as to any person, any other person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such person.

The term “**Agreement**” or “**Loan Agreement**” shall mean the Construction and Term Loan Agreement, dated as of [February] 1, 2020, among the Issuer, the Owner and the Bondowner Representative, pursuant to which the Issuer agrees to lend the proceeds of the Bond

to the Owner, as originally executed or as it may from time to time be supplemented or amended in accordance with its terms.

The term “**Annual Fee**,” when used with reference to the Issuer, means the Issuer’s ongoing annual fee as set forth in Section 7(n) of the Regulatory Agreement.

The term “**Authorized Amount**” shall mean \$[12,873,000], the authorized aggregate maximum principal amount of the Bond.

The term “**Authorized Issuer Representative**” shall mean the Chair of the Board of Commissioners or Executive Director of the Issuer or, for the purposes of the closing, in the Executive Director’s absence, Emilio Salas, Deputy Executive Director, or such other person who at the time and from time to time may be designated to act on behalf of the Issuer, by written certificate furnished to the Owner, the Bondowner Representative and the Trustee containing the specimen signature of such person and signed on behalf of the Issuer by an Authorized Issuer Representative, which certificate may designate an alternate or alternates, each of whom shall be entitled to perform all of the duties of the Authorized Issuer Representative.

The term “**Authorized Owner Representative**” shall mean any person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer, the Bondowner Representative and the Trustee containing the specimen signature of such person and signed on behalf of the Owner by a managing member or general partner of the Owner, as applicable, which certificate may designate an alternate or alternates and such persons as designated in the Loan Agreement.

The term “**Bond**” shall mean, collectively, the Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-1 and the Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-2, each as issued and Outstanding hereunder.

The term “**Bond Counsel**” shall mean (i) Kutak Rock LLP, or (ii) any attorney at law or other firm of attorneys selected by the Issuer, of nationally recognized standing in matters pertaining to the federal tax status of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Owner.

The term “**Bond Fund**” shall mean the fund by that name established pursuant to Section 5.02 hereof.

The term “**Bondowner Representative**” shall mean Umpqua Bank, an Oregon banking corporation, and any successor entity that is the owner of the Bond or any entity selected by the owner of the Bond.

The term “**Bond Proceeds Account**” shall mean the Bond Proceeds Account of the Construction Fund established under Section 3.03 hereof.

The term “**Bond Year**” shall mean the one-year period beginning on [February] 1 in each year and ending [January 31] in the following year, except that the first Bond Year shall begin on the Closing Date and end on [January 31, 2021].

The term “**Business Day**” means a day of the week (but not a Saturday, Sunday, or holiday) on which the offices of Lender are open to the public for carrying on substantially all of Lender’s business functions.

The term “**Certificate of the Issuer**” shall mean a certificate of the Issuer signed by an Authorized Issuer Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

The term “**Certified Resolution**” shall mean a copy of a resolution of the Issuer, certified by the Clerk of the Board of Commissioners, to have been duly adopted by the Issuer and to be in full force and effect on the date of such certification.

The term “**Closing Date**” shall mean [_____], 2020, the date of initial delivery of the Bond and funding of the Initial Disbursement.

The term “**Code**” or “**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended, and with respect to a specific section thereof, such reference shall be deemed to include (a) the regulations promulgated by the United States Department of the Treasury under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

The term “**Construction Fund**” shall mean the fund by that name established pursuant to Section 3.03 hereof which includes (i) a Bond Proceeds Account and (ii) an Equity Account.

The term “**Control**” shall mean, with respect to any person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, by contract or otherwise.

The term “**Conversion Date**” shall have the meaning set forth in the Loan Agreement.

The term “**Costs of Issuance Fund**” shall mean the fund by that name established pursuant to Section 3.04 hereof.

The term “**County**” shall mean the County of Los Angeles.

The term “**Debt Service**” shall mean the scheduled amount of interest and amortization of principal payable on the Bond during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

The term “**Deed of Trust**” shall mean the Construction and Permanent Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, executed by the Owner in favor of the Issuer (and assigned by the Issuer to the Trustee) for the purpose of securing the obligations of the Owner under the Loan Agreement, as such deed of trust may be originally executed or as from time to time supplemented or amended.

The term “**Default Rate**” means the interest rate then in effect on the Bond plus 5%, not to exceed the Maximum Rate.

The term “**Disbursed Amount**” means the portion of the Loan and the Bond funded and Outstanding from time to time, as indicated on the Bond and in the records of the Trustee.

The term “**Equity Account**” shall mean the Equity Account of the Construction Fund established under Section 3.03 hereof.

The term “**Event of Default**” as used herein with respect to defaults under the Loan Agreement shall have the meaning specified in Section 20 thereof.

The term “**Fair Market Value**” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Obligation-State and Local Government Series that is acquired in accordance with applicable regulations of the United States Department of the Treasury, Bureau of Public Debt, or (d) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

The term “**Holder,**” “**holder,**” “**owner**” or “**Bondowner**” shall mean the person in whose name the Bond is registered.

The term “**Indenture**” shall mean this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions hereof.

The term “**Initial Disbursement**” means the initial advance of the proceeds of the Bond on the Closing Date in an amount equal to at least \$50,001.

The term “**Interest Payment Date**” shall mean the first Business Day of each month, commencing [_____], 2020.

The term “**Investment Securities**” shall mean any of the following (including any funds comprised of the following, which may be funds maintained or managed by the Trustee and its affiliates), but only to the extent that the same are acquired at Fair Market Value:

(a) United States Treasury notes, bonds, bills, or those for which the full faith and credit of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, are pledged for the payment of principal and interest (including State and Local Government Series);

(b) shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, (2) whose only investments are in (i) securities described in the preceding clause (a), (ii) general obligation tax-exempt securities rated “A” or better by the Rating Agency, or (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers to report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks, and (3) which are rated “Am” or “Am-g” or better by the Rating Agency, including money market funds for which the Trustee and its affiliates provide investment advisory or other management services;

(c) any security which is a general obligation of any state or any local government with taxing powers which is rated “A” or better by the Rating Agency;

(d) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated “A-1” by the Rating Agency and matures in 270 days or less;

(e) U.S. dollar denominated deposit accounts, federal funds or bankers acceptances with domestic commercial banks which may include the Trustee and its affiliates which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P (for purposes of rating, ratings on holding companies are not considered as the rating of the bank); or

(f) any other investment which is a lawful investment for funds of the Issuer hereunder approved in writing by the Bondowner Representative.

The term “**Investor Letter**” shall mean a letter from a purchaser of the Bond in the form of Exhibit B hereto.

The term “**Issuance Costs**” shall mean all costs and expenses of issuance of the Bond, including, but not limited to: (a) underwriters’ discount and fees; (b) counsel fees, including Bond Counsel and Owner’s counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bond or the Loan; (c) the Issuer’s issuance fee (being 0.25% of the aggregate original authorized principal amount of the Bond) plus expenses incurred in connection with the issuance of the Bond, including fees of any counsel or advisor to the Issuer, and the Issuer administrative fee for processing the request of the Owner to issue the Bond; (d) Bondowner Representative’s fees and Bondowner Representative’s counsel fees; (e) Trustee’s fees and Trustee’s counsel fees; (f) paying agent’s and certifying and authenticating

agent's fees related to issuance of the Bond; (g) accountant's fees related to issuance of the Bond; (h) fees and expenses of Lender's counsel; (i) publication costs associated with the financing proceedings; and (j) costs of engineering and feasibility studies necessary to the issuance of the Bond.

The term "**Issuer**" shall mean the Los Angeles County Development Authority, a public body, corporate and politic, organized and existing under the laws of the State, together with any assigns or successors thereto.

The term "**Lender**" shall mean Umpqua Bank and any successor and assign thereof as owner of the Bond.

The term "**Loan**" shall mean the loan of the proceeds of the Bond made by the Issuer to the Owner pursuant to the Loan Agreement for the purpose of financing the acquisition and construction by the Owner of the Project.

The term "**Loan Agreement**" shall mean the Construction and Term Loan Agreement, dated as of [February] 1, 2020, among the Issuer, the Owner and the Bondowner Representative, pursuant to which the Issuer agrees to lend the proceeds of the Bond to the Owner, as originally executed or as it may from time to time be supplemented or amended in accordance with its terms.

The term "**Loan Documents**" shall have the meaning given such term in the Loan Agreement.

The term "**Maturity Date**" shall mean, as to the Series H-1 Bond, [_____], and as to the Series H-2 Bond, [_____].

The term "**Maximum Rate**" shall mean the lesser of (i) 12% per annum or (ii) the maximum interest rate permitted by law.

The term "**Note**" shall mean, collectively, the Series H-1 Note and the Series H-2 Note, evidencing the obligation of the Owner to repay the Loan in the form required by the Loan Agreement, as amended or supplemented from time to time.

The term "**Opinion of Counsel**" shall mean a written opinion of counsel, who may be counsel for the County, Bond Counsel, counsel for the Trustee or counsel for the Bondowner Representative.

The term "**Outstanding**," when used as of any particular time with reference to the Bond, shall mean a principal amount of the Bond equal to the purchase price paid by the Bondowner Representative to the Trustee under this Indenture except:

- (a) Any portion of the Bond theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Any portion of the Bond for the payment or redemption of which moneys or securities in the necessary amount (as provided in Section 10.01) shall have theretofore

been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bond); and

(c) A Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.05.

The term “**Owner**” or “**Partnership**” shall mean Whittier PSH Phase II, L.P., a California limited partnership, and its respective successors and assigns under the applicable provisions of the Loan Agreement and the Regulatory Agreement.

The term “**Person**” or “**person**” shall mean an individual, a limited liability company, a corporation, a partnership, a limited partnership, a limited liability partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

The term “**Principal Office**” shall mean the principal office of the Trustee located at the address set forth in Section 11.06 hereof, or at such other place as the Trustee shall designate by notice given under said Section 11.06.

The term “**Principal Payment Date**” shall mean any date on which principal of the Loan is due and payable under the Note.

The term “**Project**” means the multifamily rental housing facility to be acquired and constructed by the Owner with the proceeds of the Loan located at 4101-4117 Whittier Boulevard in unincorporated Los Angeles County, California, including structures, buildings, fixtures or equipment, as it may at any time exist, and any structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities, and a fee interest in the land on which such housing is situated.

The term “**Project Costs**” has the meaning given such term in the Regulatory Agreement.

The term “**Qualified Project Costs**” shall have the meaning ascribed thereto in the Regulatory Agreement.

The term “**Rating Agency**” shall mean Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies Inc., or its successors and assigns or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Issuer.

The term “**Rebate Analyst**” shall mean (i) Kutak Rock LLP, or (ii) any certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected by and at the expense of the Owner, with the prior written consent of the Issuer, to make the computations required under this Indenture and the Loan Agreement.

The term “**Rebate Fund**” shall mean the fund by that name established pursuant to Section 6.07 hereof.

The term “**Redemption Date**” shall mean any date designated as a date upon which the Bond is to be redeemed pursuant to this Indenture.

The term “**Regulations**” shall mean the Income Tax Regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time or pursuant to any predecessor statute to the Code.

The term “**Regulatory Agreement**” shall mean that Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, by and among the Issuer, the Trustee and the Owner related to the Project, as amended, supplemented or restated from time to time.

The term “**Reserved Rights**” means those certain rights of the Issuer, its officers, commissioners, board members, directors, members, other elected officials, attorneys, accountants, employees, agents and consultants under the Loan Documents to indemnification and to payment or reimbursement of fees and expenses of the Issuer, including the Issuer’s Annual Fee, as well as the fees and expenses of counsel and indemnity payments, its right to give and receive notices and to enforce notice and reporting requirements and restrictions on transfer of ownership, its right to inspect and audit the books, records and premises of the Owner and of the Project, its right to collect attorney’s fees and related expenses, its right to specifically enforce the Owner’s covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Issuer), its rights to give or withhold consent to amendments, changes, modifications and alterations to the Loan Documents as specifically set forth herein and therein, and to the extent not included above, the rights specifically reserved by the Issuer under this Indenture and the Regulatory Agreement.

The term “**Responsible Officer**” of the Trustee or the Bondowner Representative shall mean any officer of the Trustee or the Bondowner Representative, as the case may be, assigned to administer its duties hereunder.

The term “**Revenues**” means payments of principal of and premium, if any, and interest on the Bond, consisting of any repayments of the Loan required or permitted to be made by the Owner pursuant to the Note and Sections 4.1, 4.2, 4.3 of the Loan Agreement; but such term shall not include payments to the United States, the Trustee, the Issuer or the Bondowner Representative pursuant to Sections 4.4, 4.5, 4.10, 7.33.2, and 11.2 of the Loan Agreement, Sections 6.07 or 8.06 hereof or pursuant to the Regulatory Agreement.

The term “**Series H-1 Bond**” means the Issuer’s Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-1 in the original principal amount of \$[2,229,579].

The term “**Series H-1 Note**” means that promissory note dated the Closing Date in the original principal amount of \$[2,229,579] by the Borrower in favor of the Issuer, as it may be amended or supplemented from time to time.

The term “**Series H-2 Bond**” means the Issuer’s Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-2 in the original principal amount of \$[10,643,421].

The term “**Series H-2 Note**” means that promissory note dated the Closing Date in the original principal amount of \$[10,643,421] by the Borrower in favor of the Issuer, as it may be amended or supplemented from time to time.

The term “**Sophisticated Investor**” means: (i) Umpqua Bank; (ii) any Affiliate of Umpqua Bank; or (iii) a “qualified institutional buyer” (a “**QIB**”) as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

The term “**State**” means the State of California.

The term “**supplemental indenture**” or “**indenture supplemental hereto**” shall mean any indenture hereafter duly authorized and entered into by and among the Bondowner Representative, the Issuer and the Trustee in accordance with the provisions of this Indenture.

The term “**Tax Certificate**” means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated the Closing Date executed and delivered by the Issuer and the Owner on the Closing Date.

The term “**Trustee**” shall have the meaning given to such term in the first paragraph of this Indenture.

The term “**Variable Rate**” has the meaning ascribed to the term “Variable Rate” in the Note.

The terms “**Written Consent**,” “**Written Demand**,” “**Written Direction**,” “**Written Election**,” “**Written Notice**,” “**Written Order**,” “**Written Request**” and “**Written Requisition**” of the Issuer or the Owner shall mean, respectively, a written consent, demand, direction, election, notice, order, request or requisition signed on behalf of the Issuer by an Authorized Issuer Representative, or on behalf of the Owner by an Authorized Owner Representative.

Section 1.02. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) All references herein to “Articles,” “Sections” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Indenture as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

ARTICLE II

THE BOND

Section 2.01. Authorization. There is hereby authorized to be issued a bond of the Issuer comprised of two series designated as “Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-1” (the “Series H-1 Bond”) in the maximum principal amount of up to \$[2,229,579] and “Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-2” (the “Series H-2 Bond”) in the maximum principal amount of up to \$[10,643,421], subject to funding over time, as provided herein. No Bond may be issued hereunder except in accordance with this Article. The maximum principal amount of the Bond which may be issued and Outstanding under this Indenture shall not exceed the Authorized Amount.

Section 2.02. Terms of Bond. The Bond shall be substantially in the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture, including any supplemental indenture.

The Bond shall be issuable only as a single fully registered Bond of each series, without coupons in the principal amount equal to the aggregate of the purchase price of the Bond advanced from time to time by the owner of the Bond (which principal amount shall be, on the Closing Date, equal to the amount of the Initial Disbursement). Notwithstanding the foregoing, no purchase price of the Bond shall be funded after December 31, 2023 unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond. The Bond shall be dated the Closing Date, shall mature as to the Series H-1 Bond, on [_____] and as to the Series H-2 Bond on [_____], and shall be subject to redemption prior to maturity as provided in Article IV.

The Bond shall bear interest, payable on each Interest Payment Date, from the Closing Date to the Maturity Date at the Variable Rate as determined by the Bondowner Representative pursuant to the terms of the Note (subject to such exceptions and conditions as are set forth in the Note) and communicated to the Owner, the Trustee and the Bondowner on the Closing Date and promptly following the first day of each calendar month. Notwithstanding the foregoing, the Bond shall bear interest at the rate set forth in Section 2 of the Note under the conditions set forth in that Section and upon the occurrence of an Event of Default under the Loan Agreement, the Bond shall bear interest at the Default Rate. In no event may the interest rate on the Bond exceed the Maximum Rate. Interest on the Bond shall be computed on the basis of a 360-day year and actual days elapsed.

The Bond shall bear interest from the date to which interest has been paid on the Bond next preceding the date of its authentication, unless it is authenticated as of an Interest Payment Date for which interest has been paid, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Interest Payment Date, in which event it shall bear interest from the Closing Date.

Upon the initial issuance of the Bond, the Trustee shall authenticate and deliver the Bond to Umpqua Bank, as the registered owner, and the Bond shall not be subject to any book-entry system.

Section 2.03. Payment of Bond. Payment of the principal of and interest on the Bond shall be made in lawful money of the United States to the person appearing on the Bond registration books of the Trustee as the registered owner thereof on the applicable Interest Payment Date, such principal and interest to be paid by check mailed on the Interest Payment Date by first class mail, postage prepaid, to the registered owner at its address as it appears on such registration books, except that the Trustee may, at the request of any registered owner of Bond, make payments of principal and interest on the Bond by wire transfer to the account within the United States designated by such owner to the Trustee in writing, any such designation to remain in effect until withdrawn in writing. Notwithstanding the foregoing, unless otherwise notified in writing by the Bondowner Representative, the Trustee shall make all payments of principal of and interest on the Bond to the Bondowner Representative to the extent funds are on deposit with the Trustee for such payments under this Indenture.

Section 2.04. Execution of Bond. The Bond shall be executed on behalf of the Issuer by the manual or facsimile signature of the Authorized Issuer Representative. Any facsimile signatures shall have the same force and effect as if said persons had manually signed said Bond. In case any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

Only such Bond as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture and such certificate of the Trustee shall be conclusive evidence that the Bond so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.05. Transfer of Bond.

(a) The Bond may, in accordance with the terms of this Indenture but in any event subject to the provisions of Section 2.05(b) hereof, be transferred upon the books of the Trustee required to be kept pursuant to the provisions of Section 2.06, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office of the Trustee, accompanied by a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever the Bond shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver a new, fully registered Bond.

(b) The following shall apply to all transfers of the Bond after the initial delivery of the Bond:

(i) the Bond, in the form attached hereto as Exhibit A, shall be a physical certificated instrument, and shall not be held in a book-entry only system unless approved in advance in writing by the Issuer, and the Bondowner Representative, each in its sole discretion;

(ii) the Bond shall be transferred only in whole and only to a Sophisticated Investor;

(iii) each transferee of the Bond shall deliver to the Issuer and the Trustee an Investor Letter, wherein the transferee agrees, among other matters, not to sell participating interests in the Bond without the prior written consent of the Issuer and warrants that it is a Sophisticated Investor;

(iv) the Trustee shall not authenticate or register a Bond unless the conditions of this Section 2.05(b) have been satisfied and the Trustee has received the written consent of the Issuer to such transfer in accordance with and to the extent required by subsection (d) below.

(c) The Trustee shall require the payment by the Holder of the Bond requesting any such transfer of any tax, fee or other governmental charge required to be paid with respect to such transfer, but any such transfer shall otherwise be made without charge to the Holder requesting the same. The cost of printing any Bond and any services rendered or any expenses incurred by the Trustee in connection therewith shall be paid by the Owner.

(d) The Bondowner Representative and Trustee shall not transfer the Bond without prior written approval by the Issuer; provided that the Issuer agrees that it shall not unreasonably or arbitrarily withhold such approval with respect to a transfer that (1) complies with the requirements of subparagraphs (b)(ii) and (b)(iii), above, and (2) is made by the Bondowner Representative in order to comply with capital requirements or constraints, overall asset disposition strategies or regulatory requirements applicable to the Bondowner Representative as certified to the Issuer in writing and that, with respect to any such requested transfer, the Issuer will provide its consent or specify its reasons for withholding its consent within 10 days of receipt by the Issuer and the Trustee of the items specified in (b)(iii), and if applicable (b)(iv), above and the written certification referenced in this sentence. If the Issuer fails to respond within such 10-day period, the Issuer's consent shall be deemed granted. Notwithstanding anything to the contrary herein, the Issuer's consent to a transfer of the Bond shall not be required with respect to any transfer to a subsidiary or Affiliate of the then-existing Bondowner which transfer otherwise meets the requirements hereof. The Bondowner Representative shall indemnify and defend the Issuer, and the officers, directors, employees, attorneys and agents of the Issuer against any claim brought by any transferor or transferee of the Bond in respect of the Bond, this Indenture or any of the Loan Documents in the event that there occurs a transfer of the Bond that is not permitted pursuant to this Section 2.05. Failure to comply with Section 2.05(b) shall cause any purported transfer to be null and void.

Notwithstanding Section 2.05(b)(iii) above, the owner of the Bond may sell participation interests in the Bond, provided that: (i) such owner shall remain the owner of record in the register of the Trustee following the sale of any such participation interest; (ii) the purchaser of the participation interest is a Sophisticated Investor; (iii) any such participation shall be in a principal amount no less than the lesser of \$250,000 or the Outstanding principal amount of the Bond; and (iv) the purchaser of such participation interest shall provide an Investor Letter to the Issuer and the Trustee substantially in the form of Exhibit B hereto.

(e) There may be only one Holder of the Bond. The Trustee shall comply with the Issuer's Multi-Family Bond Policies and Procedures, as described herein and as otherwise set forth in Exhibit D hereto, unless waived in writing by the Issuer.

Section 2.06. Bond Register. The Issuer hereby appoints the Trustee as registrar and authenticating agent for the Bond. The Trustee will keep or cause to be kept at its Principal Office sufficient books for the registration, notation of principal and transfer of the Bond, which shall at all reasonable times upon reasonable notice be open to inspection by the Issuer and the Owner; and, upon presentation for such purpose, the Trustee as registrar shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, the Bond as hereinbefore provided.

The ownership of the registered Bond shall be proved by the bond registration books held by the Trustee. The Trustee and the Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of the Bond held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the Bond and the Holder of every Bond issued in exchange thereof or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in accordance therewith or reliance thereon.

ARTICLE III

ISSUANCE OF BOND; APPLICATION OF PROCEEDS

Section 3.01. Authentication and Delivery of the Bond. Upon the execution and delivery of this Indenture, the Issuer shall execute the Bond and deliver it to the Trustee. Upon satisfaction of the conditions set forth in this Section, and without any further action on the part of the Issuer, the Trustee shall authenticate the Bond in a principal amount not exceeding the Authorized Amount, and shall deliver the Bond pursuant to a Written Order of the Issuer. Prior to the authentication and delivery of the Bond by the Trustee, the initial owner of the Bond shall have executed and delivered to the Trustee the form of Investor Letter and there shall have been delivered to the Trustee each of the following:

(i) a Certified Resolution authorizing issuance and sale of the Bond and execution and delivery by the Issuer of the Indenture, the Loan Agreement and the Regulatory Agreement;

(ii) copies of executed counterparts of this Indenture, the Loan Agreement, the Deed of Trust, the Regulatory Agreement and all of the other Loan Documents (as defined in the Loan Agreement), all in form and content satisfactory to the Bondowner Representative (as evidenced by the authentication and delivery of the Bond to the Bondowner Representative and acceptance thereof), and the original executed Note;

(iii) a Written Order of the Issuer to the Trustee to authenticate and deliver the Bond as directed in such Written Order, upon payment of the Initial Disbursement by the Bondowner Representative and transfer thereof to the Trustee, for credit to the Bond Proceeds Account of the Construction Fund, as applicable, and immediate disbursement into escrow with Commonwealth Land Title Company as directed by the Issuer;

(iv) evidence satisfactory to the Issuer of arrangements to pay all costs associated with the issuance and sale of the Bond; and

(v) one or more opinions of Bond Counsel or the County counsel's office with respect to the due execution and delivery of the Indenture, Loan Agreement and Bond and the exclusion from gross income of the Bondowner of interest on the Bond for federal income tax purposes.

Section 3.02. Application of Proceeds of Bond/Draw-Down Provisions. The Initial Disbursement and subsequent disbursements of the proceeds received from the sale of the Bond shall be made in accordance with Section 3.03 of this Indenture. The Bondowner Representative shall fund the purchase price of the Bond from time to time by funding advances under the Loan pursuant to the Loan Agreement with advances of purchase price allocated first to fund the Series H-1 Bond and then the Series H-2 Bond. Amounts funded in such manner shall be deposited by the Bondowner Representative with the Trustee and shall be deposited into the Bond Proceeds Account of the Construction Fund in accordance with Section 3.03(a) of this Indenture. The Trustee shall note such amount in its records, and the Trustee's records, absent manifest error, shall be dispositive of the amount Outstanding. Such amounts shall constitute the Disbursed Amount, and shall begin to accrue interest, only upon disbursement by the Bondowner Representative to the Trustee for deposit in the Bond Proceeds Account of the Construction Fund. Notwithstanding anything herein to the contrary, the aggregate purchase price of the Bond funded by the Bondowner Representative may not exceed \$[12,873,000] (and the Trustee shall not record any advances which would cause the principal amount of the Bond to exceed such amount). In no event may additional amounts of the Bond be funded after December 31, 2023 unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond.

Section 3.03. Disbursement of Bond Proceeds; Establishment of Construction Fund.

There is hereby created and established with the Trustee a separate fund which shall be designated the "Construction Fund," which fund shall be applied only as provided in this Section. Within the Construction Fund there shall be created a Bond Proceeds Account, a Standard Equity Account and a Conversion Equity Account to be held by the Trustee. The Initial Disbursement on the Closing Date shall be disbursed by the Bondowner Representative pursuant to the Loan Agreement and deposited with the Trustee and deposited to the Bond Proceeds Account of the Construction Fund for payment to or upon the order of the Owner to pay Qualified Project Costs.

(a) The Bondowner Representative shall fund the Loan from time to time in accordance with the Loan Agreement. Each advance of the Loan shall be treated as a concurrent funding of Bondowner Representative's purchase of a further drawdown of the Bond. The Bondowner Representative shall deposit the proceeds of each drawdown on the Bond with the Trustee for deposit into the Bond Proceeds Account of the Construction Fund. The Trustee shall deposit moneys received from or on behalf of the Owner to the Standard Equity Account or the Conversion Equity Account, as applicable, of the Construction Fund. Funds on deposit in the Construction Fund, and any interest earnings thereon, shall be transferred by the Trustee to the Owner (or, at the direction of the Bondowner Representative, to such contractors or subcontractors as specified in writing to the Trustee by the Lender) (i) for the payment of Project Costs (as defined in the Regulatory Agreement), (ii) in the case of funds held in the Standard Equity Account, for such other purposes requested by the Owner, and (iii) in the case of the Conversion Equity Account, to prepay the Series H-2 Note on the Conversion Date, as directed in writing by the Lender.

(b) The Issuer hereby authorizes and directs the disbursement by the Trustee of the amounts deposited in the Construction Fund in accordance with this Indenture to or upon the order of the Owner (or, at the direction of the Bondowner Representative, to such contractors or subcontractors as specified in writing to the Trustee by the Lender) from time to time upon receipt by the Trustee of a written request of the Owner, accompanied by a disbursement request in the form attached hereto as Exhibit C, and a determination of the Bondowner Representative that the conditions to disbursement contained in the Loan Agreement have been satisfied or waived. Notwithstanding the foregoing, prior to delivery of the Construction Completion Certificate, the Trustee shall disburse payments of interest on the Bond when due from the Construction Fund without the need for a completed disbursement request.

(c) The Trustee shall maintain, or cause to be maintained, complete and accurate records regarding the disbursement of the proceeds of the Bond in accordance with Section 3.02 and this Section 3.03 hereof, and shall provide copies thereof to the Issuer and the Owner upon their written request. Additionally, the Trustee shall provide the Issuer with a monthly statement regarding activity in each of the funds and accounts created under this Indenture, including the Construction Fund and the Bond Fund in the immediately preceding month.

(d) The Trustee, the Bondowner Representative and the Issuer shall not be responsible for the application by the Owner of monies disbursed to the Owner in accordance with this Section 3.03.

(e) Following receipt of a Construction Completion Certificate (as defined in the Regulatory Agreement) from the Owner, the Trustee shall transfer any amounts remaining in the Construction Fund to the Bond Fund. Upon such transfer, the Construction Fund shall be closed.

If an Event of Default under and as defined in the Loan Agreement occurs and the maturity of the Bond is accelerated in accordance with Section 4.01(b) hereof, the Trustee will, to the extent necessary, use moneys in the Construction Fund and Bond Fund to make payments on the Bond.

Section 3.04. Costs of Issuance Fund. There is hereby created and established with the Trustee a separate fund which shall be designated the “Costs of Issuance Fund,” which fund shall be applied only as provided in this Section. On the Closing Date, the Owner shall, from its own funds, deposit with the Trustee the amount of \$[____], which amount the Trustee shall deposit in the Costs of Issuance Fund. Amounts in the Costs of Issuance Fund shall be paid by the Trustee on or after the Closing Date to the California Debt and Investment Advisory Commission (“CDIAC”) in the amount up to \$[____] upon delivery of an invoice to the Trustee from CDIAC. Amounts remaining in the Costs of Issuance Fund 90 days after the Closing Date shall be returned to the Owner, and the Trustee shall close the Costs of Issuance Fund.

Section 3.05. Issuer’s Annual Fee. The Trustee shall collect the Issuer’s Annual Fee from the Owner when due from the Owner and remit it to the Issuer at the times specified in the Regulatory Agreement. The Trustee may establish a fund or account in its records to deposit and remit the Annual Fee to the Issuer.

ARTICLE IV

REDEMPTION OF BOND

Section 4.01. Circumstances of Redemption. The Bond is subject to redemption upon the circumstances, on the dates and at the prices set forth as follows:

(a) The Bond shall be subject to redemption in whole or in part on any date following the date the Project is placed in service, at a price equal to the principal amount of Bond to be redeemed plus interest accrued thereon to the date fixed for redemption, plus any applicable prepayment premium, as provided in the Note or the Loan Agreement; provided, however, that any other charges then due and payable pursuant to the Note or the Loan Agreement shall be paid in full (or, in connection with a partial redemption of the Bond, paid in proportion to the amount of Bond being so redeemed) on the redemption date. Any partial prepayment of the Note shall first be used to pay the Series H-2 Bond and then the Series H-1 Bond.

(b) The Bond shall be subject to mandatory redemption in whole upon the occurrence of an Event of Default under the Loan Agreement or any other of the Loan Documents (subject to all applicable notice and cure provisions contained therein), at the written direction of the Bondowner Representative, at a redemption price equal to the principal amount of the Bond then Outstanding, plus accrued interest thereon to the date of redemption, plus any applicable prepayment premium, as provided in the Note or the Loan Agreement.

(c) [Reserved].

(d) The Series H-1 Bond shall be subject to mandatory redemption in whole on the “Convertible Loan Maturity Date” as set forth in the Loan Agreement.

(e) The Series H-2 Bond shall be subject to mandatory redemption (i) in full on the Conversion Date and (ii) in full on the “Construction Loan Maturity Date” under the Loan Agreement (as may be extended by the terms of the Loan Agreement) in the event the “Conditions to Conversion” (as defined in the Loan Agreement) are not satisfied on or before the “Construction Loan Maturity Date” set forth in the Loan Agreement (as may be extended by the terms of the Loan Agreement).

(f) The Bond shall be subject to mandatory redemption, at the direction of the Bondowner Representative (given in accordance with the Loan Agreement or the Deed of Trust), in whole or in part on any date, from insurance proceeds received in connection with a partial or total casualty loss of the Project or a condemnation award in connection with a partial or complete taking of the Project, but only to the extent such proceeds or award are not used to repair, replace or restore the Project, at a price equal to the principal amount of the Bond to be redeemed plus interest accrued thereon to the date fixed for redemption and any additional amount payable pursuant to the Note or the Loan Agreement. Any partial prepayment of the Bond shall be first used to pay the Series H-2 Bond and then the Series H-1 Bond.

The Bondowner Representative is hereby authorized and directed, and hereby agrees, to fix the date for any such redemption and to provide written notice thereof to the Trustee, and, if Revenues are available, to cause the Trustee to redeem the Bond so called on the date so fixed by the Bondowner Representative. The Bondowner need not surrender its Bond in connection with any redemption of the Bond unless the Bond is redeemed in whole.

Section 4.02. No Notice of Redemption. No notice of redemption of the Bond need be given to the Bondowner by the Trustee, but the Bondowner Representative shall give notice of any redemption under Section 4.01(b) to the Issuer at the same time such notice is given to the Trustee; provided such notice shall not be a condition precedent to any redemption and neither failure to give such notice nor any defect in such notice shall affect the validity of any redemption hereunder.

Section 4.03. Effect of Redemption. If moneys for payment of the redemption price of the Bond are being held by the Trustee, the Bond shall, on the redemption date selected by the Owner or Bondowner Representative, as applicable, become due and payable at the redemption

price specified herein, interest on the principal amount of the Bond so called for redemption shall cease to accrue, said principal amount of Bond shall cease to be entitled to any lien, benefit or security under this Indenture, and the holder of the Bond shall have no rights in respect thereof except to receive payment of the redemption price thereof and receive proceeds of exercise by the Trustee of rights and remedies under the Note, the Loan Agreement, the Deed of Trust and the other Loan Documents.

ARTICLE V

REVENUES

Section 5.01. Pledge of Revenues. All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bond. The Issuer also hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the holder from time to time of the Bond, all of its right, title and interest in (excluding the Reserved Rights) (a) the Revenues, but excluding any amounts calculated as excess investment earnings under Section 6.07 hereof, (b) all amounts on deposit in any fund or account created hereunder and held by the Trustee, but excluding any amounts calculated as excess investment earnings under Section 6.07 hereof, (c) the Loan Agreement (except for the Reserved Rights under Sections 2.3, 3.1.5, 4.10, 7.17.2, 7.33.3, 8.1(h), 13.2, and 13.13 of the Loan Agreement and amounts payable to the United States of America pursuant to the Regulatory Agreement and Tax Certificate), (d) the Note, and (e) any other amounts or agreements referenced in the Loan Agreement as security for the repayment of the Bond (collectively, the “Trust Estate”). The Note has been endorsed to the Trustee, and the Deed of Trust is delivered in favor of the Issuer and assigned to the Trustee.

All Revenues received by the Trustee and all amounts on deposit in the funds and accounts created hereunder and held by the Trustee (other than amounts held pursuant to Section 3.05 for the benefit of the Issuer and amounts held in the Rebate Fund pursuant to Section 6.07 hereof) shall be held in trust for the benefit of the holders from time to time of the Bond, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter set forth in this Article V.

Notwithstanding anything contained in this Indenture, the Issuer shall not be required to advance any moneys derived from the proceeds of taxes collected by the County, the State or by any political subdivision thereof or from any source of income of any of the foregoing other than the Trust Estate for any of the purposes mentioned in this Indenture, whether for the payment of the principal of or interest on the Bond or for any other purpose of this Indenture.

THE BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE BOND DOES NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BOND DOES

NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BOND. THE ISSUER HAS NO TAXING POWER.

Section 5.02. Bond Fund. There is hereby created and established with the Trustee a separate fund which shall be designated the “Bond Fund,” which fund shall be applied only as provided in this Section.

The Trustee shall credit to the Bond Fund from time to time, upon receipt thereof, all Revenues, including (i) income received from the investment of moneys on deposit in the Bond Fund, and (ii) any other Revenues, including insurance proceeds, condemnation awards and other Loan payments or prepayments received from or for the account of the Owner.

Except as provided in Section 10.02, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bond as the same shall become due, whether at maturity or upon redemption or acceleration or otherwise.

On each date on which principal of or interest on the Bond is due and payable, the Trustee shall pay such amount from the Bond Fund.

Section 5.03. Investment of Moneys. Except as otherwise provided in this Section, any moneys in any of the funds and accounts to be established by the Trustee pursuant to this Indenture shall be invested by the Trustee in Investment Securities selected and directed in writing by the Owner, with respect to which payments of principal thereof and interest thereon are scheduled or otherwise payable not later than one day prior to the date on which it is estimated that such moneys will be required by the Trustee. In the absence of such directions, the Trustee shall invest such monies in Investment Securities described in clause (b) of the definition thereof. The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with this Section 5.03, except for those arising from the willful misconduct or fraud on the part of the Trustee.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bond (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of Section 148 of the Code). The Trustee shall have no duty to determine Fair Market Value or present value hereunder.

For the purpose of determining the amount in any fund or account, all Investment Securities credited to such fund or account shall be valued at the lower of cost or par (which shall be measured exclusive of accrued interest) after the first payment of interest following purchase.

Any interest, profit or loss on such investment of moneys in any fund or account shall be credited or charged to the respective funds or accounts from which such investments are made. Subject to the requirements of the Tax Certificate, the Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such sale or redemption.

The Trustee may make any and all investments permitted under this Section 5.03 through its own trust or banking department or any affiliate and may pay said department reasonable, customary fees for placing such investments. The Trustee and its affiliates may act as principal, agent, sponsor, advisor or depository with respect to Investment Securities under this Section 5.03.

The Issuer (and the Owner by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Owner the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Owner will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Owner and the Issuer (to the extent requested by it) periodic cash transaction statements which shall include detail for all investment transactions, if any, made by the Trustee hereunder.

Section 5.04. Enforcement of Obligations. Upon the occurrence of an Event of Default actually known to a Responsible Officer of the Bondowner Representative, the Bondowner Representative shall be entitled in its sole discretion to take all steps, actions and proceedings, or to direct the Trustee to take all steps and proceedings: (a) to enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under, the Loan Agreement, the Regulatory Agreement and the Deed of Trust, and (b) to request compliance with all covenants, agreements and conditions on the part of the Issuer contained in this Indenture with respect to the Revenues.

ARTICLE VI

COVENANTS OF THE ISSUER

Section 6.01. Payment of Principal and Interest. The Issuer shall punctually pay, but only out of Revenues as herein provided, the principal and the interest (and premium, if any) to become due in respect of the Bond issued hereunder at the times and places and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. When and as paid in full, the Bond shall be delivered to the Trustee and shall forthwith be destroyed.

Section 6.02. Preservation of Revenues; Amendment of Documents. The Issuer shall not take any action to interfere with or impair the pledge and assignment hereunder of Revenues and the assignment to the Trustee, of rights of the Issuer under the Loan Agreement and the Deed of Trust and other collateral documents, or the Trustee's or the Bondowner Representative's enforcement of any rights hereunder or thereunder, shall not take any action to impair the validity or enforceability of the Loan Agreement or the Deed of Trust and other collateral documents, and shall not waive any of its rights under or any other provision of or permit any

amendment of the Loan Agreement or the Deed of Trust and other collateral documents, without the prior written consent of the Bondowner Representative.

Section 6.03. Compliance with Indenture. The Issuer shall not issue, or permit to be issued, any Bond secured or payable in any manner out of Revenues other than in accordance with the provisions of this Indenture; it being understood that the Issuer reserves the right to issue obligations payable from and secured by sources other than the Revenues and the assets assigned herein. The Issuer shall faithfully observe and perform all the covenants, conditions and requirements hereof. So long as the Bond is Outstanding, the Issuer shall not create any pledge, lien or charge of any type whatsoever upon all or any part of the Revenues, other than the lien of this Indenture.

Section 6.04. Further Assurances. Whenever and so often as requested so to do by the Bondowner Representative, the Issuer, at the expense of the Owner, shall promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Bondowner Representative and the Bondowner all of the rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture and to perfect and maintain as perfected such rights, interests, powers, benefits, privileges and advantages.

Section 6.05. No Arbitrage. The Issuer shall not take, nor knowingly permit nor suffer to be taken by the Trustee or otherwise, any action with respect to the gross proceeds of the Bond which would cause the Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code and Regulations promulgated thereunder. The Issuer will, additionally, comply with its obligations under and pursuant to the Tax Certificate.

Section 6.06. Limitation of Expenditure of Proceeds. To the best knowledge of the Issuer, and based upon the Owner’s representations in the Borrower Cost Certificate dated the Closing Date, not less than 97% of the face amount of the Bond, plus premium (if any) paid on the purchase of the Bond by the original purchaser thereof from the Issuer, less original issue discount, will be used for Qualified Project Costs and less than 25% of such amount will be used for acquisition of land or an interest in land.

Section 6.07. Rebate of Excess Investment Earnings to United States. The Rebate Fund shall be established by the Trustee and held and applied as provided in this Section. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Owner for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the United States Government, and neither the Issuer, the Owner nor any Bondowner shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Certificate. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Issuer, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax

Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Issuer, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Bond Year and within 55 days of payment in full of the Bond, the Trustee shall request and the Owner shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”).

Within 55 days of the end of each fifth Bond Year and within 55 days of payment in full of the Bond, upon the written direction of the Issuer, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Trustee from amounts provided by the Owner, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Trustee shall pay, as directed by the Issuer, Bond Counsel or the Rebate Analyst, to the United States Treasury, out of amounts in the Rebate Fund:

- (i) Not later than 60 days after the end of (A) the fifth Bond Year, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and
- (ii) Not later than 60 days after the payment of the Bond in full, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center at the address provided in such direction on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Trustee.

Notwithstanding any provision of this Indenture to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States and to comply with all other requirements of this Section 6.07 and Sections 4.10, 7.33.2 and 11.3 of the Loan Agreement, the requirements of the Regulatory Agreement and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Bond.

Any funds remaining in the Rebate Fund after redemption and payment of all of the Bond and payment and satisfaction of any Rebate Requirement, or provision made therefor in accordance with the written direction of the Issuer, the Rebate Analyst or Bond Counsel, shall be withdrawn and remitted to the Owner.

The Trustee shall keep such records of the computations made pursuant to this Section 6.07 as are required under Section 148(f) of the Code to the extent furnished to the

Trustee. The Owner shall or shall cause the Rebate Analyst to provide to the Issuer copies of all rebate computations made pursuant to this Section 6.07. The Trustee shall keep and make available to the Owner such records concerning the investments of the gross proceeds of the Bond and the investments of earnings from those investments made by the Trustee as may be requested by the Owner in order to enable the Owner to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the Issuer nor the Owner will thereby fail to comply with any requirements of Section 148(f) of the Code based on an Opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bond, a copy of which shall be provided to the Trustee, at the expense of the Owner.

Section 6.08. Limitation on Issuance Costs. To the best knowledge of the Issuer, from the proceeds of the Bond received from the original purchaser thereof and investment earnings thereon, an amount not in excess of two percent of the face amount of the Bond will be used to pay for, or provide for the payment of, Issuance Costs.

Section 6.09. Federal Guarantee Prohibition. The Issuer shall take no action if the result of the same would be to cause the Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 6.10. Prohibited Facilities. To the best knowledge of the Issuer, no portion of the proceeds of the Bond will be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. To the best knowledge of the Issuer, no portion of the proceeds of the Bond will be used for an office unless the office is located on the premises of the facilities constituting the Project and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

Section 6.11. Use Covenant. The Issuer shall not use any proceeds of the Bond or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take any other action or actions, which would result in the Bond being treated as an obligation not described in Section 142(d) of the Code by reason of the Bond not meeting the requirements of Section 142(d) of the Code.

Section 6.12. Immunities and Limitations of Responsibility of Issuer. The Issuer shall be entitled to the advice of counsel (who, except as otherwise provided, may be counsel for the Bondowner), and the Issuer shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to

be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any person and shall be liable only for its gross negligence or willful misconduct. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Issuer shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Issuer is furnished for any expense or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. The Issuer shall be entitled to reimbursement from the Owner for its expenses reasonably incurred or advances reasonably made, with interest at the highest rate at which interest accrues from time to time on the Bond, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which the Issuer may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power. The Owner has indemnified the Issuer against certain acts and events as set forth in Sections 7.17.2, 7.33.3, 13.13 of the Loan Agreement and Section 9 of the Regulatory Agreement. Such indemnities shall survive payment of the Bond and discharge of this Indenture.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer and the Trustee may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer, the Trustee or the Bondowner Representative as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Bondowner Representatives and (c) none of the provisions of this Indenture shall require the Issuer or the Trustee to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

Section 6.13. Limitation of Liability of Issuer and Its Officers, Employees and Agents. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bond shall be had against the Board of Commissioners, the Board of Supervisors or any official, officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bond. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, commissioner, officer, agent or employee of the Issuer or the Board of Commissioners, or the Board of Supervisors in other than that person's official capacity. No member, commissioner, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond. No covenant, condition or

agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future commissioner, officer, director, employee or agent of the Issuer in his individual capacity, and neither the commissioners, officers, directors, employee or agent of the Issuer in his or her individual capacity, and neither the commissioners, officers, directors, employees or agents of the Issuer executing the Bond or this Indenture shall be liable personally on the Bond or under this Indenture or be subject to any personal liability or accountability by reason of the issuance of the Bond or the execution of this Indenture.

ARTICLE VII

DEFAULT

Section 7.01. Default Under Loan Agreement; Acceleration. No default by the Owner under the Loan Agreement shall constitute an event of default with respect to the Bond. The Issuer's, Trustee's, Owner's and Bondowner Representative's remedies with respect to a default under the Loan Documents shall be as set forth under the Loan Documents. The Bondowner Representative may, upon the acceleration of the Owner's obligations under the Loan Documents, direct the Trustee to accelerate the maturity of the Bond and apply any funds available hereunder for such purpose as provided herein (after paying the fees and expenses of the Trustee and the Issuer). Any Bond remaining outstanding shall be deemed paid upon transfer, to or at the direction of the Bondowner Representative, of the Loan Documents and all security therefor free and clear of the lien of this Indenture.

The Issuer shall cooperate with the Bondowner Representative and the Trustee in exercising rights and remedies under the Loan Documents, but only upon being satisfactorily indemnified by the Owner for any fees or expenses relating thereto as provided in the Loan Agreement and Regulatory Agreement.

Whether or not an Event of Default has occurred, the Bondowner Representative, in its sole discretion, shall have the sole right to waive or forebear any term, condition, covenant or agreement in the Loan Agreement applicable to the Owner or any breach thereof, and provided that the Bondowner Representative shall have no right to waive and the Issuer may seek specific performance by the Owner to enforce the Reserved Rights. With respect to any of its Reserved Rights, the Issuer may exercise such rights as permitted by the Regulatory Agreement in connection with a default thereunder.

In the event that the Trustee, the Bondowner Representative or their respective assignee or designee shall become the legal or beneficial owner of the Property by foreclosure or deed in lieu of foreclosure, such party shall have the right, to be exercised in its sole discretion, to succeed to the rights and the obligations of the Owner under the Loan Agreement, the Note, the Regulatory Agreement and any other Bond Documents to which the Owner is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Owner.

Section 7.02. Limitation of Liability to Revenues. Notwithstanding anything in this Indenture, the Issuer shall not be required to advance any moneys derived from the proceeds of

taxes collected by the Issuer, the County, by the State or by any political subdivision thereof or from any source of income of any of the foregoing other than the Revenues for any of the purposes mentioned in this Indenture, whether for the payment of the principal of or interest on the Bond or for any other purpose of this Indenture. The Bond is a limited obligation of the Issuer and is payable from and secured by the Revenues and any other revenues, funds or assets pledged under this Indenture and not from any other revenues, funds or assets of the Issuer.

It is recognized that notwithstanding any other provision of this Indenture, neither the Owner, the Trustee nor the Holder shall look to the Issuer for damages suffered by the Owner, the Trustee or the Holder as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under this Indenture, the Loan Agreement, the Bond or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Issuer in any of such documents, nor for any other reason. Although this Indenture recognizes that such documents shall not give rise to any pecuniary liability of the Issuer, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against the Issuer or any of its officers or employees to enforce the provisions of any of such documents which the Issuer is obligated to perform and the performance of which the Issuer has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the Issuer proceeding pursuant to this Section 7.02, the Issuer shall have received satisfactory indemnification.

ARTICLE VIII

THE TRUSTEE AND AGENTS

Section 8.01. Duties, Immunities and Liabilities of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Issuer hereby agrees to employ the Trustee (at the expense of the Owner) to receive, hold, invest and disburse the moneys received pursuant to the Loan Agreement for credit to the various funds and accounts established by this Indenture; to authenticate, deliver and transfer the Bond; and to apply and disburse the payments received from the Owner pursuant to the Loan Agreement to the owner of the Bond; and to perform certain other functions; all as herein provided and subject to the terms and conditions of this Indenture. The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture and no additional covenants or duties of the Trustee shall be implied in this Indenture. The Trustee is authorized and directed to enter into the Loan Documents to which it is a party, solely in its capacity as Trustee.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that:

- (a) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and in the absence of bad faith on the part of the Trustee, the Trustee may

conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture;

(b) At all times (i) the Trustee shall not be liable for any act or omission unless the Trustee or its agent was negligent or engaged in willful misconduct; and (ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer, accompanied by an opinion of Bond Counsel as provided herein, or in accordance with the directions of the Bondowner Representative or in accordance with the directions of the holder of the Bond relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture;

(c) The Trustee shall not be required to take notice or be deemed to have notice of (i) any default hereunder or under the Loan Agreement, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Issuer, the Bondowner Representative or the owner of the Bond, or (ii) any default under the Regulatory Agreement unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Issuer;

(d) Before taking any action under the Regulatory Agreement, Article VII hereof or this Section at the request or direction of the Bondowner or the Bondowner Representative, the Trustee may require that a satisfactory indemnity be furnished by the Bondowner, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken;

(e) Upon any application or request by the Issuer or the Bondowner Representative to the Trustee to take any action under any provision of this Indenture or the Regulatory Agreement, the Issuer or Bondowner Representative, as applicable, shall furnish to the Trustee a certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished;

(f) The Trustee may execute any of the powers hereunder or perform any duties hereunder either directly or through agents or attorneys;

(g) Neither the Issuer nor the Owner shall be deemed to be agents of the Trustee for any purpose, and the Trustee shall not be liable for any noncompliance of any of them in connection with their respective duties hereunder or in connection with the transactions contemplated hereby;

(h) The Trustee shall be entitled to rely upon telephonic notice for all purposes whatsoever so long as the Trustee reasonably believes such telephonic notice has been given by a person authorized to give such notice;

(i) The immunities extended to the Trustee also extend to its directors, officers and employees;

(j) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bond, it being the sole obligation of the Trustee to administer, for the benefit of the Bondowner, the various funds and accounts established hereunder;

(k) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy;

(l) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the holder of the Bond or the Bondowner Representative related to the exercise of any right, power or remedy available to the Trustee;

(m) The Trustee shall have no duty to review any financial statements or budgets filed with it by the Owner under the Loan Agreement;

(n) The Trustee acknowledges that the Owner has an obligation to pay certain fees to the Issuer pursuant to Section 7 of the Regulatory Agreement. The Trustee further acknowledges that in order to preserve the tax-exempt status of interest on the Bond, the Owner must comply with requirements for rebate of excess investment earnings to the federal government to the extent applicable. The Trustee agrees to use commercially reasonable efforts to send the Owner a notification or reminder of: (i) its payment obligations under said Section 7(n) of the Regulatory Agreement 30 days preceding each annual payment date therefor, commencing with the payment date on [February] 1, 2021, and ending on the date set forth in the Regulatory Agreement; and (ii) the Owner's obligation to make payments to the Rebate Fund as provided herein; and

(o) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its

duties as Trustee or in the exercise of any of its rights or powers as Trustee. Whether or not therein expressly so provided, every provision of this Indenture, the Loan Agreement, the Regulatory Agreement or any other document relating to the conduct, powers or duties of, or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Article VIII.

Section 8.02. Right of Trustee to Rely Upon Documents, Etc. Except as otherwise provided in Section 8.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, facsimile transmission, electronic mail, demand, direction, election, requisition, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties;

(b) Any consent, demand, direction, election, notice, order or request of the Issuer mentioned herein shall be sufficiently evidenced by a Written Consent, Written Demand, Written Direction, Written Election, Written Notice, Written Order or Written Request of the Issuer, and any resolution of the Issuer may be evidenced to the Trustee by a Certified Resolution;

(c) The Trustee may consult with counsel (who may be counsel for the Issuer, counsel for the Trustee or Bond Counsel) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) Whenever in the administration of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Issuer or a certificate of the Bondowner Representative; and such Certificate of the Issuer or a certificate of the Bondowner Representative shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof;

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit; and

(f) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (ii) such originally executed instructions and/or directions shall be signed by a person as

may be designated and authorized to sign for the party signing such instructions and/or directions and (iii) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 8.03. Trustee Not Responsible for Recitals. The recitals contained herein and in the Bond shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same or for the correctness of the recitals in the Loan Agreement or the Regulatory Agreement. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bond. The Trustee makes no representations as to the value or condition of any assets pledged or assigned as security for the Bond, or as to the right, title or interest of the Issuer therein, or as to the security provided thereby or by this Indenture, the Loan Agreement or the Deed of Trust, or as to the compliance of the Project with the Act, or as to the tax-exempt status of the Bond, or as to the technical or financial feasibility of the Project, or as to the validity or sufficiency of this Indenture as an instrument of the Issuer or of the Bond as an obligation of the Issuer. The Trustee shall not be accountable for the use or application by the Issuer of the Bond authenticated or delivered hereunder or of the use or application of the proceeds of such Bond by the Issuer or the Owner or their agents.

Section 8.04. Intervention by Trustee. The Trustee may intervene on behalf of the owners of the Bond in any judicial proceeding to which the Issuer or Bondowner Representative is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owner of the Bond and, subject to the provisions of Section 8.01(d), shall do so if requested in writing by the owner of the Bond or the Bondowner Representative.

Section 8.05. Moneys Received by Trustee to be Held in Trust. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or as otherwise provided herein. The Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Issuer to pay thereon.

Section 8.06. Compensation and Indemnification of Trustee, Bondowner Representative and Agents.

(a) The Bondowner Representative and the Trustee shall be entitled to receive compensation from the Owner for their services as Bondowner Representative and Trustee, respectively, as provided in Section 4.10 of the Loan Agreement, and shall be indemnified by the Owner as provided in Section 7.17 of the Loan Agreement. The Bondowner Representative and the Trustee each acknowledges and agrees that, unless otherwise agreed to in writing by the Issuer, the Issuer shall not be responsible for the fees and expenses of the Bondowner Representative and the Trustee, and is providing no indemnification to the Bondowner Representative and the Trustee.

(b) If any property, other than cash, shall at any time be held by the Bondowner Representative or the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bond, the Bondowner Representative or the Trustee, if and

to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bond, shall be entitled to but not obligated to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The rights of the Bondowner Representative and the Trustee to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have and each of the Bondowner Representative and Trustee is hereby granted a lien and a security interest prior to the Bond in respect of all property and funds held or collected by the Bondowner Representative or the Trustee as such, except funds held in trust by the Bondowner Representative or the Trustee for the benefit of the holders of a particular principal amount of the Bond, which amounts shall be held solely for the benefit of the Bondowner and used only for the payment of principal of and premium, if any, and interest on the Bond. The Bondowner Representative's and the Trustee's rights to immunities, indemnities and protection from liability hereunder and their rights to payment of their fees and expenses shall survive such Bondowner Representative's and the Trustee's resignation or removal and final payment of the Bond.

Section 8.07. Qualifications of Trustee. There shall at all times be a trustee hereunder, which shall be a corporation, banking association or trust company, in each case having trust powers, doing business and having a corporate trust office in the State and shall

(a) either (i) have a combined capital and surplus of at least \$50,000,000 and be subject to supervision or examination by federal or state authority or (ii) be a wholly-owned subsidiary of a bank, trust company or bank holding company meeting on an aggregate basis the tests set out in clause (i) and

(b) be able to comply with the terms and conditions of this Indenture, including, without limitation, Sections 8.10 through 8.13 hereof, and to comply with the terms of the Loan Agreement applicable thereto.

If such corporation, banking association, or trust company publishes reports of conditions at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such corporation, banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.08(b) below.

Section 8.08. Removal, Resignation and Appointment of Successor Trustee.

(a) ***Removal of Trustee.*** The Issuer may remove the Trustee at any time unless an Event of Default occurs and is then continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the holder of the Bond (or its attorney duly authorized in writing) or the Bondowner Representative or if at any time the Trustee shall cease to be eligible in

accordance with Section 8.07 hereof, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or any substantial portion thereof or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon the Owner shall appoint a successor Trustee by an instrument in writing. Any successor Trustee appointed by the Owner under this Section 8.08 shall be subject to the approval of the Bondowner Representative and the Issuer, which approval shall not unreasonably be withheld or delayed.

(b) ***Resignation of Trustee.*** The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Issuer and to the Bondowner. Upon receiving such notice of resignation, the Owner shall appoint a successor Trustee by an instrument in writing with the written consent of the Bondowner Representative and the Issuer. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(c) ***Appointment of Successor Trustee.*** Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon the acceptance of appointment of the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (a) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or the Bondowner may at the expense of the Owner petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Issuer and its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the written request of the Issuer or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance, including a quitclaim deed, and further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trust and conditions herein set forth. Upon request of the successor Trustee, the Issuer shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Issuer shall mail or cause the successor Trustee to mail, by first class mail, postage prepaid, a notice of the succession of such Trustee to the trusts

hereunder to the Bondowner at the address shown on the registration books. If the Issuer fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Issuer.

Section 8.09. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor Trustee shall be eligible under the provisions of the first sentence of Section 8.07.

Section 8.10. Compliance with Laws. The Trustee shall keep itself fully informed of the Issuer's Charter, codes, ordinances and regulations of the Issuer and of all state, and federal laws in any manner affecting the performance of this Indenture and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

Section 8.11. Proprietary or Confidential Information of the Issuer. The Trustee understands and agrees that, in the performance of the work or services under this Indenture or in contemplation thereof, the Trustee may have access to private or confidential information which may be owned or controlled by the Issuer and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the Issuer. The Trustee agrees that all information disclosed by the Issuer to the Trustee shall be held in confidence and used only in performance of the Indenture. The Trustee shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

Section 8.12. Audit and Inspection of Records. The Trustee agrees to maintain and make available to the Issuer, during regular business hours, accurate books and accounting records relating to its work under this Indenture. The Trustee will permit the Issuer to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Indenture, whether funded in whole or in part under this Indenture. The Trustee shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Indenture or until after final audit has been resolved, whichever is later. The State or any federal agency having an interest in the subject matter of this Indenture shall have the same rights conferred upon the Issuer by this Section.

Section 8.13. Subcontracting. The Trustee is prohibited from subcontracting this Indenture or any part of it unless such subcontracting is first approved by the Issuer in writing. Neither party shall, on the basis of this Indenture, contract on behalf of or in the name of the other party. A contract made in violation of this provision shall confer no rights on any party and shall be null and void.

Section 8.14. Paying Agents. The Trustee, with the written approval of the Issuer and the Bondowner Representative, may appoint and at all times have one or more paying agents in such place or places as the Trustee may designate, for the payment of the principal of, and the interest (and premium, if any) on, the Bond. It shall be the duty of the Trustee to make such arrangements with any such paying agent as may be necessary and feasible to assure, to the extent of the moneys held by the Trustee for such payment, the availability of funds for the prompt payment of the principal of and interest and premium, if any, on the Bond presented at either place of payment. The paying agent initially appointed hereunder is the Trustee.

ARTICLE IX

MODIFICATION OF INDENTURE

Section 9.01. Modification of Indenture. The Issuer and the Trustee, with the prior written consent of the Bondowner Representative, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture. The Bondowner Representative may, if it so elects, direct the Trustee to join with the Issuer in the execution of such supplemental indenture, unless such supplemental indenture affects the rights or obligations of the Owner or any general partner or limited partner of the Owner hereunder or under the Loan Agreement or any other document, in which case the Issuer, Trustee and Bondowner Representative may enter into such supplemental indenture only if the Bondowner Representative has received the Owner's, or such general partner's or limited partner's, as applicable, written consent thereto.

Promptly after the execution by the Issuer, the Trustee and the Bondowner Representative of any supplemental indenture pursuant to the provisions of this Section, if the Bondowner Representative is not the sole owner of the Bond then Outstanding, the Trustee shall give the Bondowner, by first class mail, a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee, the Bondowner Representative and the holder of the Bond shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Opinion of Counsel as to Supplemental Indenture. Subject to the provisions of Section 8.01, the Trustee and the Bondowner Representative shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article IX is authorized and permitted by this Indenture.

Section 9.04. Notation of Modification on Bond; Preparation of New Bond. A Bond authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Bondowner Representative and the Issuer as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, a new Bond, so modified as to conform, in the opinion of the Bondowner Representative and the Issuer, to any modification of this Indenture contained in any such supplemental indenture, may be prepared and executed by the Issuer and authenticated by the Trustee and delivered without cost to the holder of the Bond then Outstanding, upon surrender for cancellation of such Bond in equal aggregate principal amounts.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the entire indebtedness on the Bond Outstanding shall be paid and discharged in any one or more of the following ways:

- (a) by the payment of the principal of (including redemption premium, if any) and interest on the Bond Outstanding; or
- (b) by the delivery to the Trustee, for cancellation by it, of the Bond Outstanding;

and if all other sums payable hereunder by the Issuer shall be paid and discharged, then and in that case this Indenture shall cease, terminate and become null and void, and the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging this Indenture. The fees, expenses and charges of the Trustee (including reasonable counsel fees) must be paid in order to affect such discharge. The satisfaction and discharge of this Indenture shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the Owner for any expenditures which it may thereafter incur in connection herewith.

The Issuer or the Owner may at any time surrender to the Trustee for cancellation by it any Bond previously authenticated and delivered which the Issuer or the Owner lawfully may have acquired in any manner whatsoever, and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.02. Payment of Bond after Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee or any paying agent in trust for the payment of the principal of, or interest or premium on, the Bond remaining unclaimed for two years after the principal of the Outstanding Bond has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be paid to the Owner, and the holder of such Bond shall thereafter be entitled to look only to the Owner for payment thereof, and only to the extent of the amount so paid to the Owner, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease. In the event of the payment of any such moneys to the Owner as aforesaid, the holder of the Bond in respect of which such moneys were deposited shall thereafter be deemed to be

unsecured creditors of the Owner for amounts equivalent to the respective amounts deposited for the payment of the Bond and so paid to the Owner (without interest thereon).

ARTICLE XI

MISCELLANEOUS

Section 11.01. Successors of the Issuer. All the covenants, stipulations, promises and agreements contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the Issuer shall hereafter be transferred by any law of the State, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Issuer, then the body or official who shall succeed to such powers or duties shall act and be obligated in the place and stead of the Issuer as in this Indenture provided.

Section 11.02. Limitation of Rights to Parties and Bondowner. Nothing in this Indenture or in the Bond expressed or implied is intended or shall be construed to give to any person other than the Issuer, the Trustee, the Bondowner Representative, the Owner and the holder of the Bond issued hereunder any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuer, the Trustee, the Bondowner Representative, the Owner and the holder of the Bond issued hereunder.

Section 11.03. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.04. Destruction of the Bond. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Issuer of the Bond, the Trustee may, in lieu of such cancellation and delivery, destroy the Bond and deliver a certificate of such destruction to the Issuer.

Section 11.05. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Indenture or in the Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 11.06. Notices. It shall be sufficient service of any notice, request, demand or other paper on the Issuer, the Trustee, the Bondowner Representative, or the Owner if the same shall, except as otherwise provided herein, be duly mailed by first class mail, postage prepaid, or given by telephone or telecopier and confirmed by such mail, and to the other parties and addressed as follows:

The Issuer: Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801-3312
Attention: Mark Trinidad and Jewel Warren-Reed
Telephone: (626) 262-4511
Facsimile: (626) 943-3818

with a copy to: Behnaz Tashakorian
Los Angeles County Counsel
7th Floor
350 South Figueroa Street
Los Angeles, CA 90071

The Bondowner
Representative: Umpqua Bank
One Capital Mall, Suite 610
Sacramento, CA 95814
Attention: Monica Sharp

The Trustee: U.S. Bank National Association
633 W. 5th Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Ref: LACDA MF (Whittier Place 2019H)
Telephone: (213) 615-6032
Facsimile: (213) 615-6199

The Owner: Whittier PSH Phase II, L.P.
c/o East LA Community Corporation
2917 East 1st Street, Suite 101
Los Angeles, CA 90033
Attention: Executive Director
Telephone: (323) 261-1065
Email: igracian@elacc.org

with a copy to: Gubb & Barshay
505 14th Street, Suite 450
Oakland, CA 94612
Attention: Sarah C. Perez, Esq.
Telephone: (415) 781-6600 ext. 4

with a copy to: Wincopin Circle LLLP
c/o Enterprise Asset Management, Inc.
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044
Attention: General Counsel

with a copy to:

Gallagher Evelius & Jones LLP
218 North Charles Street, Suite 400
Baltimore, MD 21201
Attention: Kenneth S. Gross, Esq.

The Issuer, the Trustee, the Bondowner Representative and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.07. Authorized Representatives. Whenever under the provisions of this Indenture the approval of the Issuer or the Owner is required for any action, and whenever the Issuer or the Owner is required to deliver any notice or other writing, such approval or such notice or other writing shall be given, respectively, on behalf of the Issuer by the Authorized Issuer Representative or on behalf of the Owner by the Authorized Owner Representative, and the Issuer, the Trustee, the Bondowner Representative and the Owner shall be authorized to act on any such approval or notice or other writing and neither party hereto nor the Owner shall have any complaint against the others as a result of any such action taken.

Section 11.08. Evidence of Rights of Bondowner. Any request, consent or other instrument required by this Indenture to be signed and executed by the Bondowner may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by the Bondowner in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the ownership of the Bond, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Bondowner Representative, the Trustee and of the Issuer if made in the manner provided in this Section.

(a) The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

(b) The ownership of the Bond shall be proved by the Bond register maintained pursuant to Section 2.06 hereof. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of the Bond held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(c) Any request, consent or vote of the holder of the Bond shall bind every future holder of the Bond and the holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bondowner Representative, the Trustee or the Issuer in pursuance of such request, consent or vote.

(d) [Reserved].

(e) In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting with the Bondowner upon such notice and in accordance with such rules and regulations as the Bondowner Representative considers fair and reasonable for the purpose of obtaining any such action.

Section 11.09. Waiver of Personal Liability. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in the Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the County, the Board of Supervisors, the Board of Commissioners, or any of the members, officers, agents or employees of the Issuer, as such past present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of the Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the County, the Board of Supervisors, the Board of Commissioners or of any such member, officer, agent or employee, past, present or future, of the Issuer, as such, by reason of any act or omission on his or her part or otherwise, for the payment for or to the owner of the Bond or otherwise of any sum that may remain due and unpaid upon the Bond secured by this Indenture or any of them is, by the acceptance of the Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bond.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, the Servicer or the Owner as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Servicer and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the County, the Board of Supervisors, or the Board of Commissioners in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

It is recognized that notwithstanding any other provision of this Indenture, neither the Owner, the Trustee nor the Bondowner shall look to the Issuer or the County for damages

suffered by the Owner, the Trustee or the Bondowner as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under this Indenture, the Loan Agreement, the Bond or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Issuer in any of such documents, nor for any other reason. Although this Indenture recognizes that such documents shall not give rise to any pecuniary liability of the Issuer or the County, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against the Issuer or any of its commissioners, officers or employees to enforce the provisions of any of such documents which the Issuer is obligated to perform and the performance of which the Issuer has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the Issuer proceeding pursuant to this Section 11.09, the Issuer shall have received satisfactory indemnification.

Section 11.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the date provided therefor in this Indenture and, in the case of any payment, no interest shall accrue for the period from and after such date.

Section 11.11. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

Section 11.12. Governing Law, Venue. The formation, interpretation and performance of this Indenture shall be governed by the laws of the State. Venue for all litigation arising from or in connection with the Bond or this Indenture shall be in the County.

Section 11.13. Successors. Whenever in this Indenture either the Issuer, the Trustee or the Bondowner Representative is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Issuer, the Trustee or the Bondowner Representative shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.14. Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

IN WITNESS WHEREOF, the LOS ANGELES COUNTY DEVELOPMENT AUTHORITY has caused this Indenture to be signed in its name and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, and the Bondowner Representative have each caused this Indenture to be signed in its name, all as of the day and year first above written.

LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY, as Issuer

By _____
Acting Executive Director or Designee

Print Name

Approved as to form:

Mary C. Wickham, County Counsel

Deputy

[Issuer's Signature Page to *Whittier Place Apartments Phase II* Indenture]

[Trustee's Signature Page to *Whittier Place Apartments Phase II* Indenture]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: Bertha Mares
Title: Vice President

[Bondowner Representative's Signature Page to *Whittier Place Apartments Phase II* Indenture]

UMPQUA BANK, as Bondowner
Representative

By: _____
Name: Monica Sharp
Title: Vice President

EXHIBIT A
FORM OF BOND

THIS BOND MAY BE OWNED ONLY BY A SOPHISTICATED INVESTOR (DEFINED AS (A) UMPQUA BANK; (B) ANY AFFILIATE OF UMPQUA BANK; AND (C) A QUALIFIED INSTITUTIONAL BUYER (A “QIB”) AS DEFINED IN RULE 144A AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED; AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, REPRESENTS THAT IT IS A SOPHISTICATED INVESTOR, AND ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS BOND IN WHOLE TO SOPHISTICATED INVESTORS IN ACCORDANCE WITH THE LIMITATIONS SET FORTH IN ARTICLE II OF THE INDENTURE HEREINAFTER DEFINED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY OR THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THIS BOND.

No. R-1

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE BOND
(WHITTIER PLACE APARTMENTS PHASE II)
[2019 SERIES H-1][2019 SERIES H-2]

REGISTERED OWNER: UMPQUA BANK

PRINCIPAL SUM: UP TO [_____]
DOLLARS (\$[_____]\$[_____])

ISSUE DATE: [_____] , 2020

The Los Angeles County Development Authority, a public body corporate and politic, duly organized and existing under its charter and the laws of the State of California (herein called the “Issuer”), for value received, hereby promises to pay (but only out of Revenues as hereinafter provided) to the Registered Owner identified above or registered assigns, on [_____] [_____] (subject to prior redemption as provided in the Indenture) the sum of up to [_____] DOLLARS (\$[_____]) in lawful money of the United States, with interest thereon from the date of disbursement until paid at the rates described below. The actual unpaid principal hereof shall be equal to the funds disbursed by the Bondowner Representative under the Indenture and the Loan Agreement to fund the Loan, less any portion of the principal hereof redeemed pursuant to the Indenture. Capitalized terms used in this Bond and not defined herein shall have the meanings given such terms in the Indenture referenced below, or in the Note (as defined in the Indenture),

made by Whittier PSH Phase II, L.P., a California limited partnership (the “Owner”), to the order of the Issuer.

This Bond shall bear interest as set forth in the [Series H-1][Series H-2] Note.

This Bond shall bear interest from the date to which interest has been paid on this Bond next preceding the date of authentication hereof, unless this Bond is authenticated as of an Interest Payment Date for which interest has been paid, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Interest Payment Date, in which event it shall bear interest from the Closing Date.

In the event the Issuer fails to make the timely payment of any monthly payment, the Issuer shall pay interest on the then Outstanding Balance at a default rate (the “Default Rate”) as defined in the Indenture; provided, however, that such rate shall under no circumstances exceed the Maximum Rate.

This Bond is a duly authorized bond of the Issuer designated as the “Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), [2019 Series H-1” (the “Series H-1 Bond”), in the initial maximum principal amount of up to \$[2,229,579]] [2019 Series H-2” (the “Series H-2 Bond”), in the initial maximum principal amount of up to \$[10,643,421]] issued along with the “Los Angeles County Development Authority Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), [2019 Series H-2” (the “Series H-2 Bond” and together with the Series H-1 Bond, the “Bond”)] [2019 Series H-1” (the “Series H-1 Bond” and together with the Series H-2 Bond, the “Bond”)]. This [Series H-1][Series H-2] Bond is issued in accordance with Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the “Act”) and a resolution of the Board of Commissioners of the Issuer (the “Resolution”) and issued under and secured by an Indenture of Trust, dated as of [February] 1, 2020 (the “Indenture”), among the Issuer, U.S. Bank National Association, as the Trustee and Umpqua Bank, as initial Bondowner Representative. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owner of the Bond, of the nature and extent of the security, of the rights, duties and immunities the Trustee and the Bondowner Representative, and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees. The proceeds of the Bond will be used to make a loan to the Owner pursuant to a Construction and Term Loan Agreement, dated as of [February] 1, 2020 (the “Loan Agreement”) among the Issuer, Umpqua Bank, as initial Bondowner Representative and Lender, and the Owner, to finance the acquisition and construction of a residential rental project located in the County Los Angeles, California.

THIS BOND IS A SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THIS BOND DOES NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR

POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THIS BOND DOES NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BOND. THE ISSUER HAS NO TAXING POWER.

THIS BOND HAS BEEN ISSUED IN ACCORDANCE WITH THE ACT.

This Bond is a limited obligation of the Issuer and, as and to the extent set forth in the Indenture, is payable solely from, and secured by a pledge of and lien on, the Revenues (as that term is defined in the Indenture), consisting primarily of amounts paid by the Owner pursuant to the Loan Agreement.

This Bond shall be subject to redemption prior to maturity, at a price and upon such terms as are provided in the Indenture. No notice of redemption of this Bond need be given to the registered owner of this Bond, and the owner of this Bond, by acceptance hereof, expressly waives any requirement for any notice of redemption.

The principal of this Bond may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

This Bond is transferable by the registered owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations (including those contained in Section 2.05(b) of the Indenture) and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond will be issued to the transferee in exchange therefor. The Issuer and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The schedule of drawings attached as Exhibit A hereto shall be used by the Trustee to record the payment of the purchase price of this Bond from time to time (such purchase price to be paid from time to time by the Holder of this Bond as provided in the Indenture and the Loan Agreement), which shall evidence the principal amount of this Bond purchased by the Bondowner Representative from time to time. The Bondowner Representative shall credit any advanced funds toward the purchase price of this Bond on the schedule of drawings attached hereto as Exhibit A. The total amount outstanding under the Bond may not exceed \$[12,873,000] at any time and no portion of the purchase price therefor shall be funded after December 31, 2023, unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond.

The Indenture contains provisions permitting the Issuer, the Trustee and the Bondowner Representative to execute supplemental indentures adding provisions to, or changing or

eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

The Issuer hereby certifies that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State (including the Act).

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

In the event of any conflict between the terms of this Bond and the terms of the Indenture, the terms of the Indenture shall control.

[Remainder of Page Intentionally Left Blank]

The Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair of the Board of Commissioners, and attested by the manual or facsimile signature of its Secretary all as of the date first written above.

LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY

By: _____
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk of the
Board of Commissioners

Deputy

FORM OF CERTIFICATE OF AUTHENTICATION

This is the Bond described in the within-mentioned Indenture and has been authenticated and registered on _____.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____

Its: _____

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within Bond and do(es) hereby irrevocably constitute and appoint attorney,

_____ to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SCHEDULE OF DRAWINGS

<u>Purchase Amount</u>	<u>Purchase Date</u>	<u>Outstanding Principal</u>	<u>Signature of Trustee</u>
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EXHIBIT B
FORM OF INVESTOR LETTER

[_____]

Los Angeles County Development Authority
Los Angeles, California

Kutak Rock LLP
Omaha, Nebraska

U.S. Bank National Association
Los Angeles, California

[\$12,873,000]
Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-1 and 2019 Series H-2

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby represents and warrants to you as follows:

1. The Investor proposes to purchase all of the aggregate principal amount of the above-captioned bond (the “Bond”) issued pursuant to that certain Indenture of Trust dated as of [February] 1, 2020 (the “Indenture”), by and among the Los Angeles County Development Authority (the “Issuer”), U.S. Bank National Association, as Trustee and Umpqua Bank, as initial Bondowner Representative (the “Bondowner Representative”). The Investor understands that the Bond is not rated by any securities rating agency and is secured only by Whittier Place Apartments Phase II and the revenues therefrom, and will only be sold to the Investor with the above-addressed parties relying upon the representations and warranties of the Investor set forth herein. The Investor acknowledges that no offering document has been prepared in connection with the issuance and sale of the Bond. The Investor has requested and received all materials which the Investor has deemed relevant in connection with its purchase of the Bond (the “Offering Information”). The Investor has reviewed the documents executed in conjunction with the issuance of the Bond, including, without limitation, the Indenture and the Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

2. The Investor hereby waives the requirement of any “due diligence investigation or inquiry” by the Issuer, by each official of the Issuer, by each employee of the Issuer, by each member of the governing board of the Issuer, and by counsel to the Issuer, the Trustee, counsel to the Trustee, the Bondowner Representative, counsel to the Bondowner Representative and

Bond Counsel in connection with the authorization, execution and delivery of the Bond and Investor's purchase of the Bond. The Investor recognizes and agrees that the Issuer, by each official of the Issuer, each employee of the Issuer, each member of the governing board of the Issuer, counsel to the Issuer, the Trustee, counsel to the Trustee, the Bondowner Representative, counsel to the Bondowner Representative and Bond Counsel have made no representations or statements (expressed or implied) with respect to the accuracy or completeness of any of the materials reviewed by the Investor in connection with the Investor's purchase of the Bond. In making an investment decision, the Investor is relying upon its own examination of the Issuer, the Owner, the Project and the terms of the offering.

3. The Investor has been provided an opportunity to ask questions of, and the Investor has received answers from, representatives of the Issuer and the Owner regarding the terms and conditions of the Bond, and the Investor has obtained all additional information requested by it in connection with the Bond.

4. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bond in particular, and is capable of evaluating the merits and risks involved in an investment in the Bond. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bond.

5. The Investor is purchasing the Bond solely for its own account for investment purposes and has no present intention to resell or distribute the Bond, provided that the Investor reserves the right to transfer or dispose of the Bond, at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 6 through 8 of this Letter. The Investor hereby agrees that the Bond may only be transferred in whole and in accordance with the Indenture, including Article II thereof, to a single investor, which must execute and deliver to the parties addressed above a form of this Investor Letter.

6. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bond (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "1933 Act"), (ii) in accordance with any applicable state securities laws and (iii) in accordance with the transfer restrictions set forth in the Bond and the Indenture. The Investor acknowledges that written consent of the Issuer is required in order to transfer the Bond. The Investor further agrees that the Bond will not be transferred to or held in a pool, trust or similar arrangement and that it will not sell any participating interests in the Bond, without the prior written consent of the Issuer, except that the owner of the Bond may sell participation interests as permitted by Section 2.05(d) of the Indenture.

7. The Investor is a Sophisticated Investor as defined in the Indenture and understand that the Bond may be offered, resold, pledged or transferred only in whole and only to a Sophisticated Investor.

8. If the Investor sells the Bond (or any legal or beneficial interest therein), the Investor or its agent will obtain for the benefit of each of you from any subsequent purchaser an Investor Letter in the form of this Letter or such other materials as are required by the Bond and the Indenture to effect such sale and purchase. The Investor understands and agrees that the

Trustee is not authorized to register any transfer of the Bond prior to receipt of such Investor Letter and the written consent of the Issuer.

9. Neither the Bondowner Representative, the Trustee, Bond Counsel, counsel to the Issuer, the Issuer, its governing body, or any of its employees or agents will have any responsibility to the Investor for the accuracy or completeness of information obtained by the Investor from any source regarding the Project, the Issuer, the Owner or their financial conditions or regarding the Bond, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Offering Information. The Investor acknowledges that, as between Investor and all of such parties: (a) the Investor has assumed responsibility for obtaining such information and making such review as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bond and (b) the Offering Information and any additional information specifically requested from the Issuer or the Owner and provided to the Investor prior to closing constitute all the information and review, with the investigation made by Investor (including specifically the Investor's investigation of the Issuer, the Project and the Owner) prior to its purchase of the Bond, that Investor has deemed necessary or desirable in connection with its decision to purchase the Bond.

10. The Investor understands that (a) the Bond has not been registered with any federal or state securities agency or commission, and (b) no credit rating has been sought or obtained with respect to the Bond, and the Investor acknowledges that the Bond is a speculative investment and that there is a high degree of risk in such investment.

11. The Investor acknowledges that the Bond is a limited obligation of the Issuer, payable solely from the revenues or other amounts provided by or at the direction of the Owner, and is not an obligation payable from the general revenues or other funds of the Issuer, the County, the State or any political subdivision of the State. The Investor acknowledges that the Issuer is issuing the Bond on a conduit, nonrecourse basis, and has no continuing obligations with respect thereto except as expressly set forth in the Indenture.

12. The Investor has the authority to purchase the Bond and to execute this letter and other documents and instruments required to be executed by the Investor in connection with its purchase of the Bond. The individual who is executing this letter on behalf of the undersigned is a duly appointed, qualified and acting officer of the Investor and authorized to cause the Investor to make the certifications, representations and warranties contained herein by the execution of this letter on behalf of the Investor.

13. The Investor acknowledges that no offering document has been produced in connection with the issuance or sale of the Bond.

14. The Investor agrees to indemnify and hold harmless the Issuer, the County, the Issuer's staff, commissioners, supervisors, officials, officers, directors, employees, agents, attorneys, accountants, advisors, consultants, servants and the members of the governing board of the Issuer past, present and future with respect to any claim asserted against any of them that is based upon the Investor's sale, transfer or other disposition of its interests in the Bond in

violation of the provisions hereof or of the Indenture or any inaccuracy in any statement made by the Investor in this letter.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

Very truly yours,

UMPQUA BANK, as Bond Purchaser

By: _____
Name: Monica Sharp
Title: Vice President

EXHIBIT C

FORM OF CONSTRUCTION FUND DISBURSEMENT REQUEST

Draw Number _____

To: U.S. Bank National Association, as trustee (the “Trustee”) under that certain Indenture of Trust, dated as of [February] 1, 2020 (the “Indenture”), among the Trustee, the Los Angeles County Development Authority and Umpqua Bank, as the initial Bondowner Representative.

1. You are requested to disburse funds from the Construction Fund pursuant to Section 3.03 of the Indenture as Draw number _____ in the aggregate amount of \$_____ consisting of funds from the following accounts in the following amounts:

Bond Proceeds Account: \$ _____

Standard Equity Account: \$ _____

Conversion Equity Account: \$ _____

for disbursement in the amount(s), to the person(s) and for the purpose(s) set forth on Schedule I attached hereto and incorporated herein by reference. Capitalized terms not defined herein have the meanings assigned thereto in the Indenture.

2. The undersigned certifies that:

(i) there has been received no notice (A) of any lien, right to lien or attachment upon, or claim affecting the right of the payee to receive payment of, any of the moneys payable under such requisition to any of the persons, firms or corporations named therein, and (B) that any materials, supplies or equipment covered by such requisition are subject to any lien or security interest, or if any notice of any such lien, attachment, claim or security interest has been received, such lien, attachment, claim or security interest has been released, discharged, insured or bonded over or will be released, discharged, insured or bonded over upon payment of the requisition;

(ii) such requisition contains no items representing payment on account of any percentage entitled to be retained at the date of the certificate;

(iii) the obligation stated on the requisition has been incurred in or about the acquisition, construction or equipping of the Project, each item is a proper charge against the Construction Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(iv) such requisition contains no items representing any Issuance Costs or any other amount constituting an issuance cost under Section 147(g) of the Code;

(v) not less than 95% of the sum of: (A) the amounts requisitioned by this Requisition to be funded with the proceeds of the Bond plus (B) all amounts allocated to the Bond previously disbursed from the Construction Fund, have been or will be applied by the Owner to pay Qualified Project Costs;

(vi) as of the date hereof no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Loan Agreement or, to our knowledge, a default under the Indenture; and

(vii) such requisition complies with all applicable requirements of the Regulatory Agreement including, without limitation, Section 7(j) thereof, as well as with all applicable requirements of the Loan Agreement and the Tax Certificate.

[Remainder of page intentionally left blank]

3. The Owner has obtained written consent of the Bondowner Representative to this disbursement, as evidenced by its signature below.

Dated: _____

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its managing general partner

By: East LA Community Corporation,
a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Name: Isela Gracian
Its: President

APPROVED:

UMPQUA BANK,
BONDOWNER REPRESENTATIVE

By: _____
Name: _____
Title: _____

SCHEDULE I

EXHIBIT D

MULTI-FAMILY BOND POLICIES AND PROCEDURES

BOND SECURITY, BOND RATING AND CREDIT ENHANCEMENT

A. Bond Security

LACDA issues bonds solely on a conduit basis. Repayment of principal and interest on bonds issued by LACDA will not be secured by any assets of the County of Los Angeles or LACDA but by the proceeds generated by the collateral or the collateral itself.

B. Bond Rating and Credit Enhancement Requirements

LACDA requires that bonds for which it acts as issuer be both credit enhanced and have a minimum rating in the “A” category by Standard and Poor’s (equivalent Moody’s or other bona fide agency rating also acceptable), except as noted below. LACDA reserves the right to impose these minimum requirements on bond issues for which LACDA or the County holds a TEFRA hearing.

Credit enhancement may take any number of forms, including a letter of credit (LOC), mortgage backed security (MBS), collateral pledge, bond insurance, etc. The bond rating must be obtained by the closing of the bond issue.

For bond issues that do not meet these minimum requirements, the following requirements shall apply:

1. There may not be more than one bondholder initially and not more than one subsequently.
2. The bonds must be purchased by an entity meeting the definition of a “Qualified Institutional Buyer” as defined in Section 144A(a) of the Securities Act of 1933.
3. The bondholder must provide an investor letter in a form acceptable to LACDA wherein it acknowledges having sufficient knowledge and experience to evaluate the real estate investment.
4. LACDA must approve all transfers of bond ownership.
5. Subsequent bondholders must be a “Qualified Institutional Investor” and sign an investor letter and certify that they have reviewed the financial feasibility of the project and understand the risks.
6. There must always be a trustee, selected by LACDA.
7. The developer must indemnify LACDA, County of Los Angeles, staff, directors, officials, officers, and employees against any lawsuit initiated by the bondholder or any party, regardless of whether or not the developer is negligent.

8. Unrated bonds will not be issued to finance any portion of a continuing care retirement facility.
9. The developer entity shall not be related to the bondholder.
10. The following redemption provisions would apply:
 - A default under the loan agreement would not be defined as a bond default, even though full payments were not being made on the bonds.
 - The bondholder would be free to work out a loan default situation with the current project owner or through foreclosure of the project and its sale to a new owner, while keeping the bonds and regulatory agreement outstanding.
 - In the event a workout cannot be achieved, the documents would allow the bondholder to cause a mandatory redemption of the bonds through a deemed redemption mechanism.
 - If the interest on the bonds ever were determined to be taxable, bonds would be subject to mandatory redemption at the sole direction of LACDA.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

KUTAK ROCK LLP
1650 FARNAM STREET
OMAHA, NE 68102
ATTENTION: MICHELLE E. PERNICEK, ESQ.

**REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

by and among

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY,
as LACDA

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

WHITTIER PSH PHASE II, L.P.,
as Borrower

relating to

[\$12,873,000]
Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-1 and 2019 Series H-2

Dated as of [February] 1, 2020

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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this “Agreement” or this “Regulatory Agreement”) is made and entered into and dated as of [January] 1, 2020 by and among the **LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**, a public body, corporate and politic, organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the “LACDA”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association in its capacity as Trustee (the “Trustee”) under the Indenture of Trust dated as of [February] 1, 2020 (the “Indenture”) among the LACDA, Umpqua Bank as the initial Bondowner Representative and the Trustee, with an office in Los Angeles, California, and **WHITTIER PSH PHASE II, L.P.**, a California limited partnership (the “Borrower”).

W I T N E S S E T H :

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the “Act”), the LACDA is empowered to issue bonds or notes to finance the acquisition, construction, rehabilitation and equipping of multifamily rental housing; and

WHEREAS, on May 8, 2018 (the “Inducement Date”) the Board of Commissioners of the Los Angeles County Development Authority passed a resolution (the “Inducement Resolution”) indicating the LACDA’s intent to provide for the issuance of revenue bonds or notes to finance the acquisition, construction, development and equipping of Whittier Place Apartments Phase II, a multifamily residential rental housing project consisting of 34 units (including 1 manager unit) to be located at 4101-4117 Whittier Boulevard in unincorporated County of Los Angeles (“County”) on the site more particularly described in Exhibit A hereto (the “Project”); and

WHEREAS, on May 14, 2019, the Board of Supervisors of the Los Angeles County Development Authority adopted a resolution (the “Resolution”) authorizing the issuance of its revenue bond to provide financing for the acquisition and construction of the Project; and

WHEREAS, in furtherance of the purposes of the Act and the Resolution, and as a part of the LACDA’s program of financing housing, the LACDA is issuing pursuant to the Indenture, its Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-1 (the “2019 Series H-1 Bond”) and its Multifamily Housing Revenue Bond (Whittier Place Apartments Phase II), 2019 Series H-2 (the “2019 Series H-2 Bond” and together with the 2019 Series H-1 Bond, the “Bond”), the proceeds of which will be used to fund a loan (the “Loan”) to the Borrower to provide financing for the acquisition, construction, development and equipping of the Project; and

WHEREAS, in order for interest on the Bond to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), and the below-defined Regulations and rulings with respect to the Code, and in order to comply with the Act and the policies with respect to the LACDA’s housing program, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the LACDA, the Trustee and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition and construction of the Project and in order to ensure that the Project will be used and operated in accordance with the Code, the Act and the additional requirements of the LACDA and the California Debt Limit Allocation Committee (“CDLAC”);

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the LACDA, the Trustee and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture or the Loan Agreement, as applicable. The following terms shall have the respective meanings assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

“*Act*” means Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as the same may be amended from time to time (but only to the extent any such amendments, by their terms or by appropriate election of the LACDA, apply to the Bond outstanding as of the effective date of such amendments).

“*Adjusted Income*” means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to Section 142(d)(2)(B) of the Code.

“*Affiliated Party*” means a limited or general partner or member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code or a person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“*Affordable Rent*” means an annual rent for a Low Income Unit or a Very Low Income Unit, as applicable, which does not exceed 30% of the applicable maximum Adjusted Income for the Area of Low Income Tenants or Very Low Income Tenants, as applicable, adjusted for family size using the following occupancy assumptions: studio (1 person); one bedroom (2 persons); two bedrooms (3 persons); and three bedroom (4 persons), subject to adjustment as provided in Section 6(a) hereof.

“*Agreement*” or “*Regulatory Agreement*” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be amended from time to time.

“*Area*” means the Los Angeles Primary Metropolitan Statistical Area.

“*Authorized Borrower Representative*” means any person who, at any time and from time to time, may be designated as the Borrower’s authorized representative by written certificate furnished to the LACDA and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the

Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates, or in the event that such term shall refer to successors or assigns of the Borrower, any authorized general partner if the successor or the assignee is a general or limited partnership, any authorized managing member if the successor or assignee is a limited liability company or any authorized officer if the successor or the assignee is a corporation. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the LACDA) a written certificate identifying a different person or persons to act in such capacity.

“*Bond*” means the bond authorized, authenticated and delivered under the Indenture.

“*Bond Counsel*” means (i) Kutak Rock LLP, or (ii) any other attorney at law or other firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and the Tax-exempt nature of interest on, bonds issued by states and political subdivisions, selected by the LACDA and duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia but shall not include counsel for the Borrower or the Trustee.

“*Bond Documents*” means the Indenture, the Loan Agreement, this Regulatory Agreement, the Tax Certificate and any other document now or hereafter executed by the Borrower, the LACDA, the Trustee or the Bondholder in connection with the Bond.

“*Bondholder*” or “*Holder*” means the party identified as the owner of the Bond on the registration books maintained by the Trustee on behalf of the LACDA.

“*Bondowner Representative*” means, initially, Umpqua Bank, an Oregon banking corporation.

“*Borrower*” means Whittier PSH Phase II, L.P., a California limited partnership, and its successors and assigns.

“*CDLAC*” means the California Debt Limit Allocation Committee or its successors.

“*CDLAC Conditions*” has the meaning given such term in Section 32 hereof.

“*CDLAC Resolution*” means CDLAC Resolution No. 19-080 adopted on July 17, 2019, attached to this Regulatory Agreement as Exhibit G and related to the Project, as such resolution may be modified or amended from time to time.

“*Certificate of CDLAC Program Compliance*” means the Certification of Compliance II for Qualified Residential Rental Projects to be filed with the LACDA at the times specified in Section 32(a) of this Regulatory Agreement, such report to contain the information set forth in and to be in substantially the form attached hereto as Exhibit E or such other form required or otherwise provided by CDLAC from time to time.

“*Certificate of Continuing Program Compliance*” means the Certificate of Continuing Program Compliance and Statistical Report to be filed by the Borrower with the LACDA and the

Trustee at the times specified in Sections 4(d) and (f) of this Regulatory Agreement, such report to contain the information set forth in and to be in substantially the form attached hereto as Exhibit B or such other form as may from time to time be prescribed by the LACDA.

“*Certificate of Qualified Project Period*” means the certificate to be filed by the Borrower upon commencement of the Qualified Project Period in substantially the form attached hereto as Exhibit J.

“*Closing Date*” or “*Bond Closing Date*” means the date upon which the Bond is initially funded in an amount equal to at least \$50,001.

“*Code*” means the Internal Revenue Code of 1986, as amended, each reference to the Code shall be deemed to include (a) any successor internal revenue law and (b) the applicable regulations whether final, temporary or proposed under the Code or such successor law.

“*Completion Date*” means the date of the completion of the acquisition, construction and equipping of the Project, as that date shall be certified as provided in Section 2(i) hereof and as specified in the Construction Completion Certificate.

“*Compliance Period*” means the period beginning on the first day of the Qualified Project Period and ending on the later of the end of the Qualified Project Period or such later date as set forth in Section 32 of this Regulatory Agreement.

“*Construction Completion Certificate*” means a written certification signed by an Authorized Borrower Representative certifying among other things to the substantial completion of the Project and delivered to the LACDA, the Trustee and CDLAC not more than 30 months after the Bond Closing Date, in substantially the form of Exhibit I hereto or such other form required or otherwise provided by CDLAC from time to time.

“*Conversion Date*” has the meaning set forth in the Loan Agreement.

“*Costs of Issuance*” means costs of issuing the Bond as set forth in the Indenture.

“*Conversion Date*” has the meaning set forth in the Note (as defined in the Indenture).

“*County*” means the County of Los Angeles.

“*Determination of Taxability*” means either (a) refusal by the Borrower to consent to any amendment or supplement hereto or to the Indenture which, in the written opinion of Bond Counsel delivered to the LACDA, the Trustee, the Bondowner Representative and the Borrower, is necessary or advisable to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes; or (b) any of (i) the enactment of applicable legislation of which the Trustee has actual knowledge, (ii) a final judgment or order of a court of original or appellate jurisdiction of which the Trustee has actual knowledge, (iii) a final ruling or decision of the Internal Revenue Service of which the Trustee has actual knowledge or (iv) the filing with the Trustee of an opinion of Bond Counsel, in each case to the effect that the interest on the Bond (other than interest on the Bond for any period during which such Bond is held by a “substantial user” of any facility financed with the proceeds of the Bond or a “related person,” as such terms are used in

Section 147(a) of the Code) is includable in the gross incomes of all recipients thereof for federal income tax purposes. With respect to the foregoing, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal has expired.

“*Gross Income*” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed under Section 8 of the Housing Act (or, if such program is terminated, under such program as in effect immediately before such termination).

“*Hazardous Materials*” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Project is prohibited by any federal, state or local authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

“*Hazardous Materials Laws*” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the Borrower or to the Project. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., and their state analogs.

“*Housing Act*” means the United States Housing Act of 1937, as amended, or its successor.

“*HUD*” means the United States Department of Housing and Urban Development and any successor agency.

“*Income Certification*” means, initially, an Income Certification in the form attached hereto as Exhibit C or in such other form as may from time to time be provided by the LACDA to the Borrower and, with respect to recertifications, the Annual Tenant Income Recertification attached hereto as Exhibit D or such other form as may, from time to time, be provided by the LACDA to the Borrower.

“*Indenture*” means the Indenture of Trust dated as of [February] 1, 2020 by and among the LACDA, the initial Bondowner Representative and the Trustee relating to the issuance of the Bond, as amended, modified, supplemented or restated from time to time.

“*Inducement Date*” means May 8, 2018.

“*LACDA*” means the Los Angeles County Development Authority, a public body corporate and politic, organized and existing under the laws of the State of California, together with any assigns or successors thereto.

“*Loan*” means the loan of the sale proceeds of the Bond by the LACDA to the Borrower pursuant to the Loan Agreement for the purpose of providing funds for the acquisition, construction and equipping of the Project.

“*Loan Agreement*” means the Construction and Term Loan Agreement dated as of [February] 1, 2020 by and among the LACDA, the initial Bondowner Representative and the Borrower, as amended or supplemented from time to time.

“*Low Income Tenant*” means a tenant whose Adjusted Income does not exceed limits determined in a manner consistent with determinations of lower-income families under Section 8 of the Housing Act, except that the percentage of median gross income that qualifies as lower income shall be 60% of median gross income for the Area with adjustments for family size. Except as otherwise provided herein, the occupants of a unit in the Project shall not be considered to be Low Income Tenants if all the occupants of a unit are students (as defined in Section 152(f)(2) of the Code) and any one of those students is not (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws; (4) a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act); or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents. The determination of a tenant’s status as a Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such tenant and annually thereafter and at any time the Borrower has knowledge that the number of occupants in that unit has increased, on the basis of an Income Certification executed by the tenant.

“*Low Income Units*” means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Sections 4(a), 4(b) and 6(a) hereof.

“*Net Proceeds*” means the total proceeds derived from the issuance, sale and delivery of the Bond, representing the total purchase price of the Bond, including any premium paid as part of the purchase price of the Bond, but excluding the accrued interest, if any, on the Bond paid by the initial purchaser of the Bond.

“*Project*” means the Project Facilities and the Project Site.

“*Project Costs*” means, to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Borrower with respect to the acquisition, construction and equipping, the credit enhancement fees, if any, attributable to the period of the construction of the Project, whether paid or incurred prior to or after the Inducement Date, including, without limitation, costs for site preparation, the planning of housing, related facilities and improvements,

the acquisition of property, the removal or demolition of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, including Qualified Project Costs, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and developer's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or other entity or person for expenditures made, for the Project).

“Project Facilities” means the buildings, structures and other improvements on the Project Site to be acquired, constructed, equipped or improved by the Borrower, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project. Project Facilities do not include retail sales facilities, leased office space, commercial facilities or recreational, fitness, parking or business facilities available to members of the general public.

“Project Site” means the parcel or parcels of real property having the street address of 4101-4117 Whittier Boulevard, in unincorporated Los Angeles County, California, and all rights and appurtenances thereunto appertaining, as more particularly described in Exhibit A hereto.

“Qualified Project Costs” means the Project Costs (excluding issuance costs) incurred not earlier than the date 60 days prior to the Inducement Date which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the Bond, during the construction of the Project shall constitute Qualified Project Costs as bear the same ratio to all such interest or fees, as applicable, as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing on or after the Completion Date shall not be Qualified Project Costs; and provided finally that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), *“Qualified Project Costs”* shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute *“Qualified Project Costs”* unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not *“related parties”* as such term is defined in Section 1.150-1(b) of the Regulations.

“*Qualified Project Period*” means the period beginning on the first day on which 10% of the dwelling units in the Project are first occupied and ending on the latest of (a) the date which is 15 years after the date on which 50% of the dwelling units in the Project are first occupied, (b) the first date on which no Tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates. The CDLAC Conditions apply for a period which, in some cases, exceeds the Qualified Project Period.

“*Regulations*” means the Income Tax Regulations promulgated or proposed (if deemed appropriate in the opinion of Bond Counsel) by the Department of the Treasury pursuant to the Code from time to time.

“*Tax Certificate*” means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, executed and delivered by the LACDA and the Borrower, as amended, modified, supplemented or restated from time to time.

“*Tax-exempt*” means, with respect to interest on any obligations of a state or local government, including the Bond, that such interest is excluded from gross income for federal income tax purposes (other than interest on the Bond for any period during which the Bond is held by a “substantial user” of any facility financed with the proceeds of the Bond or a “related person,” as such terms are used in Section 147(a) of the Code); provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“*Trustee*” means U.S. Bank National Association in its capacity as trustee under the Indenture, together with its successors and assigns.

“*Very Low Income Tenant*” means a tenant whose Adjusted Income does not exceed limits determined in a manner consistent with determinations of low income families under Section 8 of the Housing Act, except that the percentage of median gross income that qualifies as lower income shall be 50% of median gross income for the Area with adjustments for family size. Except as otherwise provided herein, the occupants of a unit in the Project shall not be considered to be Very Low Income Tenants if all the occupants of a unit are students (as defined in Section 152(f)(2) of the Code) and any one of those students is not (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State, or local laws; (4) a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act) or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents. The determination of a tenant’s status as a Very Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such Tenant and annually thereafter and at any time the Borrower has knowledge that the number of occupants in that unit has increased, on the basis of an Income Certification executed by the tenant.

“*Very Low Income Unit*” means the units in the Project required to be rented to, or held available for occupancy by, Very Low Income Tenants pursuant to Sections 4(a), 4(b) and 7(a) hereof.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender and words of the singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

In the event of any conflict between this Regulatory Agreement and the CDLAC Conditions, the most restrictive requirement shall govern.

Section 2. Acquisition, Construction and Equipping of the Project. The Borrower hereby represents as of the date hereof, covenants and agrees with the LACDA and the Trustee as follows:

(a) The Borrower has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the acquisition, construction and equipping of the Project, pursuant to which the Borrower is or will be obligated to expend at least 5% of the proceeds of the Loan financed from proceeds of the Bond.

(b) The Borrower’s reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Project are accurately set forth in the Borrower Cost Certificate (the “Borrower Cost Certificate”) submitted to the LACDA on the Closing Date.

(c) The Borrower has acquired the Project Site and will, within six months following the Bond Closing Date, commence the construction of the Project and will proceed with due diligence to complete the same. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute “Qualified Project Costs” unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not “related parties” as such term is defined in Section 1.150-1(b) of the Regulations. The Borrower reasonably expects to complete the acquisition, construction and equipping of the Project and to expend the full amount of the proceeds of the Loan for Project Costs prior to the date which is 30 months after the Closing Date.

(d) The Borrower agrees that the full amount of each disbursement of Bond proceeds pursuant to the Indenture and the Loan Agreement will be applied to pay or to reimburse the Borrower for the payment of Project Costs as set forth in the Borrower Cost Certificate and that, after taking into account each such disbursement, (i) the aggregate disbursements of Bond proceeds will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an aggregate amount equal to 97% or more of the aggregate disbursements of the Loan; provided, however, that if the Borrower provides the Trustee with an opinion of Bond Counsel to the effect that the Tax-exempt status of interest on the Bond will not be adversely affected if less than the aforesaid percentage, but not less than 95%, is disbursed for such purpose, then the certificate may refer to such lesser percentage as may be specified by Bond Counsel; and (ii) less than 25% of the proceeds of the Bond expended relative to the Project Site will be disbursed to pay or to reimburse the Borrower for the cost of acquiring land or rights with respect to land relative to the Project Site (exclusive of the cost of acquiring improvements on such land).

(e) [Reserved].

(f) No proceeds of the Bond will be used to pay or reimburse any cost (i) incurred more than 60 days prior to the Inducement Date, or (ii) incurred more than three years prior to such payment or reimbursement. Any allocation of Bond proceeds to the reimbursement of previously incurred costs shall be made not later than 18 months after the later of (i) the date the original expenditure was paid or (ii) the date the Project is placed in service or abandoned. The acquisition, construction and equipping of the Project by the Borrower commenced less than 60 days prior to the Inducement Date, and as of 60 days prior to the Inducement Date (A) neither the Borrower nor any “related person” (as such phrase is used in Section 147(a)(2) of the Code) has made any expenditure in connection with the acquisition, construction or equipping of the Project, (B) no on-site work has been commenced by the Borrower or any “related person” in connection with the construction of the Project, and (C) no off-site fabrication of any portion of the Project has been commenced by the Borrower or any related person. The Project consists, and shall at all times consist, of property which is land or is subject to the allowance for depreciation provided in Section 167 of the Code.

(g) The Borrower (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the Loan to be applied in a manner contrary to the requirements of this Regulatory Agreement, nor will it take or omit to take any such action if the Borrower (or any Affiliated Party) knows that such action or omission may cause the proceeds from the sale of the Bond to be applied in a manner contrary to the Indenture, the Loan Agreement, the Act or the Code.

(h) [Reserved].

(i) The Borrower shall, on the Completion Date, evidence the Completion Date by providing a Construction Completion Certificate to CDLAC, the Trustee and the LACDA, signed by the Authorized Borrower Representative. Notwithstanding the

foregoing, such certificate may state that it is given without prejudice to any rights of the Borrower against third parties for the payment of any amount not then due and payable which exist at the date of such certificate or which may subsequently exist. The Construction Completion Certificate shall be delivered to the Trustee no later than the date 30 months from the Closing Date unless the Borrower delivers to the Trustee a certificate of the LACDA consenting to an extension of such date, accompanied by an opinion of Bond Counsel to the effect that such extension will not result in interest on the Bond being included in gross income for federal income tax purposes.

(j) The Borrower agrees to spend additional moneys for payment of any costs of the Project sufficient to reduce the portion of Bond proceeds (A) spent on land by the Borrower relative to the Project Site to an amount that is less than 25% of the amount of Bond proceeds spent by the Borrower relative to the Project Site for all purposes and (B) spent on costs of the Project paid or incurred by or on account of the Borrower or any “related person” (as such term is used in Section 147(a)(2) of the Code) on or after the date 60 days prior to the Inducement Date and chargeable to the capital account of the Project (or so chargeable either with a proper election by the Borrower to deduct such amounts, within the meaning of Treasury Regulation 1.103-8(a)(1)) so that the amount of Bond proceeds expended on such Qualified Project Costs are at least 97% of the amount of Bond proceeds spent for all purposes related to the Project, except that, upon receipt by the Borrower, the Trustee and the LACDA of an approving opinion of Bond Counsel, the percentage of such amounts so used may be 95%.

(k) No Bond proceeds shall be expended to acquire any structures other than buildings within the meaning of Section 147(d) of the Code.

Section 3. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the Qualified Project Period, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project Facilities will be constructed and developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project Facilities as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. For purposes of this Subsection 3(a), the term “functionally related and subordinate facilities” includes facilities for use by the tenants (for example, swimming pools, other recreational facilities and parking areas) and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance personnel. Substantially all of the Project will contain such units and functionally related and subordinate facilities.

(b) All of the dwelling units in the Project will be similarly constructed units, and each Low Income Unit and Very Low Income Unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range and oven, a sink and a refrigerator. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single-room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park. Notwithstanding the foregoing, single-room occupancy units provided under Section 42(i)(3)(B)(iv) of the Code shall not be considered to be utilized on a transient basis.

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. Other than filing a condominium map and a final subdivision map on the Project and obtaining a Final Subdivision Public Report from the California Department of Real Estate, the Borrower shall not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) All of the dwelling units (which shall not include any manager units) in the Project will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except for the following: (1) any dwelling units required to be leased or rented to Low Income Tenants or Very Low Income Tenants, except as further provided herein, (2) to the extent not otherwise inconsistent with the requirements of this Section 3(e), the requirements of any regulatory agreement executed between the Borrower and HUD or between the Borrower and a subordinate lender (including the LACDA), (3) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, and (4) any preference Borrower gives to a class of persons permitted to be given preference pursuant to the Code, State law and other applicable federal law.

(f) The Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that if the Project contains five or more dwelling units, this subsection shall not be construed to prohibit occupancy of not more than one dwelling unit by one or more resident managers or maintenance personnel any of whom may be the Borrower.

(h) The Project shall be maintained in conformity with the habitability and fire codes of the County.

(i) The Project shall be managed in a manner consistent with prudent property management standards and in compliance with all state and local laws, ordinances and regulations relating thereto.

(j) Should involuntary noncompliance with the provisions of Regulations Section 1.103-8(b) be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the LACDA from enforcing the requirements of the Regulations, or condemnation or similar event, the Borrower covenants that, within a “reasonable period” determined in accordance with the Regulations, and subject to the provisions of the Indenture and the Loan Agreement, it will either prepay the Loan or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

Section 4. Very Low Income Tenants and Low Income Tenants; Records and Reports. Pursuant to the requirements of the Code and the LACDA, the Borrower hereby represents, warrants and covenants as follows:

(a) The Project will be developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities in accordance with the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. Within 30 days after each of (i) the date on which 10% of the dwelling units in the Project are occupied by tenants providing Income Certification and (ii) the date on which 50% of the dwelling units in the Project are occupied by tenants providing an Income Certification, the Borrower shall execute and deliver to the LACDA, and a copy to CDLAC and the Trustee, a Certificate of Qualified Project Period.

(b) Commencing on the first day of the Qualified Project Period, Very Low Income Tenants shall occupy at least 20% of all completed and occupied units in the Project (excluding units occupied by property managers) before any additional units are occupied by persons who are not Very Low Income Tenants; and for the Qualified Project Period no less than 20% of the total number of completed units of the Project (excluding units occupied by property managers) shall at all times be rented to and occupied by Very Low Income Tenants. For the purposes of this paragraph (b), a vacant unit which was most recently occupied by a Low Income Tenant or a Very Low Income Tenant is treated as rented and occupied by a Low Income Tenant or a Very Low Income Tenant, as applicable, until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined. In determining whether the requirements of this subsection (b) have been met, fractions of units shall be treated as entire units.

(c) No tenant qualifying as a Low Income Tenant or a Very Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants or Very Low Income Tenants, as applicable; provided, however, that should a Low Income Tenant's or a Very Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant or a Very Low Income Tenant of the same family size, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant or a Very Low Income Tenant, as applicable; and provided further that, until such next available unit is rented to a tenant who is not a Very Low Income Tenant, the former Very Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Very Low Income Tenant for purposes of the 20% requirement of paragraph (b) of this Section 4 (if applicable). If the Project consists of more than one building, this requirement shall apply on a building-by-building basis.

(d) The Borrower will obtain, complete and maintain on file Income Certifications from each Low Income Tenant or Very Low Income Tenant, as applicable, including (i) an Income Certification dated no later than the day prior to the initial occupancy of such Low Income Tenant or Very Low Income Tenant, as applicable, in the Project and, in the case of tenants residing in the Project as of the date of issuance of the Bond (if applicable), dated no later than the day prior to the disbursement of the Bond proceeds to fund acquisition and construction of the Project (ii) thereafter, annual Income Certifications dated as of the anniversary date of each initial Income Certification. The Borrower will obtain such additional information as may be required in the future by the State of California, by the LACDA and by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants or Very Low Income Tenants, as applicable, commencing or continuing occupation of a Low Income Unit or a Very Low Income Unit, as applicable (and not previously filed with the LACDA), shall be attached to the Certificate of Continuing Program Compliance which is to be filed with the LACDA no later than the fifteenth day of each month (or such other period as specified in writing by the LACDA) until such report indicates compliance with Section 4(b) and thereafter the fifteenth day of each [February] and [August] (or such other period as specified in writing by the LACDA) until the end of the Qualified Project Period. The Borrower shall make a good-faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by obtaining the acceptable forms of verification enumerated in Chapter 3 of the most current, amended edition of HUD Handbook 4350.3, or such instruction by HUD that may supersede this handbook, and any additional documentation that the LACDA shall deem relevant, such as the two most recent years' tax returns or other forms of independent verification satisfactory to the LACDA.

(e) The Borrower will use its best efforts to maintain complete and accurate records pertaining to the Low Income Units and the Very Low Income Units, and will with

reasonable notice permit any duly authorized representative of the LACDA, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project during regular business hours, including those records pertaining to the occupancy of the Low Income Units and the Very Low Income Units.

(f) The Borrower will prepare and submit to the LACDA and the Trustee, no later than the fifteenth day of each month (or such other period as specified in writing by the LACDA) following the receipt by the Trustee of the Construction Completion Certificate to and including the month in which such report indicates that 20% of the occupied units (excluding units occupied by managers) are occupied by Very Low Income Tenants, and thereafter no later than the fifteenth day of each [February] and [August] (or such other period specified in writing by the LACDA) until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance executed by the Borrower stating (i) the percentage of the dwelling units of the Project which were occupied or deemed occupied, pursuant to paragraph (b) of this Section 4, by Low Income Tenants or Very Low Income Tenants, respectively, during such period; (ii) that either (A) no unremedied default has occurred under this Regulatory Agreement, or (B) a default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Borrower to remedy such default; and (iii) that, to the knowledge of the Borrower, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, setting forth all material facts relating thereto.

(g) On or before each February 15 during the Qualified Project Period, the Borrower will submit to the LACDA a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. On or before each March 31 during the Qualified Project Period the Borrower will, on behalf of the LACDA, submit such completed form to the Secretary of the Treasury, regardless of whether or not the LACDA has responded to such draft.

(h) Subject to the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, each lease or rental agreement pertaining to a Low Income Unit or a Very Low Income Unit, as applicable, shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Low Income Tenant or the Very Low Income Tenant, as applicable, in determining qualification for occupancy of the Low Income Unit or the Very Low Income Unit, as applicable, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with Section 4(c) hereof and to recertification if the number of occupants in the units changes for any reason (other than the birth of a child to an occupant of such unit) and that if upon any such certification such tenant's Adjusted Income exceeds 140% of the then applicable income limit for a Low Income Tenant or a Very Low Income Tenant, as applicable, of the same family size, such tenant may cease to qualify as a Low Income Tenant or Very Low Income Tenant, as

applicable, and such tenant's rent is subject to increase. Notwithstanding anything in this Section 4(h) to the contrary, such tenant's rent may be increased only pursuant to Section 7(l) hereof. All leases pertaining to Low Income Units or Very Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit or a Very Low Income Unit, as applicable: (i) certifies the accuracy of the statements made in the verification of income; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Trustee or the LACDA, and that the failure to provide accurate information in the verification of income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant.

(i) Pursuant to the CDLAC Conditions attached hereto and for the entire term of the Regulatory Agreement, the Project shall consist of 33 units plus 1 manager unit of which at least 33 units shall be rented or held vacant for rental for persons or families whose income is at or below 50% of the area median income.

Section 5. Tax-exempt Status of the Bond. The Borrower and the LACDA make the following representations, warranties and agreements for the benefit of the holder of the Bond from time to time:

(a) The Borrower and the LACDA will not knowingly take or permit actions within their control, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-exempt nature of the interest on the Bond and, if either should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof, provided that the Borrower shall not have violated these covenants if the interest on the Bond becomes taxable to a person solely because such person is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code.

(b) The Borrower and the LACDA will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the LACDA and the Trustee, with a copy to the Borrower, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the interest on which is Tax-exempt under Section 142(d) of the Code.

(c) The Borrower and the LACDA will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the LACDA and the Trustee, with a copy to the Borrower, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

(d) The Borrower will not knowingly enter into any agreements which would result in the payment of principal or interest on the Bond being “federally guaranteed” within the meaning of Section 149(b) of the Code.

(e) Subject to Section 14 hereof, the Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project prior to the expiration of the Qualified Project Period to another person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement; provided, however, that so long as any former Borrower has no remaining interest in the Project, such former Borrower shall have no obligation to monitor such transferee’s compliance with such restrictions, and such former Borrower shall incur liability if such transferee fails to comply with such restrictions only in proportion to its then remaining interest.

(f) The Borrower and any related party (as defined in Section 1.150-1(b) of the Regulations) thereto shall not acquire the Bond in an amount related to the amount of the Loan.

Section 6. Additional Requirements of the Act. In addition to the requirements set forth in Sections 2 through 5, and without limiting any additional requirements in Section 7, during the Qualified Project Period, the Borrower and the LACDA hereby agree to comply with each of the requirements of the Act, and, without limiting the foregoing, the Borrower hereby specifically agrees to comply with each of the requirements set forth in this Section 6, as follows:

(a) Not less than 20% of the total number of units in the Project (excluding units occupied by managers) shall be reserved for occupancy by tenants whose adjusted gross income does not exceed 50% of the median gross income for the Area, adjusted for family size, as determined pursuant to Section 8 of the Housing Act.

(b) The rents paid by the tenant for the units reserved pursuant to paragraph (a) of this Section (excluding any supplemental rental assistance from the State, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed the amount derived by multiplying 30% times 50% for Very Low Income Tenants, and 30% times 60% for Low Income Tenants of the median gross income for the Area, adjusted for family size, as determined pursuant to Section 8 of the Housing Act.

(c) During the Qualified Project Period the Borrower shall file Certificates of Continuing Program Compliance in the form and at the time required by Sections 4(d) and (f) hereof that shall contain sufficient information to allow the LACDA to file any annual report required by the Act or pursuant to California Government Code Section 8855.5 and, no later than January 31 of each calendar year, the Borrower, on behalf of the LACDA, shall provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the LACDA, any annual report information required by California Government Code Section 8855(k)(1) until the later of the date the Bond is no longer outstanding or the proceeds of the Bond have been fully spent.

(d) No portion of the Bond shall be used to finance the acquisition, construction, rehabilitation, equipping, refinancing or development of commercial property for lease.

(e) The Borrower shall not apply selection criteria to certificate holders under Section 8 of the Housing Act that are more burdensome than the criteria applied to all other prospective tenants.

(f) Following the expiration or termination of the Qualified Project Period with respect to the Project, except in the event of foreclosure and redemption of the Bond, deed in lieu of foreclosure, eminent domain or action of a federal agency preventing enforcement, units required to be reserved for occupancy pursuant hereto shall remain available to any eligible household occupying a reserved unit at the date of expiration or termination, at a rent not greater than the amount set forth in (b) above, until the earliest of any of the following occur:

(i) The household's income exceeds 140% of the maximum eligible income specified herein;

(ii) The household voluntarily moves or is evicted for "good cause." "Good cause" for the purposes of this Section, means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health and safety of other persons or the structure, the fiscal integrity of the Project, or the purposes or special programs of the Project;

(iii) Thirty years after the date of the commencement of the Qualified Project Period relative to the Project; and

(iv) The Borrower pays the relocation assistance and benefits to tenants as provided in subdivision (b) of Section 7264 of the California Government Code.

(g) During the three years prior to expiration of the Qualified Project Period, the Borrower shall continue to make available to Low Income Tenants and Very Low Income Tenants reserved units that have been vacated to the same extent that nonreserved units are made available to tenants other than Low Income Tenants and Very Low Income Tenants.

(h) The rental payments for the Low Income Units and the Very Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed Affordable Rents. The LACDA shall, from time to time, revise the maximum rental limits applicable to the Low Income Units and the Very Low Income Units, by a percentage equal to any percentage change in median income for the Area. Until such time as the LACDA mails a notice of such change, the previously existing charges shall apply. Upon receipt of new rental limit schedules, the Borrower may increase the rental charges. Any increase in rental charges must comply with the terms of the lease as to the time and manner of such changes, provided that no Low Income Tenant or Very

Low Income Tenant shall have a rent increase sooner than one year after initial occupancy, and provided, further, no Low Income Tenant or Very Low Income Tenant shall have an annual rent increase in excess of the percentage increase as determined by HUD in the Area median income for the applicable year in which the rent increase is being considered, nor shall there be an accumulation of rental increases from year to year for those years in which the Borrower chooses not to increase rents by the percentage allowed herein.

(i) The Borrower shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Borrower shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

(j) No tenant residing in a unit reserved as required by subsection (a) of this Section shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Gross Income increases to exceed the qualifying limit for Low Income Tenants or Very Low Income Tenants, as applicable. However, should the Gross Income of a tenant residing in a reserved unit increase to exceed the qualifying limit, the next available unit must be rented to (or held vacant and available for immediate occupancy by) a tenant whose income satisfies the requirements of Sections 4(b) and 7(a) hereof. Until such next available unit is rented to a qualified tenant, the former Low Income Tenant or Very Low Income Tenant, as applicable, who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant or a Very Low Income Tenant, as applicable, for purposes of the requirements of Sections 4(b) and 7(a) hereof.

(k) The units reserved for occupancy as required by subsection (a) of this Section shall remain available on a priority basis for occupancy at all times during the Qualified Project Period.

Notwithstanding Section 1461 of the California Civil Code, the provisions hereof shall run with the land and may be enforced either in law or in equity by any resident, local agency, entity or any other person adversely affected by the Borrower's failure to comply with this Regulatory Agreement.

Section 7. Additional Requirements of the LACDA. In addition to, and not in derogation of, the requirements set forth in the preceding and following sections of this Regulatory Agreement, each of which is hereby incorporated in this Section as a specific requirement of the LACDA, whether or not required by California or federal law, the Borrower represents, warrants, covenants and agrees as follows:

(a) The Borrower shall promptly provide to the LACDA such information with respect to the Project or the Bond as the LACDA shall from time to time request. The Borrower shall provide written notice to the LACDA of receipt of a certificate of occupancy or other official authorization to occupy the Project immediately upon receipt.

(b) The Low Income Units and the Very Low Income Units shall be of comparable quality to all other units in the Project, shall be dispersed throughout the Project, and shall offer a range of size and number of bedrooms comparable to those units which are available to other tenants; and Low Income Tenants and Very Low Income Tenants shall have access to and enjoyment of all common areas and facilities of the Project on the same basis as tenants of other units.

(c) The Borrower agrees that it will not discriminate in the rental of units or in its employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, age, sexual orientation, gender identity/expression, transgender status, disability, marital status, domestic partner status or medical condition. All contracts entered into by the Borrower which relate to the Project shall contain a like provision.

(d) Not less than 20% of the total number of units in the Project (other than one unit set aside for managerial or administrative use) shall be Very Low Income Units.

(e) For the Qualified Project Period, the Borrower will comply with the provisions of the Unruh Civil Rights Act, including, without limitation, Sections 51.2 and as applicable, 51.3 of the California Civil Code, as amended.

(f) The lease to be utilized by the Borrower in renting any residential units in the Project to Low Income Tenants or Very Low Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction, subject to applicable provisions of California law, for any tenant who fails to qualify as a Low Income Tenant or a Very Low Income Tenant and who has made a material misrepresentation on the Income Certification as to such tenant's qualification as a Low Income Tenant or a Very Low Income Tenant. All such leases shall contain clauses, among others, wherein each individual lessee (i) certifies the accuracy of the statements made in the Income Certification and (ii) agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of the lessee's tenancy; that the lessee will comply promptly with all requests for information with respect thereto from the Borrower or the LACDA; and that the lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the lessee's tenancy and shall be a default thereunder. Additionally, such lease shall contain provisions informing any tenant of the possibility of rental payment increases in accordance with the terms of this Regulatory Agreement.

(g) All Income Certifications will be maintained on file at the Project or, with the prior written consent of the LACDA, at the principal place of business of the Borrower or the property manager of the Project, so long as this Regulatory Agreement is in effect and for five years thereafter with respect to each Low Income Tenant or Very Low Income Tenant who occupied a residential unit in the Project during the Qualified Project Period.

(h) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies

pursuant to the existing program under Section 8 of the Housing Act, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants.

(i) The Borrower shall submit to the LACDA (i) at the times specified in Sections 4(d) and (f) herein, a Certificate of Continuing Program Compliance, which shall include the information called for therein, including occupancy records for all units in the Project, and (ii) within 15 days after receipt of a written request, any other information or completed forms requested by the LACDA, in each case, in order to comply with reporting requirements of the Internal Revenue Service or the State of California, including, without limitation, information necessary for the LACDA to file any periodic report, or any other information concerning the Project as the LACDA may reasonably request.

(j) [Reserved].

(k) The LACDA may, at its option and at its expense, at any time appoint an administrator to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. Following any such appointment, the Borrower shall comply with any request by the LACDA to deliver to such administrator, in addition to or instead of the LACDA, any reports, notices or other documents required to be delivered pursuant hereto, and upon reasonable notice to the Borrower to make the Project and the books and records with respect thereto available for inspection during regular business hours by such administrator as an agent of the LACDA.

(l) If upon the annual certification or recertification required in Section 4(d) a tenant's Adjusted Income exceeds 140% of the then applicable income limit for a Low Income Tenant or a Very Low Income Tenant, as applicable, of the same family size, all rental limits herein previously applicable to the unit occupied for such tenant shall continue to apply until the next available unit is rented to a tenant who is a Low Income Tenant or a Very Low Income Tenant, as applicable.

(m) The Borrower shall give written notice to Low Income Tenants and Very Low Income Tenants at the following five points in time:

(i) Upon initial move-in/lease execution, the Borrower shall give written notice to all tenants of Low Income Units and Very Low Income Units, of the duration of the rent restrictions under this Regulatory Agreement. The Borrower must maintain, in its files, a copy of each notice containing each tenant's signed acknowledgement of the notice required hereunder. The notice shall, at the least, contain language that the rent restrictions under this Regulatory Agreement shall be for a term equal to the later of the expiration of: (A) the Qualified Project Period; or (B) the CDLAC Conditions. Upon termination of the rent restriction period under this Regulatory Agreement, rents may be set at market rates unless otherwise restricted by some other legal, regulatory, or contractual requirement.

(ii) Thirty-six months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to

its tenants of the termination of the restrictions on the Low Income Units and Very Low Income Units before their rents may be raised to market rent levels. The Borrower must also give written notice, pursuant to California Government Code Section 65863.10, to the LACDA, the Chair of the Board of Supervisors of the County and the California Department of Housing and Community Development. In addition, the Borrower, within 36 months of a scheduled expiration of rental restrictions, shall also provide notice of the scheduled expiration of rent restrictions to any prospective tenant at the time he or she is interviewed for eligibility.

(iii) Twelve months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to its tenants of the termination of the restrictions on the Low Income Units and the Very Low Income Units before their rents may be raised to market rent levels. The Borrower must also give written notice, pursuant to California Government Code Section 65863.10, to the LACDA, the Chair of the Board of Supervisors of the County and the California Department of Housing and Community Development.

(iv) Six months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to its tenants of the termination of the restrictions on the Low Income Units and Very Low Income Units before their rents may be raised to market rent levels. The Borrower must also give written notice, pursuant to California Government Code Section 65863.10, to the LACDA, the Chair of the Board of Supervisors of the County and the California Department of Housing and Community Development.

(v) Ninety days prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must again give written notice to its tenants of the termination of the restrictions on the Low Income Units before their rents may be raised to market rent levels.

Unless the Borrower meets the requirements of California Government Code Section 65863.13, pursuant to California Government Code Section 65863.11, prior to or concurrently with the 12 month notice referred to above in (iii), the Borrower must provide notice of the opportunity to offer to purchase the assisted housing development to all qualified entities on the list maintained by the California Department of Housing and Community Development as well as to those qualified entities that contact the Borrower directly. The notice shall conform to the requirements of California Government Code Section 65863.11(h) and shall be sent to the entities by registered or certified mail, return receipt requested. The Borrower shall also post a copy of the notice in a conspicuous place in the common area of the Project.

(n) The Borrower shall pay to the LACDA its initial fee on the Bond Closing Date and thereafter pay to the LACDA its ongoing fees with respect to the issuance of the Bond as follows. The Borrower shall pay the LACDA an initial fee immediately upon issuance of the Bond equal to \$[_____] (.25% of the aggregate original principal amount of the Bond issuable under the Indenture (\$[12,873,000])). In addition, the Borrower shall, as compensation for the LACDA's monitoring of the provisions of this

Regulatory Agreement, pay to the LACDA, annually in advance, on the anniversary of the Closing Date for the period from the date of issuance of the Bond through the later of (i) the end of the Qualified Project Period or (ii) the termination of the CDLAC Conditions, an annual amount of the greater of .125% of the outstanding principal amount of the Bond or \$6,000, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bond from gross income for federal income tax purposes. Throughout the term of this Agreement, the LACDA or the Trustee, as applicable, shall provide an invoice to the Borrower at least 30 days prior to the due date of each such payment (and if applicable, a copy of which shall be provided to the LACDA) and shall collect such payments from the Borrower and immediately remit such funds to the LACDA. In the event of any prepayment of the Bond in whole, prior to the later of: (i) the end of the Qualified Project Period; or (ii) the termination of the CDLAC Conditions, the Borrower, at its election, shall either: (A) pay to the LACDA, on or before such payment, an amount equal to the present value of the remaining LACDA fees payable hereunder, as calculated by the LACDA, using a discount rate equal to the yield on the date of prepayment on the United States treasury security maturing on the date nearest the later of: (1) the end of the Qualified Project Period or (2) the termination of the CDLAC Conditions, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bond from gross income for federal income tax purposes; or (B) pay directly to the LACDA on an annual basis, in advance on the anniversary of the Closing Date, the annual fee described above. The Borrower shall not be required to pay the fee described in the preceding sentence if the Bond is prepaid in whole under circumstances which permit termination of this Regulatory Agreement pursuant to Section 14 hereof. The Borrower shall also pay to the LACDA, 30 days after receipt of request for payment thereof from the LACDA, all reasonable out of pocket expenses of the LACDA (not including salaries and wages of LACDA employees) related to the Project and the financing thereof that are not otherwise required to be paid by the Borrower under the terms of this Regulatory Agreement or the Loan Agreement, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project, the Loan or the Bond. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Bond, the Borrower shall continue to pay (or, to the extent allowed under the Code, may prepay the present value at such time, computed based on the Bond yield) the LACDA's fees, unless such prepayment is made in connection with a refunding of the Bond. Notwithstanding any prepayment of the Loan, the Borrower shall continue to pay to the LACDA all fees, losses and expenses required under the Loan Agreement and the Indenture as provided therein. The fees payable hereunder shall be reduced as and to the extent necessary to comply with the requirements of the Code.

(o) The Borrower shall pay to the LACDA any expenses incurred by the LACDA, including, without limitation, Bond Counsel, counsel for the County and financial advisor fees, as a condition to the consideration and receipt of any consent, approval, amendment, transfer or waiver requested of the LACDA with respect to the Project, the Project Site or the Bond. The LACDA shall provide an invoice directly to the Borrower for such amounts.

(p) The Borrower shall pay the LACDA its then-current fees in connection with any consent, approval, transfer, amendment or waiver requested of the LACDA, together with any expenses incurred by the LACDA and its counsel and financial advisor in connection therewith.

(q) The Trustee shall report to the LACDA in writing semiannually, within 10 days of each June 30 and December 31, the principal amount of the Bond outstanding as of such June 30 or December 31, as appropriate.

(r) [Reserved].

(s) The Borrower shall include the LACDA as an additional insured on all liability insurance policies relating to the Borrower or the Project.

(t) The Borrower shall submit to the LACDA, (i) not later than the 30th day after the close of each calendar year, a statistical report in the form set forth as Exhibit F hereto, or such other form as may be prescribed by the LACDA, setting forth the information called for therein, and (ii) within 15 days after receipt of a written request, any other information or completed forms requested by the LACDA in order to comply with reporting requirements of the Internal Revenue Service or the State of California. The Borrower shall not rent any Low Income Unit or Very Low Income Unit to: (i) any individual who (A) holds an ownership interest in the Borrower, any general partner or member (or owner of such general partner or member) of the Borrower, (B) is an officer, board member, employee or agent of, or consultant to, the Borrower or any general partner or member thereof or owner of such general partner or member or (C) is a developer of the Project (collectively, an "Owner/Developer"); (ii) any Immediate Family Member of an Owner/Developer ("Immediate Family Members" consists of: (A) spouses, (B) children, (C) parents and grandparents, (D) siblings, (E) in-laws, including brother/sister-in-law and mother/father-in-law and son/daughter-in-law or (F) significant other or domestic partner); or (iii) any elected official or his or her spouse/partner, who participated in the deliberative process, vote or consideration of legislative action regarding the issuance of the Bond or other loan in support of the Project, unless such person otherwise qualifies for tenancy under this Agreement and such tenancy is approved in writing by the LACDA.

(u) The Borrower acknowledges that the LACDA may appoint an administrator other than the LACDA (at no additional cost to the Borrower) to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. In such event, the Borrower shall comply with any request by the LACDA to deliver to any such administrator, in addition to or instead of the LACDA, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the administrator as an agent of the LACDA. The Borrower shall include a certification in each tenant application that the applicant is not an Owner/Developer, an elected official who participated in the issuance of the Bond or an Immediate Family Member thereof.

(v) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the LACDA, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the LACDA. Neither the Borrower nor any general partner thereof shall issue any publicity release or other communication to any print, broadcast or online media, post any sign or in any other way identify the LACDA as the source of the financing provided for the Project, without the prior written approval of the LACDA (provided that nothing herein shall prevent the Borrower or any general partner thereof from identifying the LACDA as the source of such financing to the extent that the Borrower or any general partner thereof is required to do so by disclosure requirements applicable to publicly held companies).

(w) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Borrower. Notwithstanding any of the foregoing, the Borrower shall comply with the provisions of the LACDA's Multi-Family Bond Policies and Procedures, including those set forth in Exhibit H.

Any of the foregoing requirements of the LACDA may be expressly waived by the LACDA in writing in the LACDA's sole discretion, but (i) no waiver by the LACDA of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement, including particularly but without limitation the provisions of Sections 2 through 6 hereof, except to the extent the LACDA has received an opinion of Bond Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Bond for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the LACDA and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bond to become includable in gross income for federal income tax purposes, if such opinion is accompanied by a copy of a ruling from the Internal Revenue Service to the same effect, or to the effect that compliance with such requirement would be in conflict with the Act.

Section 8. Modification of Covenants. The Borrower, the Trustee and the LACDA hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the LACDA, the Trustee and the Borrower, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement in order to maintain the Tax-exempt status of interest on the Bond, this Regulatory Agreement shall be deemed to be automatically amended, without the consent or approval of any other person, to impose such additional or more restrictive requirements. The parties hereto hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the LACDA, the Trustee

and the Borrower, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the LACDA, the Trustee and the Borrower and approved by the written opinion of Bond Counsel to the effect that such amendment is permitted by the Act and will not affect the Tax-exempt status of interest on the Bond. The LACDA shall be under no obligation to agree to any such amendment, it being understood that each of the requirements of this Regulatory Agreement is a specific requirement of the LACDA, whether or not required by California or federal law.

(c) The Borrower, the LACDA and, if applicable, the Trustee shall execute, deliver and, if applicable, file or record any and all documents and instruments necessary to effectuate the intent of this Section 8, and the LACDA hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file or record on behalf of the LACDA, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if the LACDA defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the LACDA, the Trustee shall take no action under this subsection (c) without first notifying the LACDA and without first providing the LACDA an opportunity to comply with the requirements of this Section 8. Nothing in this Section 8(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the LACDA.

Section 9. Indemnification. The Borrower shall defend, indemnify and hold harmless the LACDA, the County and the Trustee and the respective staff, officers, members, supervisors, commissioners, directors, officials and employees, counsel, attorneys and agents, past present and future of each of them (collectively, the “Indemnified Parties”) against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments), regardless of whether the Borrower is negligent, directly or indirectly resulting from or arising out of or related to (a) the development, design, construction, rehabilitation, installation, operation, use, occupancy, maintenance, financing or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto), (b) any written statements or representations with respect to the Borrower, the Project or the Bond made or given to the LACDA or the Trustee, or any underwriters or purchaser of the Bond, or any tenants or applicants for tenancy in the Project or any other person, by the Borrower, or any Authorized Borrower Representative, including, but not limited to, statements or representations of facts, financial information or limited partnership affairs, (c) the Bond or the Tax-exempt status of interest on the Bond, (d) any actual or alleged violation of any Hazardous Materials Law or with respect to the presence of Hazardous Materials on or under the Project or in any of improvements or on or under any property of the Borrower that is adjacent to the Project (whether before or after the date of this Agreement and whether or not the Borrower knew of the same) and any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof, (e) this Regulatory Agreement, the Indenture, the Loan Agreement, and any of the related documents or the execution or amendment thereof or in connection with transactions contemplated thereby, including the issuance or transfer of the Bond, (f) any act or omission of the Borrower or any of its agents, contractors, servants,

employees or licensees in connection with the Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof, (g) the defeasance and/or prepayment, in whole or in part, of the Bond, (h) any Determination of Taxability and any declaration of taxability of interest on the Bond, or allegations (or regulatory inquiry) that interest on the Bond is taxable, for federal tax purposes, (i) any finder's fee, brokerage commission, loan commission or other sum in connection with the consummation of the transactions contemplated hereby, (j) the issuance of any Set Aside Letter, whether such matters are based on theories of derivative liability, comparative negligence or otherwise, at Borrower's own cost and with counsel approved by the Indemnified Party, unless the Indemnified Party elects to conduct its own defense at the expense of Borrower, (k) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Borrower Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof, (l) any lien or charge upon payments by the Borrower to the LACDA, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the LACDA in respect of any portion of the Project, (m) the defeasance and/or redemption, in whole or in part, of the Bond and (n) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower contained in any closing certificate, offering statement or disclosure or continuing disclosure document for the Bond or any of the documents relating to the Bond to which the Borrower is a party, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for the Bond of any material fact necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading; provided, however, that this provision shall not require the Borrower to indemnify an Indemnified Party from any claims, costs, fees, expenses or liabilities arising from the fraud or willful misconduct of such Indemnified Party or, in the case of indemnification of the Trustee, the negligence of the Trustee. The Borrower also shall pay and discharge and shall indemnify and hold harmless the LACDA, the County and the respective staff, officers, members, supervisors, commissioners, directors, officials and employees, attorneys and agents and the Trustee from (i) any lien or charge upon payments by the Borrower to the LACDA and the Trustee hereunder or under the Bond Documents and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the reasonable judgment of such Indemnified Party a conflict of interest exists by reason of

common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel, or if, in the case of the LACDA, it makes a reasonable judgment that a competent attorney has not been appointed.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the LACDA has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The provisions of this Section 9 shall survive the term of the Bond and this Regulatory Agreement or the resignation of the Trustee.

Section 10. Consideration. The LACDA has issued the Bond to provide funds to finance the acquisition, construction and equipping of the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct and equip the Project. In consideration of the issuance of the Bond by the LACDA, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The LACDA and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bond and in the exemption from federal income taxation and California personal income taxation of the interest on the Bond. In performing their duties and obligations hereunder, the LACDA and the Trustee may rely upon statements and certificates of the Low Income Tenants and the Very Low Income Tenants and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the LACDA and the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the LACDA or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Trustee may, but shall not be required to, conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate delivered to the Trustee by the Borrower or the LACDA with respect to the occurrence or absence of a default unless it knows that the notice or certificate is erroneous or misleading.

Section 12. Project in the County. The Borrower hereby represents and warrants that the Project will be located entirely within the County.

Section 13. Sale or Transfer of the Project; Equity Interests. The Borrower hereby covenants and agrees not to: (i) directly or indirectly, by operation of law, voluntarily or involuntarily, sell, gift, encumber, assign or otherwise transfer (collectively, "Transfer") all or any portion of its interest in the Project (excluding tenant leases pursuant to the terms hereof); (ii) permit the Transfer of greater than 49% of its ownership and/or control, in the aggregate, taking all transfers into account on a cumulative basis; or (iii) Transfer any of its rights or obligations under the Bond Documents without the prior written approval of the LACDA, which approval the LACDA may withhold in its sole and absolute discretion.

At any time the Borrower desires to effect a Transfer hereunder, the Borrower shall notify the LACDA in writing (a “Transfer Notice”) and shall submit to the LACDA for its prior written approval (i) all proposed agreements and documents memorializing, facilitating, evidencing and/or relating to the circumstances surrounding such proposed Transfer, and (ii) a certificate setting forth representations and warranties by the Borrower and the proposed transferee to the LACDA sufficient to establish and ensure that all requirements of this Section 13 have been and will be met (collectively, the “Transfer Documents”). No Transfer Documents shall be approved by the LACDA unless they expressly provide for the assumption by the proposed transferee of all of the Borrower’s obligations under the Bond Documents. The Transfer Notice shall include a request that the LACDA consent to the proposed Transfer. The LACDA agrees to make its decision on the Borrower’s request for consent to such Transfer promptly, and use reasonable efforts to respond not later than 30 days after the LACDA receives the last of the items required by this Section 13. In the event the LACDA consents to a proposed Transfer, then such Transfer shall not be effective unless and until the LACDA receives copies of all executed and binding Transfer Documents which Transfer Documents shall conform with the proposed Transfer Documents originally submitted by the Borrower to the LACDA.

Except as expressly provided in this Section 13, in connection with any Transfer hereunder, the purchaser or assignee shall also: (i) deliver to the LACDA an opinion of such purchaser or assignee’s counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such purchaser or assignee, subject to bankruptcy and other standard limitations affecting creditor’s rights; (ii) deliver to the LACDA an opinion of Bond Counsel addressed to the LACDA to the effect that any such sale, transfer or other disposition will not adversely affect the Tax-exempt status of interest on the Bond; and (iii) pay to the LACDA and the Trustee all fees and/or expenses then currently due and payable to the LACDA and the Trustee (together with the Transfer Documents, the “Transfer Deliveries”).

Notwithstanding anything in this Regulatory Agreement to the contrary, the Borrower agrees that it shall not be permitted to make any Transfer, whether or not the LACDA’s consent is required and even if the LACDA has consented thereto, if there exists an Event of Default under the Loan Agreement or any other Loan Document at the time the Transfer Notice is tendered to the LACDA or at any time thereafter until such Event of Default has been cured.

Except as expressly provided in this Section 13, the provisions of this Section 13 shall apply to each successive Transfer and proposed transferee in the same manner as initially applicable to the Borrower under the terms set forth herein.

Notwithstanding the foregoing, if the Project receives funding through an allocation of low income housing tax credits under Section 42 of the Code (“LIHTCs”), the LACDA hereby consents to the following transfers in furtherance of such financing: (i) syndication of limited partnership interests in the Borrower to an equity investor and subsequent transfers of limited partnership interests; (ii) the grant and exercise of a purchase option and/or right of first refusal with respect to the Project from the Borrower to its general partners, which may involve the sale of the Borrower’s interest in the Project and/or the Transfer of greater than 49% of its ownership and/or control; (iii) removal of the general partner of the Borrower pursuant to the terms of the limited partnership agreement of the Borrower, as it may be amended from time to time, provided that if the replacement general partner is an entity that is not an affiliate of the Limited Partner,

such replacement general partner shall be approved by the LACDA, which approval shall not be unreasonably withheld; and (iv) removal of the general partner of the Borrower pursuant to the terms of the limited partnership agreement of the Borrower, as it may be amended from time to time, provided that the replacement general partner is an affiliate of the Investor Limited Partner of the Borrower. Notwithstanding the above, the Borrower shall notify the LACDA that the Borrower intends to pursue such transfers of partnership interest at least 10 Business Days before the scheduled date of such transfers; further, if the general partner is being replaced, the Borrower shall provide evidence acceptable to the LACDA with regard to such successor general partner's financial capability, management experience and history of compliance with affordable housing, landlord/tenant, and health and safety laws, and such other information as requested by the LACDA. In addition, if the general partner of the Borrower is removed and replaced pursuant to clause (iv) above, then the Investor Limited Partner must (a) notify the LACDA that they have taken such action when they take such action; (b) provide the LACDA with copies of all amendments to the Partnership Agreement; and (c) provide a certification from the new general partner stating that it is an affiliate of the Investor Limited Partner and describe the affiliation, and also state that the general partner is assuming all obligations and responsibilities of the removed general partner under the Bond Documents, if any, from and after the substitution of the general partner.

The Borrower shall use its best efforts to provide the LACDA concurrently with the closing of any Transfer (but in no event later than 30 days after the closing of such Transfer) copies of all documents pertaining to the transaction, including any amendments to the organizational documents of the Borrower or any constituent partners or members.

Nothing in this Section 13 shall affect any provision of any other document or instrument between the Borrower and any other party which requires the Borrower to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project or any interest (direct or indirect) therein or in the Borrower, including, but not limited to, any consent of the Trustee or the Bondowner Representative required under the Indenture or any other Bond Documents.

Notwithstanding anything contained in this Section 13 to the contrary, neither the consent of the LACDA nor the delivery of the Transfer Deliveries shall be required in the case of a foreclosure or deed in lieu of foreclosure, whereby Bondowner Representative or a designee or third party purchaser becomes the Borrower of the Project, and nothing contained in this Section 13 shall otherwise affect the right of the Bondholder, the Trustee or a designee or third party purchaser to foreclose on the Project or to accept a deed in lieu of foreclosure or to effect a comparable conversion of the Loan or the Bond Documents. However, if the Trustee or the Bondowner Representative acquires title to the Project by foreclosure or deed in lieu of foreclosure and this Regulatory Agreement has not been terminated pursuant to Section 14 below, consent of the LACDA, which shall (i) be subject to the ten-current LACDA policies and procedures and (ii) not be unnecessarily withheld, conditions or delayed, and delivery of the Transfer Deliveries shall be required for any transfer of the Project subsequent to the Trustee's or the Bondowner Representative's acquisition of the Property by foreclosure or deed in lieu of foreclosure.

Upon any sale or other transfer which complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder, but only to the extent such

obligations have been assumed by the transferee of the Project, without the necessity of further documentation. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 13. No transfer of the Project shall operate to release the Borrower from its obligations under this Regulatory Agreement with respect to any action or inaction taken prior to such transfer. Nothing contained in this Section 13 shall affect any provision of the other Bond Documents to which the Borrower is a party.

For the Qualified Project Period, the Borrower shall not: (1) grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) Permitted Encumbrances or Permitted Transfers or (b) a Transfer permitted by the Loan Agreement and this Regulatory Agreement (and upon receipt by the Borrower of an opinion of Bond Counsel that such action will not adversely affect the Tax-exempt status of interest on the Bond; provided that such opinion will not be required with respect to any lease permitted under this Regulatory Agreement relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except in accordance with the Bond Documents and except to the extent that what is demolished or removed is replaced with comparable property; or (3) permit the use of the dwelling accommodations of the Project for any purpose other than rental residences.

Notwithstanding the foregoing, if the Trustee acquires title to the Project by foreclosure or deed in lieu of foreclosure, no consent of the LACDA shall be required to such transfer under this Regulatory Agreement and no other conditions shall be required to be satisfied. However, if the Trustee acquires title to the Project by foreclosure or deed in lieu of foreclosure and this Regulatory Agreement has not been terminated pursuant to Section 14 below, consent of the LACDA shall be required for any transfer of the Project subsequent to the Trustee's acquisition of the Project by foreclosure or deed in lieu of foreclosure.

Notwithstanding anything to the contrary contained herein, the interest of the Borrower's limited partner shall be transferable under this Regulatory Agreement to any affiliate of the limited partners of the Borrower, without the consent of the LACDA and/or Trustee but with prior written notice thereto.

The Borrower acknowledges and recognizes that in addition to the above requirements the consent of CDLAC, in the manner and to the extent as may at the time be required by CDLAC, among other parties, may be required in connection with any transfer of the Project.

Section 14. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery and shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 14 shall terminate in its entirety at the end of the Qualified Project Period or such later date provided in Section 32 hereof pursuant to the CDLAC Resolution (which imposes restrictions for a term of at least 55 years), it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bond, discharge of the Loan and termination of the Indenture and the Loan Agreement.

Notwithstanding the foregoing, the provisions of Section 9 hereof shall, in the case of the Trustee, survive the term of this Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the LACDA, survive the term of this Regulatory Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement and all the requirements set forth herein (except Section 9 as aforesaid) shall terminate and be of no further force and effect in the event of (a) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the LACDA or the Trustee from enforcing the provisions hereof, or (b) condemnation, foreclosure, delivery of a deed in lieu of foreclosure or a similar event, but only if, within a reasonable period thereafter, either the portion of the Bond attributable to the affected portion of the Project is retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in Sections 2 through 6 of this Regulatory Agreement and provided that, in either case, an opinion of Bond Counsel (unless waived by the LACDA) is delivered to the Trustee to the effect that the exclusion from gross income for federal income tax purposes of interest on the Bond will not be adversely affected thereby. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any "related party" (within the meaning of Section 1.150-1(b) of the Regulations) or "related person" (defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any related party as described above will obtain an ownership interest in the Project for tax purposes.

Upon the termination of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 15. Covenants To Run With the Land. The Borrower hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The LACDA and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. The LACDA and, if necessary, the Trustee, agree to execute a quitclaim deed or other documents required to remove this Regulatory Agreement from title after the covenants, agreements and restrictions herein have expired. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such

covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any security instrument, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 16. Burden and Benefit. The LACDA and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The LACDA and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants and Very Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bond was issued. Notwithstanding the foregoing or any other provision of this Regulatory Agreement, no person, other than the parties hereto, shall have any rights of enforcement of this Regulatory Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 18. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the LACDA to the Borrower, then the LACDA shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-exempt status of interest on the Bond. The Trustee hereby consents to any correction of the default by the LACDA on behalf of the Borrower. The LACDA hereby consents to any correction of a default on the part of the Borrower hereunder made by the Borrower's limited partners on behalf of the Borrower within the time periods provided in this Section. Copies of any notices sent to the Borrower hereunder shall simultaneously be sent to the Borrower's limited partners at the address set forth in Section 23.

Following the declaration of an Event of Default hereunder, the Trustee, as directed by the LACDA and subject to the provisions of the Indenture relative to the Trustee's duty to exercise remedies generally, or the LACDA may, at its option, take any one or more of the following steps:

- (a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the LACDA or the Trustee hereunder;

(b) have access to and inspect, examine and make copies of all or a portion of the books and records of the Borrower pertaining to the Project; and

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder.

During the Qualified Project Period, the Borrower hereby grants to the LACDA the option, upon either (a) the expiration of 60 days after the giving of the notice to the Borrower referred to in the first paragraph of this Section 18 of the Borrower's default under this Regulatory Agreement or (b) the vacancy of a Low Income Unit or a Very Low Income Unit, as applicable, for more than six months (other than a unit while undergoing construction) and the submission by the LACDA to the Borrower during such six-month or longer period of at least five proposed tenants which meet the qualifications of Low Income Tenants or Very Low Income Tenants, as applicable, and the qualifications of a reasonable landlord, to lease up to 20% with respect to Very Low Income Units in the Project (other than one unit set aside for managerial or administrative use) for a rental of \$1.00 per unit per year for the sole purpose of subleasing such units to Low Income Tenants or Very Low Income Tenants, as applicable, for a period of not less than six months, but only to the extent necessary to comply with the provisions of Sections 2 through 7 of this Regulatory Agreement and to insure full occupancy of the Low Income Units or Very Low Income Units, as applicable. The option granted in the preceding sentence shall be effective only if the Borrower or the Trustee has not instituted corrective action before the end of such 60-day period referenced in (a) above, or the Borrower has not rented the unit during the six-month or longer period referenced in (b) above, to a qualified Low Income Tenant or Very Low Income Tenant, as applicable. The option and any leases to the LACDA under this provision shall terminate with respect to each default upon the achievement, by the Borrower, the Trustee or the LACDA, of compliance with the requirements of Sections 2 through 7 hereof, and any subleases entered into pursuant to the LACDA's option shall be deemed to be leases from the Borrower. The LACDA shall make diligent effort, but shall not be required, to rent Low Income Units to Low Income Tenants and Very Low Income Units to Very Low Income Tenants at the highest rents practicable, subject to the limits of Sections 5, 6 and 7 hereof. Any rental paid under any such sublease shall be paid to the Borrower after the LACDA has been reimbursed for any reasonable expenses incurred in connection with such sublease, provided that, if the Borrower is in default under the Loan Agreement, such rental shall be paid to the Trustee for credit against payments due under the Loan Agreement. The Trustee shall have the right, as directed by the LACDA, in accordance with this Section 18 and the provisions of the Indenture, to exercise any or all of the rights or remedies of the LACDA hereunder, provided that prior to taking any such action the Trustee shall give the LACDA written notice of its intended action. All reasonable fees, costs and expenses of the LACDA and the Trustee incurred in taking any action pursuant to this Section 18 shall be the sole responsibility of the Borrower. All rents received by the LACDA from such subleases, less the LACDA's expenses incurred in connection with such subleases, shall be placed into an escrow reasonably approved by the Borrower, subject to the rights of the beneficiary under the deed of trust. All funds in such escrow shall be continuously pledged by the LACDA for the benefit of the Borrower. The LACDA agrees to allow the Borrower access to the LACDA's books and records relating to the collection and disbursement of rents received pursuant to such subleases.

All reasonable fees, costs and expenses (including reasonable attorneys' fees) of the Trustee and the LACDA incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

No breach or default under this Regulatory Agreement shall defeat or render invalid any deed of trust, mortgage or like encumbrance upon the Project or any portion thereof given in good faith and for value.

After the Indenture has been discharged, the LACDA may act on its own behalf to declare an "Event of Default" to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Trustee.

The obligations of the Borrower hereunder are not secured by a lien on the Project and the Loan shall not be accelerated as a result of any default hereunder. The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the LACDA may obtain the benefits of such agreements made by the Borrower herein and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any default by the Borrower hereunder.

The occurrence of a Determination of Taxability shall not, in and of itself, constitute a default hereunder.

Section 19. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture. The Trustee is entering into this Regulatory Agreement solely in its capacity as Trustee under the Indenture, and the duties, powers, rights and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture.

The LACDA shall be responsible for the monitoring and verifying of compliance by the Borrower with the terms of this Regulatory Agreement. The Trustee may at all times assume compliance with this Regulatory Agreement unless otherwise notified in writing by the LACDA, or unless it has actual knowledge of noncompliance.

After the date on which no principal of the Bond remains outstanding as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the LACDA.

Section 20. Recording and Filing.

(a) The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County and in such other places as the LACDA or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. This Regulatory Agreement shall be recorded in the grantor-grantee index to the name of the Borrower as grantor and the LACDA as grantee.

(b) The Borrower and the LACDA will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Bond Counsel, in order

to ensure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Borrower hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents, executed and delivered in connection with a voluntary transfer of any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 21. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California. The Trustee's rights, duties and obligations hereunder are governed in their entirety by the terms and provisions of the Indenture.

Section 22. Amendments. Except as provided in Section 32(e), this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the LACDA of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-exempt status of interest on the Bond and is not contrary to the provisions of the Act and with the written consent of the Trustee.

The LACDA, the Trustee and the Borrower hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel (subject to the approval of the County Counsel of the LACDA), in order that interest on the Bond remains Tax-exempt. The party or parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and the County Counsel of the LACDA and a request that such Bond Counsel render to the LACDA an opinion as to the effect of such proposed amendment upon the Tax-exempt status of interest on the Bond.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

If to the LACDA: Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801-3312
Attention: Mark Trinidad and Jewel Warren-Reed
Telephone: (626) 262-4511
Facsimile: (626) 943-3818

with a copy to: Behnaz Tashakorian
Los Angeles County Counsel
7th Floor
350 South Figueroa Street
Los Angeles, CA 90071

If to the Borrower: Whittier PSH Phase II, L.P.
c/o East LA Community Corporation
2917 East 1st Street, Suite 101
Los Angeles, CA 90033
Attention: Executive Director

with a copy to: Gubb & Barshay
505 14th Street, Suite 450
Oakland, CA 94612
Attention: Sarah C. Perez, Esq.

and a copy to: Wincopin Circle LLLP
c/o Enterprise Asset Management, Inc.
11000 Broken Land Parkway, Suite 700
Columbia, MD 21201
Attention: General Counsel

with a copy to: Gallagher Evelius & Jones LLP
218 North Charles Street, Suite 400
Baltimore, MD 21201
Attention: Kenneth S. Gross, Esq

If to Bondowner
Representative: Umpqua Bank
One Capitol Mall, Suite 610
Sacramento, CA 95814
Attention: Monica Sharp

If to the Trustee: U.S. Bank National Association
24th Floor
633 West 5th Street
Los Angeles, CA 90071
Attention: Global Corporate Trust
Ref: LACDA MF (Whittier Place 2019H)
Telephone: (213) 615-6032
Facsimile: (213) 615-6199

If to CDLAC: California Debt Limit Allocation Committee
Room 311
915 Capitol Mall
Sacramento, CA 95814
Attention: Executive Director

Notice shall be deemed given three Business Days after the date of mailing.

A duplicate copy of each notice, certificate or other communication given hereunder by any party hereto to another party hereto shall also be given to all of the parties specified above. Failure to provide any such duplicate notice pursuant to the foregoing sentence, or any defect in

any such duplicate notice so provided shall not constitute a default hereunder. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 24. Severability. If any provision of this Regulatory Agreement or if the applicability of any such provision shall be invalid, illegal or unenforceable, the validity, legality, enforceability, or the applicability with respect to the validity, legality and enforceability, of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Nondiscrimination and Affirmative Action. The Trustee and the Borrower shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County. The Trustee and the Borrower shall not discriminate in their employment practices against any employee or applicant for employment; denial of family and medical care leave; denial of pregnancy disability leave or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. The Trustee and the Borrower shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60). No person shall on the grounds of race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this Regulatory Agreement. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in a situation as defined therein.

Section 27. [Reserved].

Section 28. Financial Obligations Personal to Borrower. The LACDA acknowledges that the Project shall be encumbered by the Bond Documents. Notwithstanding any provisions of this Regulatory Agreement to the contrary, all obligations of the Borrower under this Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under this Regulatory Agreement, including indemnification obligations, shall not be a lien on the Project and no Person shall have the right to enforce such obligations other than directly against the Borrower as provided in Section 18 of this Regulatory Agreement, except that the LACDA shall have the right at all times to enforce the rights contained in the third paragraph of Section 18 hereof. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligations of the

Borrower under this Regulatory Agreement on the part of any prior Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations are personal to the Person who was the Borrower at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned thereby even after such Person ceases to be the Borrower. Each Borrower shall comply with and be fully liable for all obligations of an “owner” hereunder during its period of ownership.

Section 29. Americans with Disabilities Act. Each of the Borrower and the Trustee hereby certifies that it and any contractor and subcontractor will comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq., and its implementing regulations and the American Disabilities Act Amendments Act (ADAAA) Pub. L.110-325 and all subsequent amendments (the “ADA”). Each of the Borrower and the Trustee and any contractor or subcontractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the ADA. The Borrower and the Trustee each will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by the Borrower or the Trustee, relating to this Regulatory Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

Section 30. [Reserved].

Section 31. Limitation on Liability. The Borrower’s liability hereunder shall not be limited in the case of the following:

- (a) a willful breach by the Borrower of the provisions of the Bond Documents limiting payments or distributions to members of the Borrower to the extent the Borrower receives such payments or distributions;
- (b) any liability, damage, cost or expense incurred by the LACDA or the Trustee as a result of fraud, waste, willful misconduct or bad faith by the Borrower; and
- (c) any failure by the Borrower to comply with Section 9 or Section 13 of this Regulatory Agreement.

In addition, each individual, other than any representative of the LACDA, signing this Agreement, or any other Loan Document, in a representative capacity, shall be personally liable for (a) the warranty and representation hereby or thereby made that such person has legal capacity and is authorized to sign this Regulatory Agreement or such Loan Document, as the case may be, and (b) intentional fraud by such person in connection therewith.

Section 32. Requirements of CDLAC. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 2 through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 32, as follows:

- (a) The Borrower shall comply with the conditions set forth in Exhibit A to the CDLAC Resolution (the “CDLAC Conditions”), as they may be modified or amended from

time to time, which conditions are incorporated herein by reference and made a part hereof and is attached hereto as Exhibit G. Notwithstanding anything to the contrary herein, the provisions of this Section 32 shall remain effective for the period specified in the CDLAC Conditions, unless this Regulatory Agreement shall terminate as otherwise provided in Section 14 hereof.

(b) The Borrower acknowledges that the LACDA shall monitor the Borrower's compliance with the terms of the CDLAC Conditions. The Borrower will cooperate fully with the LACDA in connection with such monitoring and reporting requirements as provided herein. Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions is the responsibility of the Borrower to report to the LACDA.

(i) The Borrower shall prepare and deliver a Certificate of CDLAC Program Compliance pursuant to the terms of the CDLAC Conditions. The Borrower acknowledges that the Borrower will prepare and submit to the LACDA not later than January 15 of each year, and the LACDA will submit to CDLAC not later than March 1 of each year, until the Borrower has submitted to the LACDA and CDLAC a Construction Completion Certificate, and on March 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the term of the CDLAC Conditions, a Certificate of CDLAC Program Compliance, executed by an Authorized Borrower Representative.

(ii) The Borrower shall prepare and deliver a Self Certification Certificate pursuant to the terms of the CDLAC Conditions. The Borrower acknowledges that the Borrower will prepare and submit to the LACDA, not later than January 15 of each year, and the LACDA will submit to CDLAC, not later than March 1 of each year, until the Borrower has submitted to the LACDA and CDLAC a Construction Completion Certificate, and on March 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the term of the CDLAC Conditions, a Self Certification Certificate in the form provided by CDLAC.

(iii) Within 30 days following the completion of the Project, the Borrower will prepare and submit to the LACDA, Trustee and CDLAC, a Construction Completion Certificate. Following the submission of the Construction Completion Certificate, the Borrower will prepare and submit to the LACDA, not later than January 15 every three years thereafter until the end of the Compliance Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time.

(c) Except as otherwise provided in Section 14 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after the date on which at least 50% of the units in the Project are first occupied or such later date as the Qualified Project Period shall begin, as required by the CDLAC Conditions.

(d) The Borrower shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the issuer of the Bond, (iii) any change in the name of the Project or the Project manager; (iv) any default under the Indenture, the Loan Agreement or this Regulatory Agreement; or (v) termination of this Regulatory Agreement.

(e) Any of the foregoing requirements of CDLAC contained in this Section 32 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 32 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the LACDA has received an opinion of Bond Counsel that any such provision is not required by the Code and the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Bond for federal income tax purposes; and (ii) any requirement of this Section 32 shall be void and of no force and effect if the LACDA and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bond to cease to be Tax-exempt or to the effect that compliance with such requirement would be in conflict with the Code, the Act, or any other state or federal law.

(f) CDLAC is intended to be and is a third party beneficiary of this Regulatory Agreement, and CDLAC shall have the right (but not the obligation) to enforce, separately or jointly with the LACDA and/or the Trustee or to cause the LACDA or the Trustee to enforce, the provisions of Section 32(d) of this Regulatory Agreement and to pursue an action for specific performance of such provisions or other available remedy at law or in equity in accordance with Section 18 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the Bondholder and shall otherwise be subject to the terms, conditions and limitations applicable to the enforcement of remedies under this Regulatory Agreement.

(g) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Borrower after the Closing Date, at any time, that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the Bondowner Representative, which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of Los Angeles County, California, of a regulatory agreement between the Borrower and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be in accordance with Section 3 of the CDLAC Resolution limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Borrower or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by the Borrower and approved by CDLAC. The LACDA may, in its sole and absolute discretion, require the Borrower to enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County. The Borrower shall pay

any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the LACDA, the Trustee and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY, as LACDA

By: _____
Acting Executive Director or Designee

Print Name

Approved as to form:

Mary C. Wickham, County Counsel

Deputy

[Signature Page to *Whittier Place Apartments Phase II* Regulatory Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: Bertha Mares
Title: Vice President

[Signature Page to *Whittier Place Apartments Phase II* Regulatory Agreement]

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its managing general partner

By: East LA Community Corporation,
a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Name: Isela Gracian
Its: President

[Signature Page to *Whittier Place Apartments Phase II* Regulatory Agreement]

NOTARY ACKNOWLEDGMENT STATEMENT

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, _____, a 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.

Signature _____

[SEAL]

NOTARY ACKNOWLEDGMENT STATEMENT

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, _____, a 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.

Signature _____

[SEAL]

NOTARY ACKNOWLEDGMENT STATEMENT

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, _____, a 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.

Signature _____

[SEAL]

EXHIBIT A
DESCRIPTION OF PROJECT SITE

[To be provided]

EXHIBIT B

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

FOR THE [PERIOD] ENDING _____

[\$[12,873,000]

Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-1 and 2019 Series H-2

The undersigned, being the Authorized Borrower Representative of Whittier PSH Phase II, L.P., a California limited partnership (the “Borrower”), has read and is thoroughly familiar with the provisions of the various loan documents associated with the Borrower’s participation in the multifamily housing program of the Los Angeles County Development Authority (together with any assigns or successors thereto, the “LACDA”), including, without limitation, the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of [February] 1, 2020 (the “Regulatory Agreement”), among the Borrower, the LACDA and U.S. Bank National Association, as Trustee relative to the multifamily housing project located at 4101-4117 Whittier Boulevard in unincorporated Los Angeles County (the “Project”), known as Whittier Place Apartments Phase II.

As of the date of this Certificate, the following percentages of completed residential units in the Project (as such term is defined in the Regulatory Agreement) (i) are occupied by Low Income Tenants and Very Low Income Tenants (as such terms are defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant or a Very Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants or Very Low Income Tenants: _____%
Unit Nos. _____ and
size

Occupied by Low Income Tenants: _____%
Unit Nos. _____
and size

Occupied by Very Low Income Tenants: _____%
Unit Nos. _____
and size

Held vacant for occupancy continuously since last occupied by Low Income Tenants: _____%
Unit Nos. _____ and
size

Held vacant for occupancy continuously _____%
since last occupied by Very Low Income Tenants: Unit Nos. _____ and
size

Vacant Units: _____%

Low Income Tenants who commenced
Occupancy of units during the
Preceding [month/quarter]: Unit Nos. _____

Very Low Income Tenants who commenced
Occupancy of units during the
Preceding [month/quarter]: Unit Nos. _____

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each unit in the Project: the number of each unit, the occupants of each unit and the size, in square feet of each unit. It also indicates which units are occupied by Low Income Tenants and Very Low Income Tenants and which units became Low Income Units and Very Low Income Units during the preceding [period]. The information contained thereon is true and accurate.

The undersigned hereby certifies that (1) a review of the activities of the Borrower during such [period] and of the Borrower's performance under the Loan Agreement has been made under the supervision of the undersigned; (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Borrower is not in default under any of the terms and provisions of the above documents [OR DESCRIBE THE NATURE OF ANY DEFAULT IN DETAIL AND SET FORTH THE MEASURES BEING TAKEN TO REMEDY SUCH DEFAULT]; and (3) to the knowledge of the Borrower, no Determination of Taxability (as such term is defined in the Regulatory Agreement) has occurred [OR, IF A DETERMINATION OF TAXABILITY HAS OCCURRED, SET FORTH ALL MATERIAL FACTS RELATING THERETO].

[Remainder of page left blank]

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its managing general partner

By: East LA Community Corporation,
a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Name: Isela Gracian
Its: President

[Signature Page to *Whittier Place Apartments Phase II* Certificate of Continuing Program
Compliance]

(b) Is any student listed in paragraph 2 above (i) a single parent living with his/her children, (ii) not a dependent of another individual and (iii) whose children are not dependents of an individual other than their parents? List any such students.

Yes	Name(s)	No	Not Applicable
-----	---------	----	----------------

(c) Is any student listed in paragraph 2 above a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families)? List any such students.

Yes	Name(s)	No	Not Applicable
-----	---------	----	----------------

(d) Is any student listed in paragraph 2 above a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State or local laws? List any such students.

Yes	Name(s)	No	Not Applicable
-----	---------	----	----------------

(e) Is any student listed in paragraph 2 a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act)? List any such students.

Yes	Name(s)	No	Not Applicable
-----	---------	----	----------------

4. The total anticipated income for each person listed in paragraph 2 above during the 12-month period commencing with the date occupancy will begin including:

full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum

additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973; is as follows:

Occupant	Anticipated Annual Income	Source of Income or Employer
(a) _____ _____	\$ _____	_____
(b) _____ _____	\$ _____	_____
(c) _____ _____	\$ _____	_____
(d) _____ _____	\$ _____	_____
(e) _____ _____	\$ _____	_____
(f) _____ _____	\$ _____	_____
TOTAL	\$ _____	_____

5.(a) Do the persons whose income or contributions are included in Item 4 above have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the

values of necessary items of personal property such as furniture and automobiles and interest in Indian trust land)?

_____ Yes _____ No

(b) Have the persons whose income or contributions are included in Item 4 above disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value?

_____ Yes _____ No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

_____ Yes _____ No

(d) If the answer to (c) above is yes,

(i) insert the total value of all such assets owned or disposed of
\$ _____; and

(ii) state:

(A) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

\$ _____

(B) the amount of such income, if any, that was included in Item 4 above:

\$ _____

6. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter, the "Borrower"), has any family relationship to the Borrower or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member and ownership, direct or indirect, by a partner of the individual.

7. This Income Certification is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 4 is reasonable and based upon such investigation as the undersigned deemed necessary.

8. I/we will assist the Borrower in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Income Certification will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.

10. The undersigned hereby acknowledge and agree that on or before January 1 (or upon Lease renewal) of each year the undersigned and any other current residents of such apartment will complete and deliver a new Income Certification, in the form then in use, to the Borrower and that the undersigned's rent is subject to increase 30 days after written notice is given to the undersigned stating that the undersigned no longer qualifies as a Lower Income Tenant under the Tax Regulatory Agreement.

11. RESIDENT(S) STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury. In the event this Income Certification is executed more than five days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

- (a) _____ Date: _____
- (b) _____ Date: _____
- (c) _____ Date: _____
- (d) _____ Date: _____
- (e) _____ Date: _____
- (f) _____ Date: _____

[The signatures of all persons over the age of 18 years listed in Number 2 above are required]

12. Calculation of Eligible Income:

- (a) Enter the amount entered for entire household in 4 above: \$ _____
- (b) Enter income derived from assets (line 5(d)(2)(A)): \$ _____
- (c) Subtract (b) from (a) \$ _____
- (d) Multiply the amount entered in 5(d)(1) by the current passbook savings rate to determine the total annual earnings on assets [5(d)(1)] if invested in passbook savings.
Passbook rate _____% X _____ = \$ _____
- (e) Enter the greater of (b) or (d) \$ _____
- (f) TOTAL ELIGIBLE INCOME (Line (e) + (c)) \$ _____

13. The amount entered in 12(f):
- (a) _____ Qualifies the applicant(s) as a Lower Income Tenant(s).
 - (b) _____ Does not qualify the applicant(s) as Lower Income Tenant(s).
 - (c) _____ Qualifies the applicant(s) as a Very Low Income Tenant(s).
 - (d) _____ Does not qualify the applicant(s) as Very Low Income Tenant(s).

14. Number of apartment unit assigned: _____

Bedroom size: _____ Rent: \$_____

Tenant-paid Utilities:

Water _____ Gas _____ Electric _____

Trash _____ Other (list type) _____

15. Was this apartment unit last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Lower Income Tenants?

_____ Yes _____ No

16. Method used to verify applicant(s) income:

_____ Employer income verification

_____ Social Security Administration verification

_____ Department of Social Services verification

_____ Copies of tax returns

_____ Other (_____)

17. Method used to verify responses, if any, in paragraph 3 of this Income Certification:

_____ Copies of Tax Returns

_____ Evidence of participation in an enumerated program

18. BORROWER'S STATEMENT: Based on the representations herein and upon the proofs and documentation submitted pursuant to paragraph 8 hereof, the family or individual(s) named in paragraph 2 of this Income Certification is/are eligible under the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants to live in a unit in the Project.

Date _____

Signature of Authorized Borrower
Representative:

By _____
Name _____
Title _____

EXECUTION OF ITEMS 19 AND 20

_____ IS _____ IS NOT NECESSARY.

Initials: _____.

19. If this Income Certification was executed by me/us more than five days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of _____, 20____ and state:

_____ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.

_____ (b) The following information is provided to update the information previously provided in the Income Certification:

[Remainder of page intentionally left blank]

- (a) _____ Date: _____
- (b) _____ Date: _____
- (c) _____ Date: _____
- (d) _____ Date: _____
- (e) _____ Date: _____
- (f) _____ Date: _____

20. **BORROWER’S STATEMENT:** The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 19 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 19 hereof.

Date _____

Signature of Authorized Borrower
Representative

By _____
Name _____
Title _____

[Remainder of page intentionally left blank]

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the issuance of a bond by the Los Angeles County Development Authority for persons of low or moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages _____

Overtime _____

Bonuses _____

Commissions _____

Total Current Income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Date

By _____
Name _____
Title _____

I hereby grant you permission to disclose my income to _____,
in order that they may determine my income eligibility for rental of an apartment located in their
project which has been financed by an issuance of a bond by the Los Angeles County Development
Authority.

Date _____

Signature _____

Please send form to: _____

[Income verification signature page]

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state (if applicable) income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Date _____

Signature _____

EXHIBIT D

FORM OF ANNUAL TENANT INCOME RECERTIFICATION

[or such other form as shall be provided by the LACDA]

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
ANNUAL TENANT INCOME RECERTIFICATION**

Project name: Whittier Place Apartments Phase II

Apartment # _____ Date of Original Certification _____

Resident name _____

TO THE RESIDENT:

This form is a continuation of the Los Angeles County Development Authority (the "LACDA") Affordable Housing Program (the "Program") which was previously discussed with you. In order to keep you on the qualifying list, you will need to update the following information each year when you renew your lease. The Borrower is required by the Internal Revenue Code of 1986 and the LACDA to maintain this information in order to maintain the Program.

Household Composition:

- 1) Please list all of those individuals residing in your apartment.
- 2) Please list the anticipated annual income of all occupants of your household who are 18 years of age or older (if housemaker, or unemployed, etc.—please list as such).
- 3) If college or technical school student, please list if full-time or part-time student.

	NAME	SS#	AGE	ANTICIPATED ANNUAL INCOME*	OCCUPATION/STUDENT
1)					
2)					
3)					
4)					
5)					
6)					
7)					

*SEE INCOME DEFINITION ATTACHED TO THIS FORM.

DO YOU OWN OR HAVE YOU ACQUIRED OR HAVE YOU DISPOSED OF ANY ASSETS OVER \$5,000.00 IN THE PAST YEAR? _____

If so, please describe and list amount and annual income expected to be derived from such assets. _____

If all persons residing in your apartment are full-time students, please indicate for each such person whether they are: (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar federal, state or local laws; (4) a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act); or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents.

Please have all occupants over the age of 18 sign this certification.

I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/we declare under penalty of perjury that the foregoing is true and correct.

SIGNATURES:

DATE:

- 1) _____
- 2) _____
- 3) _____
- 4) _____

MANAGER'S SIGNATURE:

DEFINITION OF INCOME

The full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973.

EXHIBIT E

FORM OF CERTIFICATE OF CDLAC PROGRAM COMPLIANCE

1. Project Name Change: No_____ Yes_____
(If project name has changed since the award of allocation, please note the new project name as well as the original project name.)

New:_____ Original:_____

2. CDLAC Application No.: 19-467

3. Bond Issuer Change: No_____ Yes_____
(If Bond Issuer has changed since the award as a result of refinancing or refunding of an allocation, please note the new Issuer as well as the original Issuer.)

New:_____ Original:_____

Address: _____

Phone #: _____

Email: _____

4. Has a termination of the Regulatory Agreement occurred or is a termination planned in the next year? Has proper noticing occurred?

No_____ Yes_____ *If yes, please describe and explain.*

If your answer is Yes, there is no need to complete the rest of the form. Please submit the form completed through question #4.

5. Change in Borrower No_____ Yes_____
(If Borrower has changed since the award affecting the CDLAC Resolution please note the new Borrower as well as the original Borrower.)

New:_____ Original:_____

Address: _____

Phone #: _____

Email: _____

6. Change in Management Company No_____ Yes_____
(If yes, please provide the following information for the New Management Company.) New:_____

Original:_____

Address: _____

Phone #: _____

Email: _____

7. Has the Qualified Project Period commenced? No _____ Yes _____
 (If yes, please submit the Construction Completion Certificate (one time only).)

Already Submitted Certification

8. Has the project been completed and placed in service? No _____ Yes _____
 (If yes, please submit the Construction Completion Certificate (one time only).)

Already Submitted Certification

9. Has any of the following events occurred associated with the bond allocation: notices of defaults associated with rents and income requirements, Bond Default or a Qualified Bond Default.
 No _____ Yes _____ If yes, please describe and explain

10.

Federally Restricted Units (Reflected in PSR)	Other Restrictions (Reflected in PSR)	Total (Reported in CDLAC Resolution)
___ at 50% AMI	___ at 50% AMI	___ at 50% AMI
___ at 60% AMI	___ at 60% AMI	___ at 60% AMI
Total _____	Total _____	Total _____

Please attach a copy of the project's TCAC Project Status Report (PSR) or equivalent documentation.

11. Please indicate the distribution of the CDLAC restricted 10% of the 50% AMI units.

Bedroom Type	# of Units in PSR	# of Units in CDLAC Resolution
1 bedroom	_____	_____
2 bedroom	_____	_____
3 bedroom	_____	_____

12. If the Project has committed to and is currently providing the service amenities for a term as specified in the CDLAC Resolution, please verify the services are being provided: on a regular and ongoing basis, which are provided free of charge and all hour requirements are being met:

- ___ After-school Programs
- ___ Educational, health and wellness, or skill development classes
- ___ Health and Wellness services and programs (not group classes)
- ___ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)
- ___ Bona-Fide Service Coordinator/ Social Worker

Is the service being offered on an ongoing basis and provided free of charge (childcare excluded)?
 No _____ Yes _____

Are all hour requirements being met? No _____ Yes _____

Attach evidence demonstrating that the above listed services are being provided and have met the requirements in the CDLAC Resolution. Including but not limited to MOUs and/or contracts associated with the services rendered, a 12-month schedule (current reporting year) of the services offered, flyers, sign-up sheets, etc.

Pursuant to Section 13 of Resolution No. 19-080 (the “Resolution”), adopted by the California Debt Limit Allocation Committee (the “Committee”) on July 17, 2019, I, _____, an Officer of the Borrower, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with the terms and conditions set forth in the Resolution as outlined above. I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bond is issued, the terms and conditions set forth in the CDLAC Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

Signature of Officer

Date

Printed Name of Officer

Phone Number

Title of Officer

EXHIBIT F

[Form of]

STATISTICAL REPORT TO LACDA

Reporting Period: _____, _____. Date: _____

As of the date hereof:

1. Total units: _____; units occupied by Low Income Tenants: _____; units occupied by Very Low Income Tenants: _____; vacant units most recently occupied by Low Income Tenants: _____; vacant units most recently occupied by Very Low Income Tenants: _____; other vacant units: _____.

2. Total units occupied by households with children, to the extent such information has been provided by tenants: _____; Low Income Units so occupied: _____; Very Low Income Units so occupied: _____.

3. To the extent such information has been provided by tenants, total units occupied by elderly households with a member of age 62 or over: _____; Low Income Units so occupied: _____; Very Low Income Units so occupied: _____.

4. The number of Low Income Tenants who terminated their rental agreements during the previous 12-month period is _____. The number of Very Low Income Tenants who terminated their rental agreements during the previous 12-month period is _____.

5. The number of units rented to new Low Income Tenants during the last 12-month period is _____. The number of units rented to new Very Low Income Tenants during the last 12-month period is _____.

6. To the extent such information has been provided by tenants, the family names of each household currently occupying a Low Income Unit and a Very Low Income Unit are listed on the schedule attached hereto.

7. The number of Low Income Units of various sizes is:
studio:
one-bedroom:
two-bedroom:
three-bedroom:

8. The number of Very Low Income Units of various sizes is:
studio:
one-bedroom:
two-bedroom:
three-bedroom:

WHITTIER PSH PHASE II, L.P.,
a California limited partnership

By: Whittier PSH Phase II LLC,
a California limited liability company,
its managing general partner

By: East LA Community Corporation,
a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Name: Isela Gracian
Its: President

EXHIBIT G
CDLAC RESOLUTION

EXHIBIT H

MULTI-FAMILY BOND POLICIES AND PROCEDURES

AFFORDABILITY REQUIREMENTS

A. Number of Affordable Units

At least 20% of the units in each project must be rented to or held available for rent to very low-income tenants (50% of median-income, adjusted for household size) or 40% of the project units must be rented to or held available for rent to low-income tenants (60% of median-income), with an additional 10% of these units set at the very low-income level.

B. Term

The term of the affordability requirement is the longer of (a) 30-years from the beginning of the Qualified Project Period or the date of the refunding, as applicable, and (b) such period as may be required in the opinion of bond counsel to meet federal or state law. The rent of “in-place” tenants at the conclusion of the required affordability period will continue to be governed by the applicable affordability restriction, so long as those tenants continue to live in the development.

C. Income Limits

Total household income for income-restricted units may not exceed 50% or 60% of the median income as applicable, adjusted by household size, as set by the U.S. Department of Housing and Urban Development (HUD). These limits will be adjusted periodically when HUD adjusts the median-income standards.

D. Annual Certification of Tenant Income

The project owner must certify tenant eligibility annually. If at the annual certification a tenant’s income exceeds 1.4 times the then-income limit for initial occupancy, the owner must rent the next available unit to a new income-eligible tenant. The owner may raise the current tenant’s rent to market rent only upon renting the next available unit to a new low-income or very low-income household, as applicable, to be counted toward meeting the affordable unit requirements. A unit rented only to students does not count toward the affordable unit requirements unless they are married and are not listed as dependents on another household’s tax returns.

E. Rent Limits

The maximum rents for all the affordable units are adjusted based on the percentage increase in the HUD-determined median-income for Los Angeles County. These rents are based on $\frac{1}{12}$ of 30% of the appropriate income limits, assuming 1 person in a studio, 2 persons in a one-bedroom, 3 persons in a two-bedroom and 4 persons in a three-bedroom unit. These assumptions differ for projects using LIHTCs, which assumes 1 person in a studio and 1.5 persons per bedroom. In the event tax-exempt bonds are used with LIHTCs, the more restrictive rents apply.

EXHIBIT I

CONSTRUCTION COMPLETION CERTIFICATE

[\$12,873,000]

Los Angeles County Development Authority
Multifamily Housing Revenue Bond
(Whittier Place Apartments Phase II)
2019 Series H-1 and 2019 Series H-2

1) Project Name: Whittier Place Apartments Phase II
(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC Resolution.)

Original: _____

2) CDLAC Application No.: 19-467

3) Name of Bond Issuer: Los Angeles County Development Authority

4) Name of Borrower: Whittier PSH Phase II, L.P.
(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC Resolution.)

Original: _____

5) The undersigned hereby certifies that all work on the Project was substantially completed as of _____, 20____

The undersigned hereby further certifies that:

(a) the aggregate amount disbursed on the Loan to date is \$[_____]

(b) all amounts disbursed from proceeds of the Bond have been applied to pay or reimburse the undersigned for the payment of Project Costs (as that term is used in the Regulatory Agreement) and none of the amounts disbursed from the proceeds of the Bond have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) at least 95% of the amounts disbursed from the proceeds of the Bond have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25% of the amounts disbursed from the proceeds of the Bond, exclusive of amounts applied to pay the costs of issuing the Bond, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No _____ Yes _____

(a) 10% of the dwelling units in the Project financed in part from the proceeds of the Bond were first occupied on _____, 20____ and

(b) 50% of the dwelling units in the Project financed in part from the proceeds of the Bond were first occupied on _____, 20__.

7) If no to (6), the undersigned hereby certifies the Project meets the special federal rule for a Qualified Project Period.

No _____ Yes _____

(Project qualifies if it is an acquisition/rehabilitation where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the Project acquisition or the Bond issuance date.)

(a) Bond was issued on _____, 20__

(b) Property was acquired on _____, 20__

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or Bond issuance) is _____, 20__

Signature of Officer

Date

Printed Name of Officer

Title of Officer

Phone Number

EXHIBIT J

FORM OF CERTIFICATE OF QUALIFIED PROJECT PERIOD

Project Name: Whittier Place Apartments Phase II
(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC resolution.)

CDLAC Application No.: 19-467

Name of Bond Issuer: Los Angeles County Development Authority

Name of Borrower Whittier PSH Phase II, L.P.
(If Borrower has changed since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC resolution.)

Project meets the general federal rule for a Qualified Project Period
Yes_____ No_____

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Bond were first occupied on _____, 20__; and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Bond were first occupied on _____, 20__.

Project meets the special federal rule for a Qualified Project Period.
Yes_____ No_____

(Project qualifies if it is an acquisition/rehabilitation where more than 90% of the units were not available for occupancy within 60 days of the earlier of the project acquisition or the Bond Issuance Date.)

(a) Bond was issued on _____, 20__

(b) Date 12 months after the Bond Issuance date _____, 20__

Signature of Officer

Printed Name of Officer

Title of Officer

Phone Number