MASTER DEVELOPMENT AGREEMENT

Golden Gate Village

This MASTER DEVELOPMENT AGREEMENT (this "**Agreement**") is made as of _____, 2025 between the HOUSING AUTHORITY OF THE COUNTY OF MARIN, a public body, corporate and politic (the "**Authority**" or "**MHA**") and BURBANK HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (the "**Developer**"), to memorialize the conditions, duties, covenants, and agreements regarding the redevelopment of a certain MHA public housing site as further described herein. MHA and Developer are at times individually referred to herein as "**Party**" or together, as the "**Parties**".

RECITALS

WHEREAS, the Authority owns and operates that certain 29-building public housing development, including 300 public housing units (296 dwelling units), commonly known Golden Gate Village, located on approximately 29.8 acres of real property at Drake Avenue in Marin City, California, as more particularly described on Exhibit A attached hereto ("**Golden Gate Village**" or the "**Site**");

WHEREAS, capitalized terms used in this Agreement, including these Recitals, and not otherwise defined shall have the meaning set forth in Exhibit B attached hereto and incorporated herein by reference;

WHEREAS, in November 2022, the MHA Board adopted the Golden Gate Village Redevelopment Framework, attached hereto as Exhibit C (the "**Redevelopment Framework**"), which resulted from significant input from Golden Gate Village residents and community stakeholders, and established the guiding principles, goals and objectives to reposition Golden Gate Village to preserve affordability, and substantially rehabilitate and recapitalize the Site (the "**Project**");

WHEREAS, as provided in the Redevelopment Framework, the purpose of the Project is to preserve Golden Gate Village as affordable rental housing, make necessary capital improvements, and ensure no existing residents will be forced to leave because of the redevelopment;

WHEREAS, in furtherance of the Project, the Authority issued a Request for Qualifications under RFQ # 2023-001 on May 22, 2023 for a co-developer/development partner for the preservation and recapitalization of Golden Gate Village ("**RFQ**") and Developer was selected as the initial awardee based on an RFQ proposal submitted August 11, 2023 (the "**Developer Proposal**"), which selection was approved by the Authority's Board on December 12, 2023;

WHEREAS, the Developer and the Authority entered into that certain Exclusive Right to Negotiate Agreement, dated May 10, 2024, as amended (the "**ENA**") to

implement a predevelopment and planning process for the rehabilitation of Golden Gate Village and to undertake any environmental analysis necessary under the California Environmental Quality Act ("**CEQA**") and the National Environmental Policy Act ("**NEPA**") for the purpose of entering into this Agreement;

WHEREAS, the Parties anticipate undertaking the Project in three (3) Phases utilizing a variety of funding sources and financial arrangements for each Phase including, but not limited to, HUD Rental Assistance Demonstration ("**RAD**") program; disposition under Section 18 of the Act ("**Section 18**"); investor equity under the LIHTC program pursuant to Section 42 of the Code; Historic Preservation Tax Credits; tax exempt bond financing; and other debt and equity sources;

WHEREAS, the Authority, under the RAD Requirements, has a received a RAD Commitment to enter Housing Assistance Payments Contract for Golden Gate Village; provided, the Parties intend, subject to RAD Requirements, to utilize other HUD programs in connection with the Project including, but not limited to, a Section 18 Blend to convert a minimum of 10% of the public housing units in each Phase to PBV assistance under RAD and a maximum of 90% of the public housing in each Phase units to PBV assistance under Section 18, as permitted under the RAD Requirements and HUD Notice PIH-2024-40 (HA)(December 26, 2024); and

WHEREAS, the Authority and the Developer will undertake the development, redevelopment, rehabilitation, construction and financing of the Project and each Phase pursuant to this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. NATURE OF AGREEMENT

1.1 Defined Terms. Capitalized terms in this Agreement, including in the recital and exhibits, shall have the meanings set forth herein. Certain capitalized terms used in this Agreement and not otherwise defined shall have the meaning set forth in Exhibit B attached hereto and incorporated herein by reference.

1.2 General. This Agreement sets the principal terms between the Parties concerning the Project. The Parties are executing this Agreement to establish the principal terms of the Project to enable the Parties to proceed with their respective obligations and responsibilities with regard to the Project.

1.3 Developer Designation. The Authority hereby designates the Developer as the developer for the Project and grants to Developer the exclusive development rights for each Phase, subject to the terms and conditions of this Agreement. The Developer or its Affiliate shall maintain a local presence to be responsive to the needs of the Development Plan.

1.4 Approvals. The Parties acknowledge that the Project requires time sensitive submittals, approvals and consents and frequent communication. The Parties agree to use commercially reasonable efforts to work together productively and efficiently. For any reviews, approvals or consents required by or from the Authority under this Agreement (in any case, a "**MHA Approval**"), except as otherwise provided in this Agreement, the Authority shall have ten (10) business days after receipt of the draft submittals, applications, documents or other materials to provide written approval or objection (and reasons for objection); provided, however, that the failure to respond within such ten (10) business day period shall be deemed no objection to such submittals, applications, documents or other materials. Notwithstanding the foregoing, the MHA Approval period shall be extended to the extent any MHA Approval requires action by MHA Board.

1.5 Phases. The Parties acknowledge that the Project will be undertaken in three (3) separate Phases. Except as otherwise set forth herein, the terms of this Agreement that apply to the Project or the Site shall be interpreted to apply separately to each Phase. The Parties have developed a phasing plan which is part of the Development Plan attached hereto as Exhibit D.

Section 2. DEVELOPMENT PLAN; BUDGETS; SCHEDULES

2.1 Development Plan. The Parties have prepared the preliminary description of physical and programmatic work to be undertaken as part of the Project (the "**Development Plan**") attached hereto as Exhibit D. The Development Plan includes, without limitation, the phasing plan and unit mix by Phase for the Project, the overall design of the Project, the Project's intended appearance, description of residential and community uses, design blend with neighborhood, safety and security elements, preliminary program costs, sustainability methodologies, cost effectiveness, modernization/development costs, market analysis, analysis of program resources, preliminary information regarding the leveraging of additional resources and other issues determined by the Developer and the Authority to be relevant for the success of the Project. The Development Plan shall take into account all applicable HUD requirements, including RAD Requirements and Section 18 Blend requirements, and all applicable California Debt Limit Allocation Committee ("**CDLAC**") and California Tax Credit Allocation Committee ("**CTCAC**") requirements. The Development Plan may be amended by mutual agreement of the Parties.

2.2 Project Budgets. The Developer and Authority have developed a preliminary master financing plan and development budget that projects the sources and uses of funds for the Project by Phase (the "**Project Budget**") attached hereto as Exhibit E-1. The Developer shall be responsible for structuring and pursuing the financing described in the Project Budget, on a Phase-by-Phase basis, with the assistance of the Authority. The Developer shall provide the Authority for MHA Approval no later than ninety (90) days before any Funding Application for a specific Phase a development budget for such Phase (each a "**Phase Budget**") showing: (a) the preliminary development budget; (b) the construction and permanent sources and uses analysis for the Phase; (c) the

twenty (20)-year cash flow projections of the Phase; (d) the initial operating budget for the Phase, including without limitation, an operating reserve fund and capital replacement reserve fund; (e) all underlying assumptions for each of the above, including terms, conditions, and pricing of all debt and equity, and rent amounts; and (vii) a rent schedule showing the number of units by bedroom size. The Phase Budget for the first Phase (the "**Phase 1 Budget**") is attached hereto as Exhibit E-2. The Developer shall submit proposed updates to the Project Budget and, as applicable, Phase Budgets to the Authority for MHA Approval as changes become necessary, but no less frequently than once each quarter. With each iteration of the Project Budget and applicable Phase Budget, the Parties shall discuss how changes to such budget will affect overall Project feasibility and competitiveness. Upon approval of any Phase Budget, the Phase Budget shall be deemed part of the Development Plan. The final Phase Budget for each Phase shall be agreed to in writing by the Parties prior to Closing and shall be subject to the requirements of HUD, CTCAC/CDLAC, and any lender or Investor for the Phase.

2.3 Project Schedules. The Developer and Authority have developed a preliminary master development schedule for the Project by Phase (the "**Project Schedule**") attached hereto as Exhibit F-1. The Developer shall be responsible for maintaining the Project Schedule and meeting the milestones set forth therein with the assistance of the Authority. The Developer shall provide the Authority for MHA Approval (a) by the dates set forth in the Project Schedule and (b) no later than ninety (90) days before any Funding Application for a specific Phase, a schedule for such Phase (each a "**Phase Schedule**") identifying the timing of predevelopment, Funding Applications (as hereinafter defined), development, construction and rehabilitation for the Phase. The Phase Schedule for the first Phase (the "**Phase 1 Schedule**") is attached hereto as Exhibit F-2. The Developer shall submit proposed updates to the Project Schedule and, as applicable, Phase Schedules to the Authority for MHA Approval as changes become necessary, but no less frequently than once each quarter. With each iteration of the Project Schedule and applicable Phase Schedule, the Parties shall discuss how changes to the schedule will affect overall Project feasibility and competitiveness. Upon approval of any Phase Schedule, the Phase Schedule shall be deemed part of the Development Plan.

Section 3. PROJECT STRUCTURE; PREDEVELOPMENT COSTS

3.1 Predevelopment Costs. The Authority shall advance to Developer an amount not to exceed $1,604,180 (the "**MHA Predevelopment Funds**") to cover initial predevelopment costs incurred by Developer or an Owner Entity (as hereinafter defined) to Third Party Contractors (the "**Predevelopment Costs**") in accordance with the Predevelopment Budget (the "**Predevelopment Budget**") attached hereto as Exhibit G. The MHA Predevelopment Funds will be provided as a loan to the Developer or applicable Owner Entity (the "**Predevelopment Loan**") pursuant to the terms of this Agreement and, if required by the Authority, a loan agreement, promissory note and assignment of work product (the "**Predevelopment Loan Documents**") to fund eligible, approved and budgeted Predevelopment Costs related to the Project or a Phase. The Predevelopment Loan shall not bear interest and one-third (1/3) of the Predevelopment Loan shall be

repaid at the Closing of each Phase or, at the sole and absolute discretion of the Authority, forgiven or deemed repaid at the Closing of each Phase. Pursuant to the ENA, the MHA Predevelopment Funds have been fully disbursed to the Developer for the Project as of the date of this Agreement, which previously disbursed MHA Predevelopment Funds shall be deemed disbursements of the Predevelopment Loan. Following disbursement of the full amount of the MHA Predevelopment Funds under this Agreement and/or the Predevelopment Loan Documents, the Developer shall fund Predevelopment Costs as a predevelopment loan until the Developer has funded an amount equal to the MHA Predevelopment Funds (the "**BH Predevelopment Funds**"). Following full expenditure of the BH Predevelopment Funds for Predevelopment Costs, the Authority and the Developer shall share pari passu any additional Predevelopment Costs with the Authority paying 50% as additional disbursements of Predevelopment Loan proceeds and the Developer paying 50% as a predevelopment loan. All Predevelopment Costs paid in accordance with the Predevelopment Budget, as may be amended by mutual agreement of the Parties, will be reimbursed or repaid in full at Closing of the applicable Phase. The Parties shall bear their own salaries, overhead, and travel expenses for predevelopment activities related to the Project. Costs incurred by Affiliates of the Developer will not be considered eligible for funding under the Predevelopment Loan Documents. If the Parties are unable to complete the Closing for all Phases in the timeframes set forth in the Project Schedule, as amended, or the Parties otherwise mutually agree to abandon the Project, (a) the Authority shall be responsible for fifty percent (50%) and the Developer shall be responsible for fifty percent (50%) of the Unrecoverable Costs, (b) to the extent that either Party has advanced in excess of its share of the Unrecoverable Costs, such Party shall be reimbursed by the other Party for such excess within thirty (30) days following the abandonment of the Project and (c) upon such reimbursement, the Developer will assign all work product to the Authority in accordance with Section 10.5.

3.2 Ownership Structure. The Authority and the Developer shall form a separate California limited partnership to operate and own the leasehold interest in each Phase (each, an "**Owner Entity**").

(a) The Parties contemplate that an Investor will be admitted to the Owner Entity as a limited partner at Closing to utilize LIHTC equity. The Parties shall work with the Investor and its tax counsel to structure the Owner Entity and financing to preserve the intended economic benefits set forth in this Agreement. The Parties anticipate the Investor will have approximately a 99.99% limited partnership interest in the Owner Entity at Closing. Subject to applicable HUD Requirements and the limitations provided in this Section 3.2, at Closing, the remaining interest in the Owner Entity will be held by (i) a limited liability company to-be formed by the Authority (the "**Administrative General Partner**" or "**AGP**") having 0.005% interest in the Owner Entity, and (ii) a limited liability company to-be formed by Developer (the "**Managing General Partner**" or "**MGP**") having 0.005% interest in the Owner Entity.

(b) The Administrative General Partner and Managing General Partner will have day-to-day control, consent and approval rights, responsibilities and participation in the Owner Entity, subject to California Board of Equalization substantial management

requirements relating to the California Property Tax Welfare Exemption available under California Tax and Revenue Code Section 214 (the "**Welfare Exemption**") and sponsor control requirements of any agency lender, if applicable. The Developer and MHA shall negotiate the limited partnership agreement of the Owner Entity (the "**Partnership Agreement**") with the Investor to provide the actions and major decisions (collectively, "**Major Decisions**") set forth in Exhibit H attached hereto that may not be undertaken by the Managing General Partner without the consent of the Administrative General Partner.

(c) The Managing General Partner may withdraw from an Owner Entity, and transfer its partnership interest to the Administrative General Partner (the "**Release**") upon the occurrence of the following: (i) construction completion and conversion to permanent financing for the applicable Phase, (ii) Developer and the Authority have agreed to such Release, (iii) Phase lenders and Investor have approved the Release, (iv) the Authority or its affiliate replaces the Developer as guarantor and Developer is released by the lenders and Investor from any future guaranty and future indemnity obligations, and (v) the Authority or its affiliate takes over as property manager unless Developer consents to its affiliate continuing as property manager. All transaction costs related to the Release, including, but not limited to reasonable attorneys' fees legal and transaction costs, shall be paid or funded by the Owner Entity, with the Investor's consent or if such consent is not provided, then by the Authority; provided, if the Authority or the Developer incur additional costs with respect to its respective interest, such costs will be paid by that Party. Following the Release, the Administrative General Partner shall become the Managing General Partner and the sole General Partner of the Owner Entity.

3.3 Real Estate Tax Exemptions and Abatement. The Managing General Partner and applicable Owner Entity shall be responsible for obtaining a Welfare Exemption or other real estate tax exemption for each Phase and shall be responsible for the payment of any real property taxes or possessory interest taxes on the Phase; provided, however, the Authority will reasonably cooperate in structuring each Phase so as to minimize taxes properly payable. The Parties anticipate that the Managing General Partner's participation in the Owner Entity provides the structure to qualify the applicable Phase for a Welfare Exemption. The Managing General Partner shall obtain an Organizational Clearance Certificate and a Supplemental Clearance Certificate from the California Board of Equalization in order to apply for a full property tax exemption.

3.4 Site Control. For purposes of Funding Applications, subject to the terms of this Agreement, the Authority will provide one or more ground lease options to individual Owner Entities to meet the site control requirements of the particular Funding Applications, as needed. Such options will be at a nominal cost to the Owner Entity.

3.5 Ground Lease. The Authority or its affiliate will retain fee simple ownership of the land for each Phase. The Authority and applicable Owner Entity shall enter into a Ground Lease in substantially the form attached hereto as Exhibit I (the "**Ground Lease**") for a term of at least 99 years for each Phase upon the respective financial Closing and subject to the satisfaction of the Closing requirements set forth in this Agreement, including receipt of all required environmental and HUD approvals. All Phase financing

will be secured exclusively on the Owner Entity's leasehold interest, unless otherwise agreed to in writing by the Authority in connection with California Department of Housing and Community Development ("**HDC**") financing. The fee interest of the Authority or its affiliate in the Phase property shall not be encumbered with any financing documents or encumbrances or subject to a fee joinder in connection with any leasehold financing, provided the Authority will, subject to review by the Authority, allow Ground Lease riders required by CDLAC, CTCAC, HCD, or the California Housing Finance Agency.

3.6 Capitalized Ground Lease Payment. The Ground Lease for each Phase shall require the Owner Entity to make a capitalized lease payment ("**Capitalized Payment**") equal to the appraised fair market value ("**FMV**") of the leasehold interest in Phase land and, subject to structuring the FMV of the fee simple interest or leasehold interest in the existing Phase improvements (the "**Phase FMV**"). The Phase FMV shall be determined by an independent appraisal conducted no earlier than ninety (90) days prior to the date of the initial CTCAC or CDLAC Funding Application. The Capitalized Lease Payment will be paid at Closing by the Owner Entity's delivery of a promissory note and leasehold deed of trust in the amount of the Phase FMV payable to the order of the Authority or its affiliate and other acquisition loan documents (the "**Acquisition Loan**"). The Acquisition Loan shall have a term of fifty-five (55) years and bear interest at the Applicable Federal Rate and payable from cash flow in accordance with Section 9.4.

3.7 RAD/Section 18 Blend Approvals. Subject to all RAD Requirements, the Authority shall prepare and submit with assistance from the Developer all RAD or other HUD required documentation, including, but not limited to, (a) a RAD financing plan, (b) RAD closing documents, and (c) any supporting documents. The Developer shall assist the Authority in preparing or coordinating all documents necessary for Closing in accordance with RAD Requirements. Subject to all HUD requirements, the Authority with assistance from the Developer shall submit documentation to HUD to convert each Phase pursuant to a Section 18 Blend. The Authority anticipates the Section 18 Blend will result a minimum of 10% of the public housing units in each Phase converting to PBV assistance under RAD and a maximum of 90% of the public housing in each Phase converting to PBV assistance under Section 18. Upon approval of the Section 18 Blend, the Phase will be subject to affordability requirements set forth by HUD, which affordability requirements shall be included in the RAD Use Agreement, Ground Lease or, if required by HUD, a separate restrictive covenant acceptable to HUD.

3.8 RAD HAP Contract. Subject to all RAD Requirements, at Closing the Authority and Owner Entity shall enter into a Rental Assistance Demonstration (RAD) for Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program Housing Assistance Payments Contract (Part 1, Part 2 and all exhibits and addenda) ("**RAD HAP Contract**") for all units in a Phase converted pursuant to RAD and/or a Section 18 Blend. The RAD HAP Contract shall have an initial term of no less than twenty (20) years. In accordance with the RAD Requirements, the Authority shall offer a renewal of the RAD HAP Contract prior to the expiration of the initial term and upon such renewal offer, the Owner Entity shall be obligated to accept such renewal. In connection with

Funding Applications, the Authority will provide commitment letters evidencing its intent to enter into a RAD HAP Contract, subject to HUD requirements.

3.9 Resident and Community Engagement.

(a) The Parties are committed to minimizing the disruption in the lives of residents of the Site during the redevelopment process. The Developer will plan Project efforts accordingly to achieve this goal. Current Site residents will have the right to remain at and/or the right to return to the Project following rehabilitation, in accordance with and subject to applicable RAD Requirements. Residents will be granted all rights and protections required under Section 18 Blend and the RAD Requirements.

(b) The Parties are committed to creating and maintaining relationships with current Site residents and to providing them with training, information and supportive programs that will allow them access to better social services that will empower them toward self-sufficiency and sustainability.

(c) The Parties are committed to engaging with the current Site residents and giving all residents a voice in the redevelopment process. The Parties will enlist the duly elected Golden Gate Village Resident Council Board ("**Resident Council Board**") to aid in their efforts to engage the Site residents' participation in the Project planning process through establishing, as determined appropriate for the process of engaging Site residents' participation, community meetings, focus groups, youth meetings, senior-only meetings and similar efforts.

(d) At the request of the Authority, the Developer may be required to participate in public community meetings with Authority staff, the Resident Council Board, the Site residents and/or, other community councils or organizations. The Developer will participate in such additional meetings as reasonably deemed necessary by Developer and the Authority. The Parties agree to keep each other reasonably informed as to the content of and any outcome associated with their community engagement and interaction with the Resident Council Board, the Site residents and other community councils or organizations.

Section 4. DEBT; LIHTC EQUITY; FINANCING

4.1 LIHTC and Funding Applications. The Developer shall be responsible for exploring and planning viable funding options necessary to fully fund the Project Budget and each Phase Budget. The Developer shall use commercially reasonable efforts to secure all financing necessary to complete the Project in accord with the approved Phase Budgets and assure its long-term viability. As set forth above, the Developer shall advance all related costs of obtaining such financing, which advances shall be a Predevelopment Cost of the Project and each Phase, as applicable, and reimbursable at Closing or repaid upon abandonment of the Project as provided in Section 3.1 or as otherwise set forth in this Agreement. The Developer shall prepare all LIHTC, other tax credit, bond and financing applications (each, a "**Funding Application**") for the Phases.

Prior to submitting a Funding Application to CDLAC, CTCAC or other funding providers, the Developer shall provide the Authority with a draft of such Application for the Authority's review and MHA Approval, which shall not be unreasonably withheld, conditioned or delayed. Subject to MHA Approval, the Developer shall submit a Funding Application to CTCAC and/or CDLAC for the first Phase no later than May 2025 and Funding Applications for the second and third Phases in accordance with the Project Schedule. The Authority shall work with the Developer to secure necessary documentation for submission of each Funding Application, and the Developer shall keep the Authority apprised of all communication with CTCAC, CDLAC, and other funding providers. Should any of the financing become unavailable, it is the Developer's responsibility to use commercially reasonable efforts to obtain equivalent funds from other sources in a timely manner and to prevent any delay in the Project Schedule or increase in cost to the Authority. The Authority shall cooperate and assist the Developer in undertaking all steps reasonably necessary for the Developer to secure additional funds committed to the Project and each Phase, and covenants to make commercially reasonable efforts to cooperate with and assist the Developer in its efforts to obtain or replace funding commitments; however, obtaining such financing shall be the primary responsibility of the Developer as set forth in this Agreement.

4.2 Selection of Investor. The principal equity interest in the Owner Entity for each Phase will be owned by a LIHTC investor or syndicator as a limited partner (in either case, the "**Investor**"). The Investor will own an interest of 99.99% of the Owner Entity. In order to select the Investor and assuming that no prospective respondent is affiliated with the Developer, the Developer will prepare an initial draft solicitation request for Investor proposals and provide that draft document to the Authority for review and MHA Approval. The Developer will compile a list of Investors to which the solicitation will be sent and will provide the list to the Authority prior to solicitation. The Authority shall notify the Developer if it has any specific objection to any prospective Investor on such list and may add prospective Investors to such list, provided that the Developer does not have a specific objection to such Investor(s) added. The Developer shall not issue the solicitation without MHA Approval, which shall not be unreasonably conditioned, withheld, or delayed. The Authority shall have ten (10) business days after receipt of the draft solicitation to provide written approval or objection (and reasons for objection) to such solicitation; provided, however, that the failure to respond within such ten (10) business day period shall not be deemed approval of the solicitation. The Developer agrees to structure and conduct the solicitation in a commercially reasonable manner that will promote full and open competition and no terms shall be included in the solicitation that have the effect of potentially limiting such full and open competition (e.g. no respondent affiliated with the Developer shall be granted a right to review and match another respondent's terms, guaranty parameters shall be standard and customary, etc.). Upon receipt of equity proposals from prospective Investors, the Developer shall provide full copies of the same to the Authority, along with an analysis and recommendation regarding the most advantageous equity proposal. The Developer will negotiate with potential Investors to maximize the amount of equity the potential Investor will provide to the applicable Phase, while also considering, among other things, the timing of the equity payments, the level of reserves, net worth, liquidity, and guaranty requirements. The equity solicitation shall

include the obligation to provide the Authority a Purchase Option and Right of First Refusal (as hereinafter defined). Notwithstanding anything to the contrary contained herein, the Developer acknowledges that the Authority must approve the Investor and the Investor's commitment letter or letter of intent in writing prior to the execution of any Investor commitment letter or letter of intent by the Developer with regard to a Phase. MHA's Approval of a LIHTC equity solicitation or Investor under this Section shall not be unreasonably conditioned, withheld or delayed, except that MHA shall not be required to approve an Investor which seeks to impose obligations on the Authority not otherwise described herein without the prior consent of the Authority.

4.3 Purchase Option and Right of First Refusal. MHA, or its designee, shall: (a) have an option to purchase each Phase and/or the Investor's interest in the Owner Entity upon the expiration of the LIHTC Compliance Period (the "**Purchase Option**"); (b) a right of first refusal to acquire each Phase at the minimum price allowed by Section 42 of the Code, exercisable for a period beginning at the end of the LIHTC Compliance Period (the "**Right of First Refusal**"). The terms of the Purchase Option and Right of First Refusal shall be negotiated with the Investor as part of the negotiation of the equity commitment letter or letter of intent and shall be set forth in a recorded Purchase Option and Right of First Refusal agreement(s) at Closing, and shall seek to minimize the Authority's expense for the Investor's exit at the end of the LIHTC Compliance Period.

4.4 Selection of Lenders. MHA shall have the right to approve or disapprove the construction lender and permanent lender for each Phase, which consent shall not be unreasonably withheld, conditioned or delayed. If an entity related to the Developer intends to bid on the lender role, the responses from such related parties shall be addressed to the Authority to maintain a fair and competitive selection process. The Parties shall agree on the final terms to be included in each solicitation request prior to its issuance and will jointly compile a list of all lenders to which the solicitation will be sent. The Developer agrees to structure and conduct the solicitation in a commercially reasonable manner that will promote full and open competition and no terms shall be included in the solicitation that have the effect of potentially limiting such full and open competition (e.g. no respondent shall be granted a right to review and match another respondent's terms, guaranty parameters shall be standard and customary, etc.). After receipt of debt proposals, Developer shall provide full copies of such proposals to the Authority along with an analysis of the proposals and a recommendation regarding the most advantageous debt proposal. The Authority shall have the right to comment on any draft commitment letter and to participate in negotiations directly with any potential lender. Notwithstanding anything to the contrary contained herein, the Developer acknowledges that MHA must grant MHA Approval of a lender and any commitment letter or letter of intent prior to the execution thereof by the Developer with regard to a Phase.

4.5 Allocation of Liabilities and Guaranties.

(a) The Authority and Developer shall share all Guaranties (as hereinafter defined) and other indemnity and guaranty obligations required by the Investor and lenders for each Phase, with (i) the Authority or Administrative General Partner being

responsible for forty percent (40%) of such obligation(s), and (ii) Developer or Managing General Partner or its Affiliate being responsible for sixty percent (60%) of such obligation(s) (the "**Pro-Rata Share**"). In the event either Authority/AGP or Developer/MGP (in either case, a "**GP Payor**") is required to make a payment pursuant to the Partnership Agreement or the Closing documents in excess of its respective Pro-Rata Share, the GP Payor shall have a right of contribution and reimbursement from the other Party in an amount necessary to ensure that any amounts paid on account of such indemnity and/or guaranty obligations shall be shared between Authority/AGP and Developer/MGP in accordance with the Pro-Rata Share.

(b) The Guarantors shall provide any and all guaranties and indemnifications required in connection with each Phase, including, without limitation, the following: (i) any guaranties or indemnities required by the Authority, (ii) any guaranties or indemnities required by the Investor with respect to the obligations of the AGP and MGP pursuant to the Partnership Agreement, including, without limitation, development deficits, operating deficits or reduced low-income housing tax credits, to the extent such is caused by the rehabilitation and lease up of a Phase; (iii) any guaranties or indemnities required by a lender with respect to completion of a Phase or payment of a Phase loan, (iv) any so-called "bad-boy" or other non-recourse carve out guaranties and (v) any environmental indemnification agreements (collectively, the "**Guaranties**") in accordance with the Pro-Rata Share. Notwithstanding anything to the contrary set forth in this Agreement, in the event a guaranty or indemnity obligation arises solely from the gross negligence or willful misconduct of an individual GP Payor, such GP Payor shall be responsible for one hundred percent (100%) of such guaranty or indemnity obligation.

(c) Notwithstanding Section 4.5(a)-(b) above, in the event of unforeseen cost overruns due to the discovery of a condition of the Phase after Closing which exceed the Phase Budget, Developer shall present a detailed analysis of the cost overruns to the Authority together with a revised Phase Budget. The Developer and Authority agree to take the following sequential steps to address such cost overruns (i) reallocate Phase Budget line item amounts to cover the cost overrun, (ii) apply contingency funds in the Phase Budget, and (iii) obtain additional funding sources to offset costs while maintaining the Phase Schedule.

(d) The Parties hereby agree to negotiate in good faith with all recipients of Guaranties with respect to any net worth and liquidity requirements applicable to the Guarantors. During the term of any Guaranties, the Parties further agree to satisfy their respective net worth and liquidity requirements and to provide the other Party with a copy of its annual audit in a timely fashion each year.

Section 5. PROJECT RESPONSIBILITIES

5.1 General. The Authority and Developer agree to use their best efforts to work together to achieve the Project. Developer and the Authority shall have the responsibilities set forth in this Agreement and in the Matrix of Roles and Responsibilities attached hereto as Exhibit J (the "**Roles and Responsibilities**"). In furtherance of the foregoing and in

order to make sure specific tasks related to the Project are managed efficiently, the Roles and Responsibilities are incorporated into this Agreement by this reference to identify each Party as "**Lead**," "**Support**," "**Review and Approve**," or "**Kept Informed**".

(a) Where a Party is required to take the Lead in the Roles and Responsibilities, the Party shall consult in good faith with the Party in a Support role and will consider such input in good faith prior to taking final action with respect to that activity. The Party who is not the Lead on a particular activity shall respond promptly (no later than (15) fifteen days) and in good faith to all requests for input. However, if agreement cannot be reached between a Lead party and a Support party, then the Lead Party may make the final decision.

(b) Where a Party is listed as having a Review and Approve role, the Party in the Lead role shall request approval from such Party in writing (e-mail is acceptable) and if such request for approval is not responded to in writing within ten (10) days approval shall be deemed to have been given. Failure to obtain approval from a Party listed as having Review and Approve, will be resolved in accordance with the dispute resolution provisions of this Agreement. The Lead Party shall keep the Review and Approved Party informed in all events.

(c) Where a Party is in a Kept Informed role, that Party will not be consulted or asked to provide input prior to taking action with respect to that activity, but rather will be kept informed only.

(d) Notwithstanding anything to the contrary in this Agreement, each Party shall have the right to review and approve any contract or agreement which is directly binding on that Party or is not consistent with this Agreement. In furtherance of the foregoing, the Parties acknowledge that certain roles and responsibilities and obligations under this Agreement will be taken by the Parties directly or by the respective Party's affiliates.

5.2 Developer Responsibilities. As more specifically set forth herein, the Developer shall be responsible for development services in connection with the design, construction and rehabilitation (whether undertaken by an affiliate of the Developer or a third party) of the Project and each Phase, as well as carrying out all other work for which the Developer is responsible. The Developer shall perform the duties and undertake the responsibilities herein set forth in a competent and professional manner. Except as expressly otherwise set forth herein, the Developer will provide all services, equipment, and materials for the Project and each Phase and will furnish, directly or through contractors, subcontractors, professional expertise, management, labor, materials, supplies, fixtures, equipment, tools and machinery, testing, supervision, facilities, and other services required for the completion of the Project. The actual services delivered shall include all development services reasonably required to complete the planning and development of the Project and each Phase and, except as otherwise provided herein, to cause the Owner Entity to facilitate the development and construction of the applicable Phase including, but not limited to:

(a) In collaboration with the Authority, completing the Development Plan;

(b) Establishing timetables, structuring and using commercially reasonable efforts in securing financing (including, but not limited to an allocation of LIHTC), obtaining necessary local and municipal approvals and building permits, and hiring a general contractor or construction manager at risk;

(c) Identifying and using commercially reasonable efforts in obtaining all necessary financing (debt and LIHTC equity) to rehabilitate the Project and closing on such financing. Such financing includes the funding of operating reserves (the "**Operating Reserves**") and replacement reserves (the "**Replacement Reserves**") reasonably designed to support the long-term operating feasibility of the Project and each Phase, in accordance with CTCAC and CDLAC requirements. The Operating Reserves and Replacement Reserves shall be subject to the requirements of third-party lenders, if any, and the conditions set forth in the Owner Entity's Partnership Agreement. The Operating Reserves shall be owned by the Owner Entity and used in accordance with the Partnership Agreement, subject to any restrictions imposed by CTCAC and the Phase lender(s). The Operating Reserves shall be initially capitalized out of the Phase Budget no later than permanent loan closing. If needed, the Operating Reserves shall be replenished by funds from the Phase's cash flow. Any release or use of funds from the Operating Reserves shall be subject to the consent of the Investor or lenders. The Replacement Reserves shall be funded on a per unit, per-year basis in accordance with RAD Requirements and lender and Investor requirements. Upon sale or distribution of a Phase, the Operating Reserves and the Replacement Reserves shall remain with the Phase.

(d) Assisting the Authority in preparing and/or coordinating (i) the RAD Financing Plan and Section 18 Blend application; (ii) all HUD-required documentation and associated legal documents; (iii) all documents necessary for Closing in accordance with RAD Requirements; (iv) finalization of all documents, including supporting documentation, and assisting in the preparation of the submissions to HUD; (v) with the Authority to obtain all necessary HUD approvals; (vi) reports to HUD; and (vii) the Closing;

(e) Entering into contracts or agreements, in a manner consistent with the terms of this Agreement, necessary or convenient for completion of the Project and each Phase, which contracts or agreements may be assigned, as appropriate, by the Developer at Closing. When selecting contractors ("**Third-Party Contractors**"), the Developer shall be alert to organizational conflicts of interest as well as noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. Awards shall be made based on the bid, offer or contract that is most advantageous to the Project and Phase, taking into consideration price, quality and other factors deemed by the Developer to be relevant. The Developer shall not employ or contract with any Third-Party Contractors, whether a subcontractor or prime contractor, which have been debarred or currently suspended by HUD and shall promptly terminate contracts with any Third-Party Contractors that are subsequently debarred or suspended. Prior to entering into any contract with a Third-Party Contractor, the Developer shall notify the Authority in writing

and, if available, provide the Authority with a draft of such contract or proposal for review and MHA Approval, which shall not be unreasonably withheld, conditioned or denied. A list of Third-Party Contractors approved as of the date hereof is attached hereto as Exhibit G.

(f) Entering into a construction contract (the "**Construction Contract**") with a general contractor (the "**General Contractor**") selected by the Developer, which Construction Contract shall be entered into between the General Contractor and the Owner Entity, with the Developer acting as the Owner Entity's representative during the construction period. The Construction Contract shall be a stipulated sum contract, subject to allowable change orders as set forth in the Construction Contract and as permitted by the Phase lenders (and HUD to the extent required by the Phase documents). The General Contractor shall receive a fee not to exceed fourteen percent (14%), inclusive of overhead, profit, and general conditions, or HUD safe harbors, as applicable. The selected General Contractor shall not be related to or affiliated with Developer. The Developer shall submit the Construction Contract to the Authority for final approval, which shall not be unreasonably withheld, before execution. The Construction Contract shall provide for assignment to the Authority in the event of termination of this Agreement and shall be consistent with any applicable requirements of HUD, CTCAC, CDLAC, and any other financing or regulatory party;

(g) Conducting site planning, including, Phase configuration and determining all necessary governmental approvals for such plans;

(h) Carrying out and managing pre-construction and construction/rehabilitation activities, including design, engineering, and construction of the Project and each Phase, guaranteeing completion of the same, and ensuring compliance with all applicable laws, rules and regulations. When entering into an agreement with a Third-Party Contractor or a Construction Contract, the Developer shall include any provisions required by HUD, CTCAC, CDLAC, and other applicable governmental authorities and, as applicable, use standard contract documents and forms provided by the American Institute of Architects ("**AIA**"), subject to comments by the Phase's lenders, Investor, and Authority;

(i) Maintaining regular communication with the Authority regarding its development activities;

(j) Working in good faith with the Authority to achieve an Owner Entity structure that affords the property the opportunity to meet requirements for Welfare Exemption or other tax abatement purposes;

(k) Maintaining, and causing all Third-Party Contractors and General Contractors to maintain, all requisite and reasonable insurance for the Project and each Phase based on size and type, as set forth in Exhibit L attached hereto;

(l) Ensuring that at the time of execution of agreements with the Developer or Owner Entity, no Third-Party Contractor or General Contractor is debarred, suspended or otherwise prohibited from professional practice by any federal, state or local agency;

(m) Developing and maintaining reasonable quality control measures in connection with its execution of responsibilities under this Agreement;

(n) Complying with all applicable federal, state and local laws, rules and regulations;

(o) Obtaining all necessary clearances and permits required in connection with the Project;

(p) Maintaining adequate accounting records, utilizing generally acceptable accounting practices;

(q) Preparing the initial operating budget for the Authority's review and Approval;

(r) Coordinate the development and implementation of a social and supportive services plan for the Project; and

(s) Coordinating and leading a comprehensive planning process in connection with the Project and implementing the Development Plan.

5.3 Authority Responsibilities. The Authority shall be responsible for the following activities related to the Project (such list is not intended to be exhaustive):

(a) Preparing all HUD submissions in collaboration with the Developer;

(b) Submitting all necessary applications to HUD;

(c) Approving the site plan, Project Budget, Phase Budgets, Project Schedule, Phase Schedules, Owner Entity documents, plans and specifications, design and specifications at concept, and design development and construction documents stages. The Authority shall make final decisions on the design; provided that the Project and applicable Phase meets the CTCAC, CDLAC and HUD or other government required sustainability standards applicable to the Project. Any change orders to the design or construction documents must receive prior MHA Approval; provided, however, that following the Closing, change order approval shall be handled as provided in the Construction Contract approved by the Authority and the Ground Lease. If construction enhancements are required by the Authority before Closing above and beyond the proposed scope and exceed the Phase Budget, the Parties will work in good faith to finance and incorporate such enhancements in the Phase Budget and plans and specifications.

(d) In conjunction with the Developer, coordinating with the residents, the local municipality, and other stakeholders on Project-related issues;

(e) Obtaining all necessary HUD approvals, providing reports and maintaining communications with HUD. The Developer shall not contact HUD with respect to the Project without the prior consent of the Authority; and

(f) Providing commercially reasonable and timely assistance to the Developer in its efforts to secure financing and obtaining necessary local and municipal approvals, provided that obtaining such financing and approvals remains solely the Developer's responsibility.

5.4 Section 3, Resident Outreach and MBE/WBE Goals. The Developer shall use commercially reasonable efforts to comply with the requirements included in the Authority's plan for Minority Business Enterprises and Women Business Enterprises ("**MBE/WBE**") and Section 3 participation. In any contract with the General Contractor, architects and engineers (non-construction contracts), and Third-Party Contractors, the Developer shall include Section 3 provisions in accordance with 24 CFR Part 75 and applicable HUD and Authority requirements. MHA agrees to assist in identifying and certifying Section 3 business concerns and Section 3 residents, including current residents of the Authority interested in employment opportunities. The Owner Entity may contract with a third party to monitor the Owner Entity's MBE/WBE and Section 3 compliance, and such a contract may be included as a development cost. The Developer will develop and submit for Authority review and MHA Approval a written Section 3 and MBE/WBE contracting plan no less than ninety (90) days before each Closing.

5.5 External Communications. Developer and the Authority will develop and agree upon a plan for jointly led communication with all other third-parties, including, but not limited to, residents and resident councils.

5.6 Reporting. The Developer shall keep the Authority informed of its progress on the Project. To that end, the Developer shall provide the Authority with a quarterly report that details the status of the Project (the "**Quarterly Report**"). Prior to the last Closing, the Quarterly Reports shall include at a minimum: a description of the predevelopment and development work performed for the Project, progress in maintaining the Schedule, status of all applications, certifications and permits necessary for the Project, monthly expenditures as compared to the Budget, and the Developer's compliance with Section 3 and its progress in achieving the Section 3 goals in this Agreement. Following Closing and through the submission of the RAD completion certification required by HUD, the Quarterly Reports shall include at a minimum: a description of the development and construction work performed at the Project, progress in maintaining the Schedule, status of all applications, certifications and permits necessary for the Project, compliance with the Davis-Bacon Act (described in Section 12.3 herein), monthly expenditures as compared to the Phase Budget, and the Developer's compliance with Section 3 and its progress in achieving the Section 3 goals in this Agreement. The Developer shall invite the Authority to all construction progress

meetings and the Authority shall have the right to participate in any of such meetings. Notwithstanding the Quarterly Report requirements set forth above, the Developer and the Authority may mutually agree to hold a meeting to discuss the matters covered by the Quarterly Report in lieu of the Developer submitting a Quarterly Report; provided, the Developer shall remain obligated to submit Section 3 and Davis-Bacon Act reporting information to the Authority.

Section 6. PROPERTY MANAGEMENT AND OCCUPANCY POLICIES

6.1 Relocation and Rehousing. Portions of the Site are occupied by residential tenants. In order to comply with all applicable RAD Requirements, which, among other things, require that current tenants that continue to meet certain occupancy criteria have a right to return to the Project, the Developer will prepare a relocation plan to be submitted to HUD (the "**Relocation Plan**") for review by the Authority and MHA Approval. The Developer may engage a relocation consultant, as a Third-Party Contractor, to prepare the Relocation Plan and assist with relocation. The Relocation Plan will outline the process for relocating and rehousing the former residents of the Units pursuant to federal and state law, as may be applicable. Consistent with RAD Requirements, relocated residents shall have a right to return to their original Phase. All relocation and tenant right to return costs shall be included in the Phase Budgets. The Developer, with assistance from any relocation consultant and the Authority, will work collaboratively and be responsible for carrying out the Relocation Plan. Furthermore, the Parties shall use commercially reasonable efforts to minimize disruption of income to the Authority and resident quality of life in relocation efforts. All management and operation documents governing the selection and admission of residents shall include the Authority's former resident rehousing criteria contained in the Relocation Plan, except as otherwise prohibited by RAD Requirements. In accordance with the RAD Requirements, the Authority and the Developer will work to hold units vacant in preparation for Closing, RAD conversion and rehabilitation.

6.2 Property Management. Developer, through a professional property manager or property management company, shall manage each Phase or cause it to be managed. Any manager or management company ("**Management Company**") retained to act as agent for an Owner Entity in meeting the obligation of providing a property manager shall be subject to prior written approval of the Authority, which approval shall not be unreasonably withheld or delayed. Burbank Housing Management Company is hereby approved by the Authority as the initial Management Company. The management fee payable to Management Company shall be the lesser of (a) an amount mutually acceptable to MHA and Developer and (b) the amount permitted by Phase lenders, the Investor, HUD and any other applicable Phase funders. In exercising its approval rights hereunder, the Authority may require proof of ability and qualifications of the Management Company based upon (i) prior experience, (ii) assets, (iii) insurance coverage, and (iv) other factors determined by the Authority as reasonably necessary. Furthermore, upon sixty (60) days prior written demand from the Authority for cause in the Authority's reasonable discretion, the Developer shall cause the Owner Entity to remove and replace a Management Company. In any agreement with a Management Company

("**Management Agreement**"), the Owner Entity shall expressly reserve the right to terminate such agreement with cause. Notwithstanding the foregoing sentence, the Parties agree that Management Company shall be entitled to a sixty (60)-day notice of default and a reasonable opportunity to cure before any such termination. The Authority shall have the right to review and approve the Management Agreement, management plan, and form of tenant lease before each Closing, all of which shall be in accordance with RAD Requirements.

6.3 Compliance with RAD and Section 18 Blend Requirements. The Parties and each Owner Entity shall fully comply with all applicable RAD Requirements and requirements of the Section 18 Blend.

Section 7. ENVIRONMENTAL CONDITIONS AND SITE INVESTIGATION

7.1 Site Investigation. The Developer, with MHA Approval, is responsible for submitting all required documents to governmental agencies, as required by applicable law and regulation, for review of the environmental impact of the Project in accordance with NEPA, CEQA, 24 CFR Part 50 or Part 58, as applicable. The Authority shall provide to the Developer all testing performed to date on the Property of which the Authority has knowledge, and the Developer shall engage on behalf of the Project environmental and engineering consultants to perform environmental, hazardous materials, and geo-environmental investigations and to prepare remediation estimates as well as any additional reports required for compliance with CEQA, NEPA, 24 CFR Part 50 or Part 58 (all of which shall be eligible for reimbursement as a Project expense). The Developer and such consultants shall have access to the Site, subject to any access requirements imposed by the Authority or the city, prior to each Closing to conduct any additional testing or environmental due diligence which the Developer or such consultants determine to be necessary.

7.2 Environmental Review/NEPA Clearance. Pursuant to HUD requirements, including the RAD Requirements, the Parties agree as follows:

(a) Notwithstanding any provision of this Agreement, the Parties agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Authority of a release of funds from HUD under 24 CFR Part 58. 24 CFR Part 50 or equivalent NEPA approval. The Parties further agree that the provision of any funds for the Project is conditioned on the Authority's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. No physical or choice-limiting actions, including property acquisition or conveyance, demolition, movement, rehabilitation, conversion, or construction, may be taken prior to environmental clearance, which prohibition extends to all entities in the development process, including private, federal, non-profit, and for-profit entities, until the Authority to Use Grant Funds (the "**AUGF**") is received or if the project does not require an AUGF, until the environmental review

clearance has been certified by the certifying officer under the applicable HUD regulations.

(b) The Parties certify that (i) until the environmental review requirements contained at 24 CFR 970.4, 24 CFR 983 and the RAD Requirements are completed to the satisfaction of HUD, the Parties shall take no action to demolish, rehabilitate, or otherwise affect the existing buildings now on the Project Site, or expend federal funds on the existing buildings other than with respect to action that is taken in the normal maintenance or operation of the existing buildings, and (ii) the Parties shall take such actions as may be necessary to preserve the existing buildings in their current condition, until such time as the environmental review is completed. Upon violation of either of the preceding provisos, at the direction of HUD, the Authority and the Developer agree immediately to terminate this Agreement.

7.3 Remediation Costs and Responsibilities Prior to Closing. The Parties will work in good faith to modify the Phase Budget as required to budget for any remediation costs (excluding those arising from a breach of Section 7.5) and, subject to Investor consent, will seek to have such remediation costs included in eligible basis under Section 42 of the Code. To the extent such remediation costs are not includable in eligible basis, the Parties agree to cooperate in good faith to include such remediation costs in the Phase Budget. Any necessary remediation costs shall be included as a development expense in the Phase Budget for the Phase. Notwithstanding the foregoing, the Authority and Developer each reserves the right to consider such remediation costs or presence of Hazardous Materials to the extent that it is not feasible to include such costs in the Phase Budget as giving rise to infeasibility and termination in accordance with Section 10.3.

7.4 Discovery of Prohibited Substances Prior to Closing. Prior to a Closing, in the event that the Developer or the Authority encounters any Hazardous Materials on the Phase property not previously identified through testing, the discovering Party shall promptly notify the other Party in writing and both the Developer and the Authority shall comply with all laws, ordinances, regulations and orders of all governmental, regulatory and other public and quasi-public agencies, authorities and entities having jurisdiction over the same. Unless the Developer is responsible for the presence of such Hazardous Materials as a result of the application of Section 7.6 the Developer shall have no liability to the Authority or other responsibility for remediation of such Hazardous Materials whatsoever and the Parties agree to address the presence of such Hazardous Materials in accordance with Section 7.3. Unless the Authority is responsible for such Hazardous Materials as a result of the application of Section 7.6, the Authority shall have no responsibility for remediation of such Hazardous Materials and the Parties agree to address the presence of such Hazardous Materials in accordance with Section 7.3 and provided that such presence of Hazardous Materials may be considered the basis to terminate this Agreement. In the event the Parties disagree as to whether the presence of such Hazardous Materials gives rise to infeasibility and one Party wants to proceed and the other Party wishes to terminate, the Project shall proceed if the Party that wishes to proceed accepts and bears all liability for such Hazardous Materials in accordance with Section 7.6 below (as applicable).

7.5 Environmental Insurance. The Developer may obtain environmental insurance, the cost of which shall be a development expense, provided that the Project Budget can support such additional expense.

7.6 Covenant Regarding Hazardous Materials. Neither the Developer nor the Authority shall bring onto the Site, or permit its agents, contractors or employees to bring onto the Property any Hazardous Materials. Each Party shall be liable for the consequences of, and responsible for proper removal and lawful disposal, at its sole expense, of any Hazardous Materials brought onto the site resulting from a violation by such Party of this Section 7.6 and shall be responsible for any conditions caused by the negligent failure of such Party or its agents, contractors or employees to protect against any further harm caused by any Hazardous Materials already on the Site. Each Party further covenants and agrees to indemnify, defend and hold the other Party and its partners, directors, officers, employees, agents, contractors and affiliates (collectively, the "**Indemnified Party**") free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys' fees and costs which may at any time be imposed upon, reasonably incurred by or asserted or awarded against the Indemnified Party in connection with or arising from a violation of this Section 7.6 ("**Prohibited Substances Indemnification**"). Notwithstanding the foregoing, it is understood and acknowledged by the Developer that recourse against the Authority pursuant to this Section 7.6 shall be limited to unrestricted non-federal assets and subject to any applicable HUD requirements. The Developer shall cause any contracts with Third Party Contractors or the General Contractor to include a Prohibited Substances Indemnification of the Authority and the Owner Entity. The provisions of this Section 7.6 shall survive Closing and the termination of this Agreement relative only to any claims that arise from an event that occurs prior to Closing regardless of when the claim is presented.

7.7 Developer Responsibilities after Closing. After Closing, the Developer shall only be liable for the following environmental conditions on the site (collectively, "**Post-Closing Environmental Responsibilities**"): (a) environmental conditions caused by the Developer or its agents or employees after Closing (b) Prohibited Substances brought onto the Property by the Developer or any of its agents (not including contractors of the Developer or Owner Entity) or employees after Closing and (c) any violation of any federal, state or local environmental laws by the Developer at or relating to the site of the Project that arises out of its acts or omissions after Closing. The Developer shall cause any contracts with Third Party Contractors or the General Contractor to impose Post-Closing Environmental Responsibilities on the Third Party Contractors and the General Contractor to the extent caused by the Third Party Contractor or the General Contractor or anyone for whom they may be responsible pursuant to their respective contracts.

Section 8. DESIGN AND CONSTRUCTION APPROVALS

8.1 Design. The Developer shall provide the necessary staffing, expertise, and supervision to fully and expeditiously plan, design, finance and implement all aspects of the revitalization, rehabilitation and redevelopment of the Site as required by the Redevelopment Framework, Project Budget, Project Schedule and this Agreement. The Developer shall be responsible for the preparation of the design documents, building plans and specifications ("**Plans and Specifications**") for each Phase prior to the Closing on such Phase and in accordance with this Agreement. Such Plans and Specifications must be approved by the Authority, and, if required, HUD, as well as other funders of the specific Phase. The design documents must be submitted for the Authority for review and comment at the schematic design stage, design development thirty percent (30%), and sixty percent (60%) and ninety percent (90%) construction document stages. The Authority shall act promptly in reviewing the Plans and Specifications upon submission, but in any event within fifteen (15) business days from the receipt thereof, the Authority shall provide any comments to the Developer and if the Authority fails to provide comments within such fifteen (15) business day period, the Authority's approval of the submission shall be deemed. The Developer shall furnish to the Authority two (2) reproductions of final drawings of record and data sheets; results of civil, structural, mechanical and hydraulic design calculations; loading diagrams, equipment manufacturers' drawings and data, including construction data and parts lists; and final specifications. The Developer shall furnish to the Authority: two (2) reproductions of the as-built drawings of such Phase and other drawings as requested by the Authority.

8.2 Subdivision. The Developer has procured a consultant to engage in preparing the phased vesting tentative tract map for a final subdivision map for the entire Site. A civil engineer has been procured and has commenced designing the subdivision map. Notwithstanding the foregoing, the Authority and Developer acknowledge that utilizing certain public agency flexibilities to subdivide the site without recording subdivision maps is more efficient. The Authority and the Developer agree to review this question collaboratively with the civil engineer, County and City and to proceed as mutually agreed to expeditiously subdivide each Phase prior to Closing.

Section 9. FEES; REIMBURSEMENTS; CASH FLOW

9.1 Developer Fee. Each Owner Entity shall pay a developer fee ("**Developer Fee**") from available sources in the amounts and at times to be shown on the final Phase Budget and supporting schedules as approved by the Authority, Developer and Phase lenders and Investor. Any deferred Developer Fee payable from Phase cash flow shall not bear interest. The Developer Fee will be paid solely out of Owner Entity's equity, private debt, or cash flow and capital proceeds. The Parties recognize that the amount and timing of fees will require the agreement of the lenders and the Investor, and must be consistent with HUD, CTCAC and CDLAC limitations, if any. The Developer Fee for each Phase shall be the maximum allowed by CTCAC, CDLAC and HUD, as applicable, and shall be payable pari passu to (a) 60% to the Developer (or its Affiliate) and (b) 40% to the Authority (or its affiliate).

9.2 Reimbursements. At Closing the Authority and Developer shall each receive reimbursement of third-party costs for the applicable Phase including, but not limited to, reasonable legal fees and expenses associated with the Phase. The Authority and the Developer's legal fees and expenses associated with the Project shall be included in the applicable Phase Budgets as a development cost.

9.3 Cost Savings. Construction cost savings will be determined in accordance with the Construction Contract. To the extent construction costs savings are available to the Owner Entity, such cost savings shall be applied (a) first, in changes to the scope of work that benefits the Phase, (b) second, to deferred Developer Fee, and (c) third, to repayment of any subordinate financing from the Authority.

9.4 Cash Flow and Capital Event Proceeds. The Authority and the Developer agree, subject to good faith negotiation with the Investor, to allocate Phase cash flow in the following priority (1) to reasonable and customary Investor priority distributions, including, asset management fees, Investor loans, and tax credit adjusters, shortfalls or penalties; (2) to payment of a $40,000 annual general partner partnership management fee (escalating at 3% per year) which shall be paid to the 60% to the MGP and 40% to the AGP; (3) to the payment of deferred Developer Fee; (4) until repayment in full of the Acquisition Loan, 40% to payment of the Acquisition Loan and 60% as a distribution to the MGP; and (5) following repayment in full of the Acquisition Loan, 40% to the AGP as a distribution and 60% to the MGP as a distribution. The Developer and Authority agree that the cash flow distribution for each Phase will be subject to the consent of the selected Investor and any government lender including HCD, as applicable, but the Parties agree to work together cooperatively and in good faith to reflect the distribution described in this Section 9.4 in the governing documents of each Owner Entity.

Section 10. TERM; TERMINATION

10.1 Term. This Agreement shall begin upon execution hereof and shall terminate upon the earlier of (i) the Closing of the last Phase (which is expected to be the third Phase) and the execution of a development services agreement between the Owner Entity, Authority or its affiliate, and the Developer or its Affiliate (the "**Equity Development Agreement**") with respect to the last Phase, respectively, (ii) December 31, 2030 or (iii) earlier termination as set forth in this Agreement (the "**Termination Date**"). Upon the Closing of each Phase, this Agreement shall terminate as to such closed Phase and shall remain in effect for the other Phases until the Termination Date. Those provisions set forth herein that by their terms survive termination of this Agreement shall survive such termination. The Parties acknowledge that certain subject matters of this Agreement relate to activities that are intended to survive the Closing, and so the Parties shall effectuate such matters in the Equity Development Agreement or other closing documents for the Phase, respectively (subject to the approval of the Investor).

10.2 Termination for Convenience. The Authority has the right to terminate this Agreement for convenience (a "**Termination for Convenience**") if it determines in good faith that it is contrary to its interests to proceed with the Project. In the event of a

Termination for Convenience, the Authority shall be liable to the Developer for reasonable costs and expenses incurred by the Developer for each Phase that has not achieved Closing prior to such termination which costs shall be paid to Developer within thirty (30) days of receipt of a properly presented claim setting out in detail: (a) the total of all third-party costs for the Project incurred prior to date of termination (other than those previously paid or reimbursed by MHA); and (b) the cost of settling and paying claims under third-party contracts, or for settling other liabilities of the Developer incurred in performance of its obligations hereunder for such Phases. The Authority may not seek a Termination for Convenience for any Phase that has received an award of LIHTC from CTCAC or tax-exempt bond volume cap from CDLAC, unless the Termination for Convenience is due to changes to the RAD program or other HUD program applicable to the Phase.

10.3 Termination for Infeasibility. Any Party (a "**Terminating Party**") may terminate this Agreement, upon thirty (30) days written notice to the other Party, if the Terminating Party reasonably determines that the objectives of this Agreement have been made impossible or impractical because of unforeseeable events beyond the reasonable control of any Party or due to the occurrence of one of the Development Contingencies identified below. In the event of a termination under this Section, no Party shall have any liability to the other Party for payment of fees or costs, including but not limited to, Developer fee; provided, however, that the Developer shall be responsible for fifty percent (50%) of approved and incurred Predevelopment Costs and the Authority shall be responsible for the remaining fifty percent (50%) of such approved and incurred Predevelopment Costs and, to the extent that either Party has advanced in excess of its share of such costs, such Party shall be reimbursed for such excess within thirty (30) days following the later of termination of this Agreement or the agreement of the Authority and Developer regarding the scope of such approved and incurred third-party Predevelopment Costs. Upon the Authority's payment for such Predevelopment Costs, the Developer shall assign third party work product in accordance with Section 10.5. "**Development Contingencies**" mean any of the following:

(a) The identification of unbudgeted remediation costs pursuant to Section 7.3 or the presence of Hazardous Materials pursuant to Section 7.4 that have a material adverse impact on the Project Budget;

(b) Failure to secure all required entitlements, permits, and approvals by federal, state, and local authorities, including, without limitation, environmental approvals, zoning and subdivision approvals, and the issuance of building permits;

(c) Failure to receive an award of LIHTC or tax-exempt bond financing in the amount projected, an investment of equity at projected rates and dates by Investor(s), or loans by private or institutional lenders under projected terms and conditions, in each case to the extent that such failure makes the Project economically infeasible; and

(d) Failure to close on all debt and equity financing related to the Project by December 31, 2030 (subject to extension by written agreement of the Developer and the Authority). The Authority shall not withhold its consent to such extension if the Developer

is proceeding in good faith to close on such debt and equity financing and making commercially reasonable progress towards doing so.

10.4 Termination for Cause. The Authority may terminate this Agreement with "cause", at any time, on the giving of a Notice of Termination (hereinafter defined) and the failure of the Developer to cure such grounds within thirty (30) days from receipt of such notice, for the Developer failing to fulfil its obligations under this Agreement ("**Termination for Cause**"). In the event of a Termination for Cause, Authority may: (a) require the Developer to deliver or cause to be delivered to MHA, in the manner and to the extent directed by Authority, any information, reports, papers, and other materials accumulated or generated in performing this Agreement, whether completed or in process, with no further compensation being payable to the Developer; (b) assume control of the work for the Project and prosecute the same to completion by contract or otherwise, and the Developer shall be liable for any additional costs incurred by Authority in such event; (c) withhold any payments to the Developer, for the purpose of off-set or partial payment, as the case may be. Notwithstanding anything to the contrary contained herein, debarment or suspension from participation in any government programs, which debarment or suspensions, for the purposes hereof, are defined to include but not be limited to any sanctions imposed by HUD pursuant to 2 CFR Part 2424, shall be grounds for Termination for Cause without opportunity for cure. By execution of this Agreement, Developer hereby certifies to Authority that it is not suspended, debarred or otherwise prohibited from participation in any government programs. In the event this Agreement is ended pursuant to a Termination for Cause by Authority, but it is later determined that the Developer had not committed the violations upon which the Termination for Cause was based, such termination shall be deemed to have been a Termination for Convenience and the Developer shall be entitled to payment as set forth in Section 10.1. As used herein, the term "**cause**" shall mean:

(a) the failure by the Developer to perform any material obligation under this Agreement within thirty (30) days following written notice of such failure by Authority, which period may be extended up to thirty (30) additional days provided the Developer is diligently pursuing performance of such material obligation;

(b) the gross negligence, fraud or willful misconduct of the Developer in the performance of its duties under this Agreement;

(c) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Developer or for any substantial part of its property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

(d) the commencement by the Developer of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Developer or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Developer generally to pay its debts as such debts become due, or the taking of action by the Developer in furtherance of any of the foregoing.

10.5 Notice of Termination and Delivery of Work Product. To terminate this Agreement under this Section 10.5, the Authority shall deliver to the Developer a written notice (a "**Notice of Termination**") specifying the nature, extent, and effective date of the termination. Upon receipt by Developer of a Notice of Termination by Authority, the Developer shall: (a) immediately discontinue all services affected (unless the Notice of Termination directs otherwise); (b) promptly deliver, or cause to be delivered to MHA any information, reports, papers, and other materials accumulated or generated in performing this Agreement, whether completed or in process, as well as any concrete, transferable, and useable third-party work product generated in connection with the Project, and (c) assign to the Authority all of its right, title, and interest to such work product that has not previously been assigned in connection with the Project, in exchange for the Authority's payment of funds paid by the Developer for such work product. The Developer shall use commercially reasonable efforts to obtain any necessary third-party consents to such transfer and assignment.

10.6 Developer Election to Terminate. The Developer has the right to terminate this Agreement after the Closing of the first Phase (the "**Developer Elective Termination**") by delivery written notice to the Authority (the "**Developer Notice of Termination**") specifying the nature, extent, and effective date of the Developer Elective Termination. Upon delivery by Developer of a Developer Notice of Termination to the Authority, the Developer shall: (a) immediately discontinue all services affected; (b) promptly deliver, or cause to be delivered to MHA any information, reports, papers, and other materials accumulated or generated in performing this Agreement, whether completed or in process, as well as any concrete, transferable, and useable third-party work product generated in connection with the Project, and (c) assign to the Authority all of its right, title, and interest to such work product that has not previously been assigned in connection with the Project. The Developer shall use commercially reasonable efforts to obtain any necessary third-party consents to such transfer and assignment. The Authority shall have no obligation to reimburse Developer for any Predevelopment Costs paid with BH Predevelopment Funds or otherwise by Developer. The Developer has not right to a Developer Elective Termination for any Phase that has received an award of LIHTC from CTCAC or tax-exempt bond volume cap from CDLAC.

Section 11. INDEMNIFICATION

11.1 Developer Indemnity. The Developer agrees to indemnify, defend, and hold the Authority, its employees, officers, and agents, harmless from any and all liabilities

including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Developer's negligence, recklessness or willful misconduct in the performance of this Agreement.

11.2 Authority Indemnity. The Authority agrees to indemnify, defend, and hold the Developer, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of the Authority's negligence, recklessness or willful misconduct in the performance of this Agreement. The Authority further agrees to indemnify, defend, and hold the Developer, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses arising from the negligent, reckless, or willful misconduct of the Authority in the administration of subsidy standards of the Administrative Plan at the Project. The Developer acknowledges that the Authority has no right or authority to satisfy indemnification obligations with restricted federal funds, including without limitation, any public housing funds or assets under Section 9 of the Act and Authority's indemnity obligations under this Section 11.2 may be satisfied solely from the unrestricted nonfederal funds of the Authority. The Authority shall have no liability under this Agreement for consequential damages.

Section 12. COMPLIANCE WITH HUD REQUIREMENTS

12.1 Compliance with HUD Requirements. The Authority and Developer shall comply with all applicable HUD requirements, including the RAD Requirements and Section 18 Blend requirements.

12.2 Project Obligations. The Developer shall provide development services in accordance with this Agreement. The Developer shall perform the duties and undertake the responsibilities herein set forth in a competent and professional manner using good faith reasonable efforts. The Developer is an independent contractor and not an agent of MHA. The Developer shall have no ability to bind MHA. Except as expressly set forth herein, the Developer shall provide all services, equipment, and materials for the Developer and will furnish, directly or through contractors, subcontractors, professional expertise, management, labor, materials, supplies, fixtures, equipment, tools and machinery, testing, supervision, facilities, and other services required for the completion of the Project.

12.3 Wage Rates. Pursuant to the HUD Requirements, the Developer shall cause to be included in the Construction Contract: (a) a requirement that the General Contractor and its subcontractors comply with 40 U.S.C. §§3141, et seq. (2002, as amended) (the "**Davis-Bacon Act**") and the Davis-Bacon Act regulations set forth at 29 C.F.R. Parts 1, 3, 5, 6 and 7 and all applicable schedule of wage rates approved by the U.S. Secretary of Labor, (b) State prevailing wage laws, as applicable, and (c) a requirement that the General Contractor and its subcontractors show evidence of such compliance. The wage rates in effect at the time the applicable Construction Contract is executed shall apply. In addition, the Developer, as to itself shall comply, and shall cause

to be included in the Construction Contract a requirement that the General Contractor and its subcontractors comply, with all applicable HUD Requirements, including, but not limited to, the governmental requirements set forth at Exhibit M herein.

12.4 Compliance with Laws and other Requirements. The Developer shall fully comply with all applicable federal and state laws and regulations applicable to the Developer with respect to workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, licensing and other employer-employee related matters, including, without limitation, all laws, rules and regulations with respect to non-discrimination based on race, sex or otherwise, and MBE/WBE, and Section 3 of the Housing and Urban Development Act of 1968, as amended. The Developer will further comply with any HUD Requirements for the Project that are applicable to the Developer.

Section 13. WARRANTIES

13.1 Developer's Warranties. The Developer represents and warrants to the Authority that (a) the Developer is, and will continue to be, duly organized and in good standing under the laws of the state of California, and authorized to do business in the State of California, (b) the Developer has and will maintain the necessary power, the Authority, licenses, and staff resources for the undertaking of its obligations under this Agreement, (c) this Agreement has been duly entered into and is the legally binding obligation of the Developer, (d) this Agreement will not violate any judgment, law, or agreement to which the Developer is a party or is subject, and (e) there is no claim pending, or to the commercially reasonable knowledge of the Developer, threatened, that would impede the Developer's ability to perform its obligations hereunto. The Developer shall not hereafter enter into any agreement which would, or modify any existing agreement in a manner that would, impair its ability to perform its obligations hereunder, and will notify the Authority if any suit is threatened or law proposed which would impair its ability to perform its obligations hereunder.

13.2 Authority's Warranties. The Authority represents and warrants to Developer that (a) MHA is a public body, corporate and politic, duly organized and existing under the State of California Health & Safety Code Section 34200 *et seq*. (b) the Authority has and will have the necessary power under California law for the undertaking of its obligations under this Agreement, (c) this Agreement has been duly entered into and is the legally binding obligation of the Authority, and (d) this Agreement will not violate any judgment, law, regulation, ordinance, consent decree, housing plan or agreement to which the Authority is a party or is subject to and will not violate any law or ordinance under which the Authority is organized. The Authority shall not hereafter enter into any agreement which would, or modify any existing agreement in a manner that would, impair its ability to perform its obligations hereunder, and will notify the Developer if any suit is threatened or law proposed which would impair its ability to perform its obligations hereunder.

Section 14. MISCELLANEOUS

14.1 HUD. The Authority will be responsible for all communications with HUD, including the submission of documents to obtain approvals. Developer agrees it will not contact HUD with respect to this Project without the Authority's prior written consent. The Authority agrees to keep Developer reasonably informed of material communications with HUD.

14.2 California Law. State of California law shall govern the interpretation and enforcement of this Agreement. Venue shall be exclusively in the state courts located in Marin County, California.

14.3 No Waiver. A waiver by either Party of a provision hereof shall not constitute a waiver of any different or subsequent provision.

14.4 Notices. Any notices to be given pursuant to this Agreement shall be in writing, and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the party for whom intended as follows:

Authority:	Housing Authority of the County of Marin 4020 Civic Center Drive San Rafael, CA 94903 Attn: Executive Director
with a copy to:	Reno & Cavanaugh, PLLC 455 Massachusetts Avenue NW, Suite 400 Washington, DC 20001 Attn: Cody Bannon
Developer:	Burbank Housing Development Corporation 1425 Corporate Center Parkway Santa Rosa, CA 95047 Attn: Lawrance Florin, CEO

Either Party may, from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or upon deposit in the United States mail.

14.5 Time of Essence. Time shall be of the essence for the terms and provisions of this Agreement. Without limiting the generality of the foregoing, MHA acknowledges that the success of the Project and the ability of the Developer to perform its obligations hereunder is dependent, in part, upon timely responses by MHA to the matters which require their approval or consent as contemplated in this Agreement. To the extent that the provisions of this Agreement set forth certain time frames within which MHA is to respond hereunder, MHA shall use its best efforts (defined in the next sentence below)

to provide responses within such time frame. MHA and Developer acknowledge that "best efforts" as used in the preceding sentence shall mean efforts, consistent with the reasonable best practices by comparable housing authorities, that such a housing authority would use so as to provide a response as expeditiously as possible within the cited time frames.

14.6 Merger; Parole Evidence. All prior discussions, negotiations, letters of intent, and any other writings by and between the Parties shall be deemed to be superseded and replaced by the terms of this Agreement, and of no force or effect. Upon execution of this Agreement, no discussions, negotiations, letters of intent, and any other writings shall be admissible as evidence for any reason in any proceeding and this Agreement shall be deemed the complete articulation of the understanding of the Parties.

14.7 Assignment. MHA in its sole discretion, may assign all or any of its rights under this Agreement. The Developer shall not assign its rights hereunder except with the prior written approval of MHA.

14.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

14.9 Commercially Reasonable Standards. The Parties acknowledge their obligation to act reasonably and in good faith with respect to their respective rights and obligations as set forth in this Agreement. The Parties acknowledge that "commercially reasonable" shall mean with respect to a given goal, the efforts, consistent with the practice of comparable developers, that a reasonable person in the position of the Party would use so as to achieve that goal as expeditiously as possible.

14.10 Exhibits. The following Exhibits are attached hereto and incorporated herein by this reference:

Exhibit A:	Site Legal Description
Exhibit B:	Definitions
Exhibit C:	Redevelopment Framework
Exhibit D:	Development Plan
Exhibit E-1:	Project Budget (All Phases)
Exhibit E-2:	Phase 1 Budget
Exhibit F-1:	Project Schedule (All Phases)
Exhibit F-2:	Phase 1 Schedule
Exhibit G:	Predevelopment Budget
Exhibit H:	Major Decisions
Exhibit I:	Form of Ground Lease
Exhibit J:	Roles and Responsibilities
Exhibit K:	Third-Party Contractors
Exhibit L:	Insurance Requirements
Exhibit M:	Governmental Requirements

[*signature page(s) follow*]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first set forth above.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF MARIN

By: _____
Kimberly Carroll
Executive Director

APPROVED AS TO FORM AND LEGALITY:

_____
Renee Brewer

DEVELOPER:

BURBANK HOUSING DEVELOPMENT CORPORATION

By: _____
Lawrance Florin
Chief Executive Officer

EXHIBIT A

Site Legal Description

The land referred to is situated in the unincorporated area of the County of Marin, State of California, and is described as follows:

Beginning at the most Easterly corner of Block 130, as said Block is shown on Sausalito land & Ferry Company Map, recorded April 26, 1869 in Rack 1, Pull 9, Marin County Records, and running thence on Lambert Grid bearings California Coordinate System Zone 3, as determined by California State Highway U.S. 101 Coordinates, on a curve to the left whose center bears North 51° 32' 30" East radius 1050.0 feet, through a central angle of 27° 02' 30" for a distance of 495.564 feet; thence on a curve to the left whose center bears North 24° 30' East radius 360.0 feet, through a central angle of 44° 45' for a distance of 281.173 feet; thence on a curve to the left whose center bears North 20° 15' West radius 460.0 feet, through a central angle of 52° 55' for a distance of 424.842 feet; thence on a curve to the left whose center bears North 73° 10' West radius 820.0 feet, through a central angle of 26° 05' for a distance of 373.297 feet; thence on a curve to the left whose center bears South 80° 45' West radius 1301. 686 feet through a central angle of 19° 16' 44" for a distance of 437.991 feet; thence North 70° 35' East 308.687 feet to the Southwesterly right of way line of California State Highway No. 101; thence along said Highway line on a curve to the left whose center bears North 48° 43' 14", East radius 349.97 feet, through a central angle of 19° 56' 23" for a distance of 121. 794 feet; thence South 61° 13' 09" East 132.952 feet; thence along the Westerly line of said Highway right of way on a curve to the right whose center bears South 57° 26' 18" West radius 1919.84 feet, through a central angle of 3° 25' 53" for a distance of 114.98 feet, thence South 00° 52' 1" West 1508.61 feet to a point distant North 00° 52' 11" East 103.0 feet, from monument set at an angle point in said Highway right of way line, having a coordinate of North 503, 841. 890 and East 1, 420, 851.250; thence leaving said right of way line and running South 83° 44' 20" West 1008.751 feet and North 38° 05' West 974.190 feet to the Southeasterly line of said Block 130, hereinabove mentioned, thence along said Southeasterly line, North 51° 32' 30" East 380.0
feet to the point of beginning.

Excepting therefrom: The Parcel of land described in the Deed to the Redevelopment Agency of the County of Marin, recorded April 20, 1994, Series No. 94-034031, Marin County Official Records.

APN: 052-140-22 and 052-140-41

EXHIBIT B

DEFINITIONS

"**Act**" mean the United States Housing Act of 1937 (42 U.S.C. § 1437 et seq.), as amended from time to time, and any successor legislation.

"**Administrative Plan**" means the Authority's Administrative Plan for the Housing Choice Voucher Program, last revised May 17, 2022, as may be amended or revised.

"**Affiliate**" means, with respect to the Developer, (a) any entity which has the power to direct the Developer's management and operation, or any entity whose management and operation is controlled by the Developer; or (b) any entity in which an entity described in (a) has a controlling interest; or (c) any entity a majority of whose voting equity is owned by the Developer; or (d) any entity in which or with which the Developer, its successors or permitted assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the entities participating in such merger or consolidation are assumed by the entity surviving such merger or created by such consolidation. Nothing in this definition is intended to permit or otherwise authorize the Developer to, in fact, merge or consolidate with any other entity without the prior written approval of the Authority.

"**Closing**" means, with regard to any Phase, the financial closing for such Phase. The Closing for a Phase shall be the initial construction loan closing, concurrently or prior to which the Authority and the pertinent Owner Entity shall have entered into a long-term ground lease of the Phase property.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**County**" means Marin County, California.

"**Development Plan**" means the Development Plan attached hereto as Exhibit D as may be amended by mutual agreement of the Parties.

"**Funding Application**"

"**Guarantor**" means, together, (a) the Authority or its affiliate and AGP, and (b) Developer or its Affiliate and the MGP.

"**Hazardous Materials**" means: (i) any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Section 25281(d) or 25316 of the California Health and Safety Code at such time; (ii) any "hazardous waste," "infectious waste," or "hazardous material," as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time; (iii) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act

(33 U.S.C. Section 1521 et seq.), Safe Drinking Water Act (42 U.S.C. Section 3000(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clear Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 3900 et seq.), or California Water Code (Section 1300 et seq.) at such time; and (iv) any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Development. The term "Hazardous Materials" shall not include: construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of commercial property, or commonly used or sold by hardware, home improvement stores, pharmacies or medical clinics and which are used and stored in accordance with all applicable environmental, ordinances and regulations.

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

"**HUD**" means the U.S. Department of Housing and Urban Development.

"**Investor**" has the meaning set forth in Section 4.2.

"**LIHTC**" means the low income housing tax credit program under Section 42 of the Code.

"**LIHTC Compliance Period**" means the 15-year LIHTC compliance period described in Section 42 of the Code.

"**MHA Board**" means the Authority's Board of Commissioners.

"**Official Records**" means the official records of Marin County, California.

"**Owner Entity**" has the meaning set forth in Section 3.2 of the Agreement.

"**PBV**" or "**PBV assistance**" means Project Based Voucher assistance under Section 8 of the Act and 24 CFR 983 and administered pursuant to the Administrative Plan.

"**Phase**" means a phase of the Project that is separately owned and operated by an Owner Entity. The proposed Phases of the Project are set forth in the Development Plan.

"**Predevelopment Costs**" has the meaning set forth in Section 3.1.

"**Project**" has the meaning set forth in the Recitals.

"**RAD Requirements**" means the requirements of the RAD program authorized by RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, approved November 18, 2011), as amended by the Consolidated

Appropriations Act, 2014 (Pub. L. No. 113-76, approved January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. No. 113-235, approved December 16, 2014), the Consolidated Appropriations Act, 2016 (Pub. L. No. 114-113, approved December 18, 2015), the Consolidated Appropriations Act, 2017 (Pub. L. No 115-31, approved May 5, 2017), the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, approved March 23, 2018), the Consolidated Appropriations Act, 2022 (Pub. L. 117-103, approved March 15, 2022), Consolidated Appropriations Act, 2024 (Pub. L. 118-42, approved March 9, 2024) (collectively, the "**RAD Statute**"), including but not limited to (a) the requirements of the RAD Statute, as amended, and all applicable statutes and any regulations issued by HUD for the RAD program; (b) HUD Notice PIH-2019-09 PIH-2019-23 (HA), as amended by HUD Notice H-2023-08 PIH-2023-19 (HA) (July 27, 2023) and as amended by HUD Notice H-2025-01 PIH-2025-03 (HA) (January 16, 2025), and as it may be further amended from time to time; and (c) all current requirements in HUD handbooks, guides, and notices (including but not limited to, Leasehold Mortgagee letters (if any) for the RAD program, and all future updates, changes and amendments thereto, each of the foregoing shall apply as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in the applicable closing document rather than add or delete provisions from such document

"**Redevelopment Framework**" has the meaning set forth in the Recitals and is attached hereto as Exhibit C.

"**Section 18 Blend**" means the conversion of public housing units through a combination RAD and Section 18 activities and that includes the conversion of assistance through RAD and the conversion of tenant protection voucher assistance awarded under a HUD approval under Section 18 of the Act, all in accordance with the RAD Requirements and HUD Notice PIH-2024-40 (HA)(December 26, 2024).

"**Section 3**" means Section 3 of the Housing and Urban Development Act of 1968, as amended, and the implementing regulations 24 CFR 75, as amended.

"**Site**" has the meaning set forth in the Recitals.

"**State**" means the State of California.

"**Third-Party Contractors**" has the meaning set forth in Section 5.2(e).

"**Unrecoverable Costs**" means Predevelopment Costs actually paid for the Project or a Phase in accordance with the approved Predevelopment Budget which (a) result in work product which cannot be assigned to the Authority or (b) cannot otherwise reasonably be recovered by the Authority or the Developer.

EXHIBIT C

REDEVELOPMENT FRAMEWORK

[attached]

Golden Gate Village
Redevelopment Framework

MARIN HOUSING

MHA Board Approved
November 2022

Golden Gate Village (GGV) is a traditional public housing property owned and managed by the Marin Housing Authority (MHA). GGV is located in Marin City, CA, and MHA serves all of Marin County.

Like many public housing properties, GGV needs to be preserved as affordable rental housing and recapitalized to address physical needs. MHA has created a Redevelopment Plan to address the physical, financial, and social needs of GGV. This memo details the context and plans for the redevelopment of GGV.

Preserving GGV as affordable rental housing for current and future residents is in the best interest of residents and MHA.

Marin County is faced with a tremendous shortage of affordable housing. GGV provides 296 units of rental housing to the general public. Maintaining this open availability is critical to future residents, both those on the waiting list and those yet to come.

MHA's plan to preserve GGV will maintain income and rent restrictions. HUD and the state of California will regulate GGV as affordable housing for at least 55 years following the start of construction. With MHA as the managing general partner, the MHA board controls the future ownership and operations of GGV. Keeping control in the public realm ensures public policy is the controlling interest for the future use of the property.

Completing the maximum amount of rehabilitation possible is in the best interest of the residents and MHA. Affordable housing by definition is financially constrained. Attracting the greatest amount of capital to invest in physical improvements is good housing policy.

Marin City, and the Black community in Marin City, have experienced disinvestment and harm for decades. Racist actions toward the Black community have come from government policy and private citizens alike. MHA's plan will both invest in the physical and social fabric of Marin City and offer residents from communities of color the choice to make a decision that is in the best interest of their families.

1.0 Golden Gate Village Description

Marin Housing Authority (MHA) owns and operates GGV. The property includes a total of 300 units in 29 buildings. Of the 300 units, 294 operate as dwelling units, including 44 one-bedroom units, 132 two-bedroom units, 111 three-bedroom units, and 9 four-bedroom units. The site is 29.8 acres on two parcels.

GGV is income and rent-restricted. Incomes at initial occupancy are limited to 80% of the area median, adjusted for household size. Rents are restricted to 30% of the household's adjusted income.

In 1957, MHA chose Frank Lloyd Wright's protege, Aaron Green, and another noted local architect, John Carl Warnecke, to design GGV. Construction was completed in 1961. In 2017, GGV was listed on the National Register of Historic Places.

Significant deferred maintenance and capital improvement are needed at the property. A 2021 Capital Needs Assessment completed by AEI Consultants reported $63,750,526 of immediate rehabilitation costs. This report relied on national construction cost data as the basis for estimating the cost of rehabilitation. This data provides the average construction cost in the

country. The estimated total rehabilitation cost has not been adjusted by the geographic location factor for Marin County or inflation.

2.0 Preferred Repositioning Option: Section 18 Disposition

The obsolescence threshold will likely be met and the FMRs are nearly more than double RAD rents. Therefore, Section 18 Obsolescence is the most economically advantageous approach for GGV.

Under Section 18 Obsolescence, MHA is eligible to receive a net new Section 8 Tenant Protection Voucher (TPV) for every occupied unit. These TPVs can be used to enter a project Based Voucher (PBV) contract resulting in the leverage capital needed to make physical improvements. PBV contracts also require income and rent restrictions, and so will preserve affordable housing in Marin City.

Based on eligibility, economic analysis, and desired outcomes, Section 18 Obsolescence is the preferred Repositioning option for GGV.

3.0 GGV Redevelopment Plan

Using information received from residents and stakeholders, a review of affordable housing needs and trends in Marin County, an analysis of GGV needs, and financing options, MHA staff created a framework for redeveloping GGV.

Much of this plan embraces the goals and outcomes expressed by GGV residents. When completed, we will have accomplished a comprehensive renovation of GGV, incorporating “deep green” features, and preserving the historic integrity of the property.

- Preserve affordability for current and future residents.
- Bring resident services to GGV.
- Work with the Resident Council to enhance resident empowerment.
- Create pathways to homeownership and wealth creation.

The remainder of this section will describe the Redevelopment Framework created for GGV.

3.1 Guiding Principles

In 2009, MHA’s board of commissioners adopted the Guiding Principles for the redevelopment of GGV. Having been adopted by the MHA Board, these Guiding Principles are policy statements that will inform the process and outcomes of a GGV redevelopment.

Protect Existing Golden Gate Village Households and Residents
Adopting resident protection mechanisms and using them throughout the process is critical to achieving this and must be a priority in any revitalization process.

Restore Golden Gate Village Economic Sustainability
This requires creating a focus on the development of resident skills and access to "Good Jobs" and enhanced connections to job training and employment opportunities in growth areas and industries.

Assure Resident Participation Throughout the Planning and Revitalization Process

Participation looks like enhanced and increased resident outreach, engagement, and inclusion of residents in the process as both members of decision-making bodies, and through participation at meetings and convenings.

Preserve Historic Marinship Heritage
Adopting resident protection mechanisms and using them through the Preservation of this unique heritage should occur through inclusion in design (ex: art, architecture, infrastructure e.g. naming and signage, etc.) and through facilities (ex: kiosks) that teach about the area's unique history as a manufacturing hub and home to a vibrant African American community. Throughout the process is critical to achieving this and must be a priority in any revitalization process.

Promote High Quality Open Space
These open spaces must be accessible, accommodate a wide variety of uses (ex: hiking, biking, play spaces, etc.) and be conducive to building community.

Collaborate with the Marin County Community to Expand Economic Development and Job Training/Education Opportunities for GGV Residents
Expanded economic development, job training, and education opportunities must create pipelines to growth industries and relevant education pathways.

3.2 Project Goals & Objectives

Goal 1: Preserve Golden Gate Village as affordable rental housing for current and future residents.

- Objective A: Make physical improvements that address the capital needs at GGV.
- Objective B: Invest in measures resulting in reduced consumption of energy and water, increase climate resiliency, and improved indoor air quality.
- Objective C: Complete renovation in a manner appropriate to the historic designation of GGV.

Goal 2: Protect Residents' Rights. Strengthen and Expand Affordable Housing as a Social Safety Net.

- Objective A: All GGV residents have a right to return after renovation. No current GGV resident will lose their housing because of Repositioning.
- Objective B: Create a preference for former Marin City residents to return to GGV.
- Objective C: Work with residents to create a plan for resident involvement during the development/construction phase and long-term operating phase of GGV.
- Objective D: Recognize the role of the GGV Resident Council and sign an agreement with the GGV Resident Council memorializing roles, expectations, and outcomes.

Objective E: Recommend and advocate with Marin County for the passage of an anti-displacement ordinance protecting existing regulated affordable rental housing in the county.

Goal 3: Create Economic Opportunity for GGV Residents

Objective A: Work with Marin County, service providers, and GGV residents to develop a resident services plan focused on residents' needs.

Objective B: Establish a Resident Services endowment with up to $5,000,000 commitment from Marin County.

Objective C: Work with Marin County to provide additional investment in fee-simple homeownership opportunities for residents of Marin City.

Objective D: Increase utilization of the Family Self Sufficiency program combined with a match savings account program (aka Individual Development Accounts) to assist GGV residents with creating wealth.

3.3 Resident Involvement in Plan

The involvement of residents of GGV is necessary for a successful redevelopment and harmonious community thereafter. MHA will work with residents of GGV to create an involvement plan that centers the needs of the residents in the redevelopment of the site and management of the community once the redevelopment is complete. This may include the creation of a training series that informs residents of the typical redevelopment process and overall management of a site such as GGV, so that residents may be fully informed participants in conversations with MHA and developers. In addition, the Plan will also include the joint creation of a Memorandum of Understanding between MHA and the Resident Council that outlines the function and responsibilities of each party.

MHA intends to enter into an agreement with the Resident Council formalizing its role at GGV following conversion from public housing. This agreement will ensure that all interactions and communications with GGV residents will be carried out in an equitable manner, including holding meetings outside of normal business hours, providing necessary supports like childcare for residents to participate in discussions, and providing stipends to residents who attend training and participate in the drafting of agreements, policies, and operating procedures.

Specifically, MHA will seek the Resident Council’s input in the selection of a developer partner for GGV. This will include seeking input on the Request for Qualifications and having a representative on the selection committee. MHA anticipated clear and measurable outcomes and process requirements for the project to be included in the RFQ.

MHA intends to work with the Resident Council to set specific and measurable outcomes for public benefits during the construction phase. This could include a number of resident construction-related jobs, or a percentage of construction contracts awarded to minorities, women, or emerging small businesses.

MHA also intends to work with the Resident Council to establish specific roles and outcomes for residents and the Resident Council post-rehabilitation. This could include contracts with the Resident Council or resident-owned businesses for the work to affirmatively further fair housing, landscaping, or an answering service. Additionally, MHA would like to establish a protocol for

the review of operating budgets for resident services to ensure year-over-year input from residents on programs and budgets.

4.0 Implementation Approach

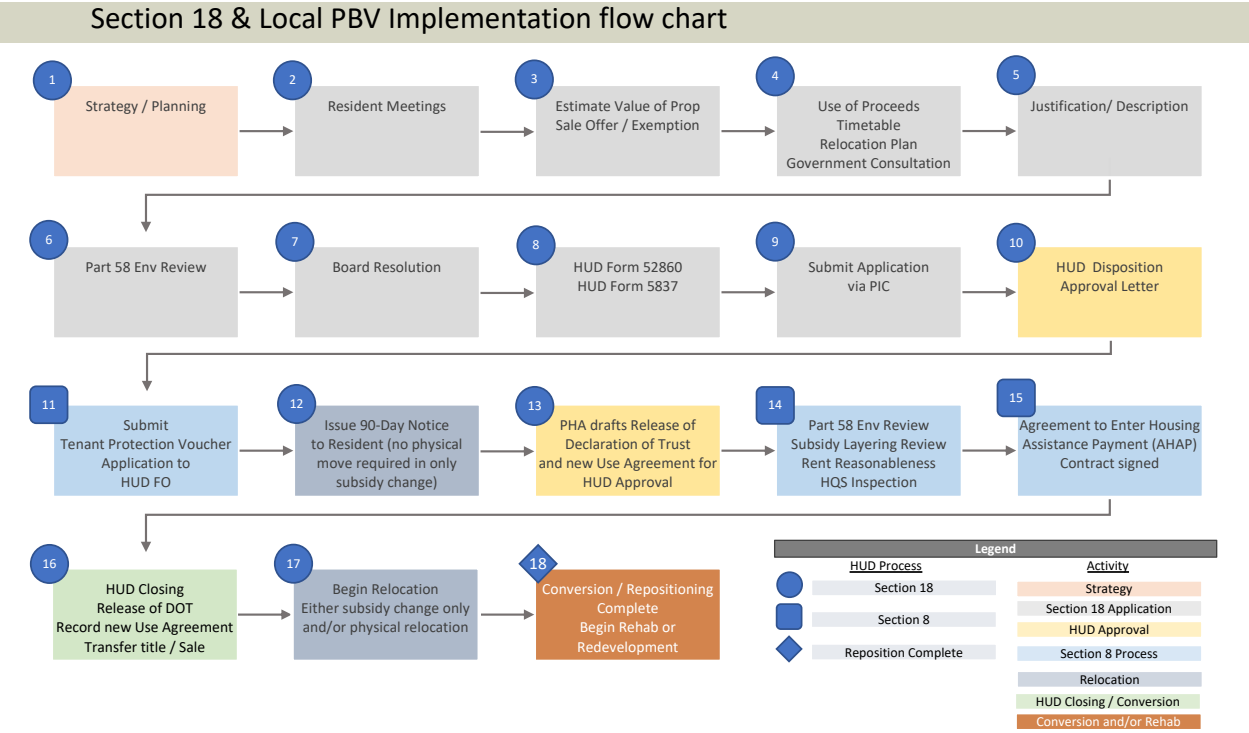
To achieve the Project Goals and Objective identified above, MHA should use three techniques available and common for Repositioning public housing. These are Section 18 Disposition, co-development and partnership with a developer partner, and leverage of capital using Low Income Housing Tax Credits (LIHTC) and debt. Combined use of these three techniques offers the best opportunity to redevelop GGV for the best interest of the residents (current and future) and MHA.

Section 18 Disposition: Obsolescence:

As a public housing authority, MHA will submit the Disposition application to HUD. Several elements of the application's submittal requirements and process are bulleted below.

- Obsolescence evaluation requires the submission of a capital needs assessment. HUD will accept immediate capital needs, defined as within three years. An updated capital needs assessment will be required.
- Total Development Cost (TDCs) calculations for GGV should be based on the San Jose figures published by HUD rather than San Francisco. While San Francisco is closer geographically, the built environment of San Jose is more like Marin and therefore offers a better basis for determining setting TDCs.
- HUD's NEPA Compliance is a submittal requirement for the Section 18 application. Section 18 utilizes HUD's Part 58 Environmental Review process. Due to the scope of work proposed, it is reasonable for the Responsible Entity to reach a Determination of Categorical Exclusion (DCE). Under the GGV Redevelopment Framework, square footage is not being added or removed, the use of the budlings is unchanged, and residents are provided a right to return.
- Despite setting the sale price of buildings / real estate by MHA to the limited partnership at the appraised value, the financing terms will be based on less than the market value, which will cause HUD to determine the sale is at less than Fair Market Value. As a result, HUD will require a Use Restriction against the property restricting occupancy to households earning less than 80% of the area median income for 30 years.
- While GGV is operating and regulated as traditional public housing, HUD's regulations prohibit the property from being used as collateral for financing. Because of these regulations, comprehensive capital improvements cannot occur until after the property is sold and the current HUD Declaration of Trust is released. Section 18 requires property transfer to a separate legal entity. The limited partnership created to make use of LIHTCs is a legal entity separate from MHA. When the property is sold and the existing HUD Declaration of Trust is removed, the real estate is available to be used as collateral for a loan.

Below is an overview of the Section 18 process.



Co-Developer / Development Partner:
Successful redevelopment of GGV will require MHA to select a co-developer / development partner. This partner will assist by carrying out development functions such as design management architect, preconstruction management of the general contractor, securing permits and entitlements, obtaining financing, and overseeing construction. During construction and the operating phase of the project, a development partner typically provides the necessary guarantees and experience needed to secure financing.

The property management function will be performed by the Co-Developer / Developer Partner or an identified third party. This is also a role important to the successful operations of GGV post redevelopment.

MHA should use a Request for Qualifications process to seek a partner. Evaluation of the partner should rely heavily on prospective partners' understanding and willingness to carry out the Project Goals and Objectives set for GGV. Successful experience with similar projects should be used as a basis for evaluating fit as a partner.

MHA should begin the process to select a partner immediately following the MHA board's adoption of a GGV Redevelopment Framework. Their participation in creating Section 18 submittal requirements will be necessary. MHA should involve the Resident Council in the process to select a Co-Developer / Development Partner.

MHA will also serve as a Co-Developer and partner in the development. As a public entity, their involvement in the limited partnership (ownership entity for GGV post redevelopment) will maintain public oversight of this long-held public asset. Maintaining public ownership or stake in

a property is considered by housing professionals a reliable means to ensure long-term affordability. The public sector does not operate with profit motives, but rather measures return by public benefit. The number of units remains affordable housing is a baseline measure of public benefit for affordable housing.

Leveraged Financing:
GGV is a large property with capital needs requirements expected for a property over 60 years old. Square footage of the site, original building design, and age contribute to the need for substantial rehabilitation. Creating additional pressure on the total project costs is the desire to complete a "deep green" rehabilitation, historic preservation requirements, relocation of residents to accommodate an occupied rehabilitation, and inflation pressures brought on by the overall economic outlook and the construction industry in the Bay Area.

To attract capital sufficient to redevelop GGV, MHA proposes to use a financing plan that will use LIHTC, Historic Tax Credit (HTC), permanent debt, seller financing, and deferred developer fee. This approach has been used hundreds of times in the past 10 years by public housing authorities wanting to recapitalize and preserve affordable housing. This approach is often combined with the Repositioning tools Section 18 Obsolescence, RAD / Section 18 Blend, and RAD. HUD actively promotes this approach as a preferred method to preserve and recapitalize public housing.

5.0 Ownership and Control

Using the Section 18 Disposition Repositioning tool and LIHTC establishes a statutory/regulatory and ownership structure for GGV. Within that required structure, MHA has the discretion to set development objectives, housing policy objectives, and exercise management decisions.

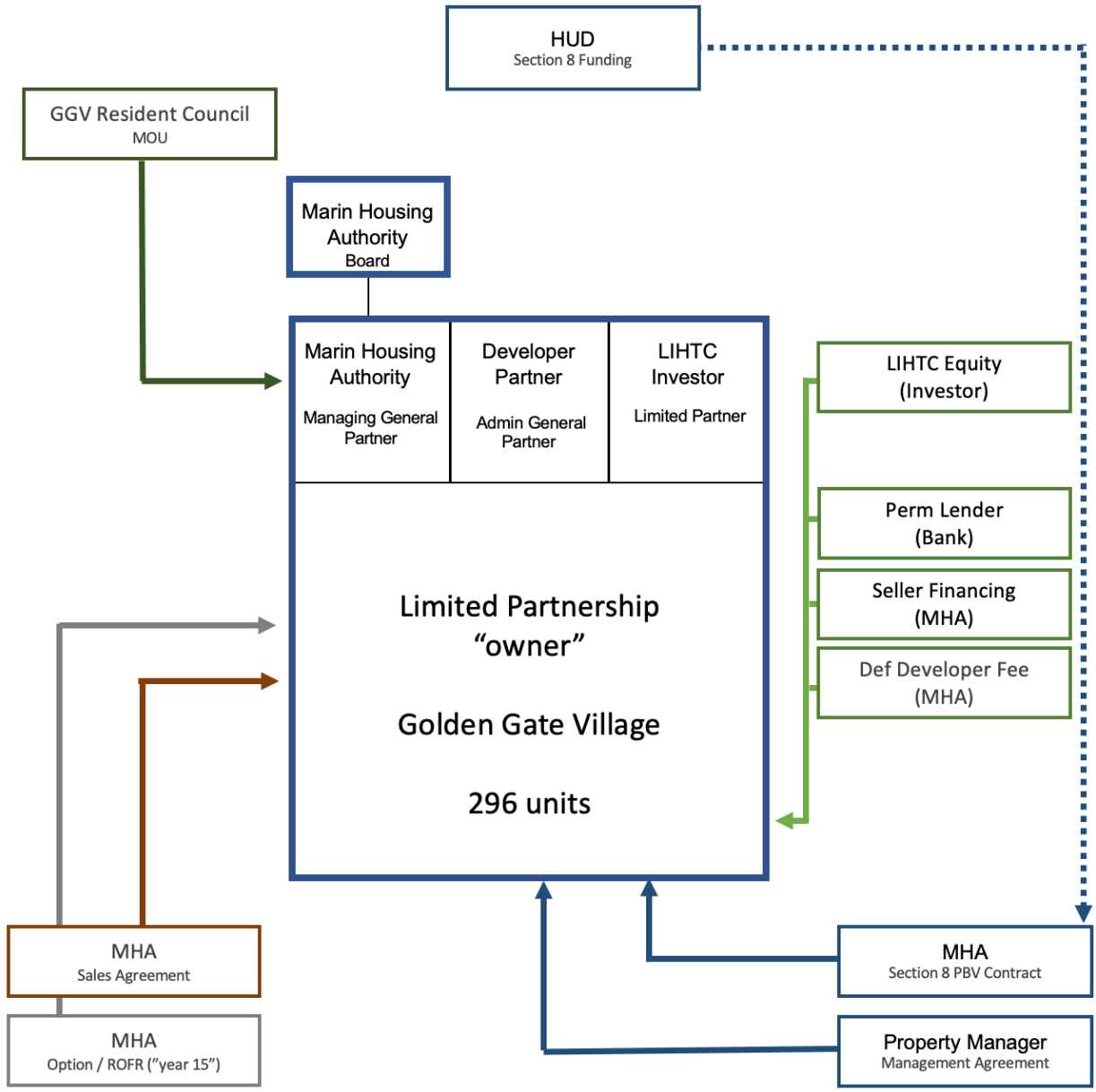
Statutory / Regulatory Requirements:
For using the Section 18 process, HUD will record a Use Agreement against the property since it is being sold for less than Fair Market Value. HUD will likely restrict the use of the property to households earning 80% of the area median income for 30 years.

For using LIHTCs, the State of California, through TCAC, will record the Regulatory Agreement against the property. TCAC will restrict the incomes of households for 55 years. Restrictions will be less than 60% of the area's median income. The specific amount will mirror what MHA proposes in the competitive application seeking LIHTCs.

For using Project Based Vouchers, HUD’s regulations will control the income and rents of families living at GGV. New families entering the Section 8 program must have incomes below 50% of the area median income. Existing residents in a public housing property converting to Section 8 are exempt from this rule. Rents are limited to 30% of the resident’s adjusted income.

Ownership Structure
Use of the LIHTC and HTC requires the entity that owns the project to be a limited partnership. A limited partnership allows a limited partner to invest equity in return for federal tax credits. Percentage ownership among the partners is designed to provide the maximum allowable tax benefits to the investor limited partner. It is common for the investor limited partner to own 99.99% of the limited partnership. This entitles them to 99.99% of the federal tax credits. Their equity investment is based on the number of tax credits they receive.

Below is a diagram of the ownership structure of GGV assuming the financial plan described above.



The rights and authorities of each partner in the limited partnership are detailed in an agreement called a Limited Partnership Agreement. Control and decision making is not set by the percentage of ownership. The LIHTC Investor, as a limited partner, has very few rights related to the operations of the property.

The managing general partner typically makes management decisions on behalf of the limited partnership. For example, the managing general partner will select and sign the contract with the property management company and is responsible for seeing that the annual audit is completed, setting operating annual budgets, and all reporting requirements, and setting policies related to housing admissions.

The administrative partner is typically responsible for the financial guarantees required of the lending and LIHTC investor. Due to this financial risk, they will pay close attention to the operations of the project.

Investor limited partners on most LIHTC projects are solely interested in the tax benefits. These include tax credits for ten years and deductions such as interest cost and depreciation for fifteen years. Investors are at risk of losing tax credits if the project falls out of compliance. Over-income households living at GGV are the main compliance risk to an investor. They will also provide oversight of the financial performance and physical condition of the property.

Compliance for tax credits is 15 years. At the end of the compliance period, LIHTC investors will leave the limited partnership. At this point, MHA will have the right to purchase the property from the limited partnership based on a predetermined formula. This is called the Option / Right of First Refusal (ROFR).

LIHTC investors do not have the right to take ownership or even purchase GGV. LIHTC investors do not have the right to change rents (increases or decreases). LIHTC investors do not have the right to evict residents.

6.0 Implementation Schedule

Move forward immediately with capital improvements is a priority for MHA. Given the nature of a design, construction and finance work alone, more information is needed to create a schedule. Below is a short term schedule reflecting the work MHA is ready to start.

MHA: Golden Gate Village

Project Start Date: 5/1/22
Display Years: 0

WBS	Task	Lead	Start	End	Cal. Days	% Done	Work Days
1	**GGV Working Group**						
1.1	Work Group Meetings		5/1/22	11/29/22	212	0%	152
1.2	Furture Resident Council meetings / Process		12/1/22	12/31/23	-44896	0%	0
1.3	Board Worksession		10/1/22	10/31/22	30	0%	21
1.4	Board Authorization		11/1/22	11/30/22	29	0%	22
1.16					0	0%	0
2	**SECTION 18 DISPOSITION APPLICATION**						
2.1	Preferred Redevelopment Plan		Tue 11/01/22	Tue 11/29/22	28	0%	21
2.2	Develop Section 18 Application		Thu 12/01/22	Sat 7/01/23	212	0%	152
2.3	HUD Disposition Approval		Sun 10/01/23	Tue 10/31/23	30	0%	22
2.4	Submit TPV Application		Wed 11/01/23	Wed 11/29/23	28	0%	21
2.17					0	0%	0
3	**DEVELOPER PROCUREMENT**						
3.1	Draft RFQ		Thu 12/01/22	Sun 1/01/23	31	0%	22
3.2	Publish RFQ		Sun 1/01/23	Wed 3/01/23	59	0%	43
3.3	RFQ Open to Developer Partners		Wed 3/01/23	Sat 4/15/23	45	0%	33
3.4	Qualifcations Due		Sat 4/15/23	Sun 4/30/23	15	0%	10
3.5	Revaluation Process		Mon 5/01/23	Sat 7/01/23	61	0%	45
3.6	Board Authorization		Sat 7/01/23	Mon 7/31/23	30	0%	21
3.14					0	0%	0
4	**Finance**						
4.1	**Submit LIHTC application**		**Wed 11/01/23**	**Wed 11/29/23**	28	0%	21

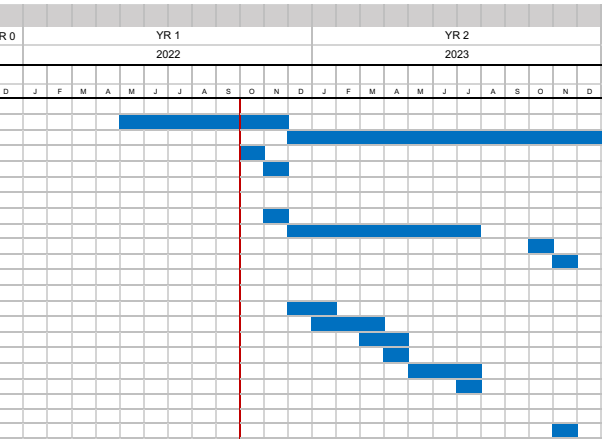


EXHIBIT D

DEVELOPMENT PLAN

[attached]

TAB 12-A1 – Site and Project Information

Overview and Description of Existing Structures

Golden Gate Village (GGV) was constructed as permanent affordable public housing in 1961 by the Marin Housing Authority. GGV was built to replace temporary housing constructed for the ship workers who built the WWII Liberty ships at the Marin shipyards, many of whom where African American. GGV was designed by architects Aaron G. Green and John Carl Warnecke and landscape architect Lawrence Halprin. The housing complex, including all the buildings and the site itself, was listed on the National Register of Historic Places in September 2017. The effort to achieve historic status for the complex was led by residents, many of whom have called GGV home for decades. At the time of construction, GGV included 300 apartments; following renovations previously completed, today there are 296 apartments with a total of 677 bedrooms (4 dwelling units have been converted for non-dwelling purposes, called "non dwelling units" or NDUs in various 3rd party document in this application).

Given its age, GGV requires revitalization to preserve its historic integrity and continue to provide healthy and safe affordable housing for the residents of Marin County. A historic preservation architect is helping guide the revitalization, ensuring GGV's historic significance is both recognized and preserved during revitalization of the buildings and site.

The GGV site is approximately 31.39 acres and located in southern Marin County, directly northwest of the City of Sausalito. The site is bounded by the 101 freeway on the East, the Golden Gate National Recreation Area on the West and South, and Drake Avenue on the North. The topography is comprised of tree-covered hillsides in the southwest that gently slope down northerly to level ground. The entire site contains 29 separate residential buildings ranging in height from one to five stories and one single story office and maintenance building. The project is anticipated to move forward in three construction phases and this document is specific to Golden Gate Village Phase I.

Golden Gate Village Phase I is comprised of 88 residential dwelling units in 14 separate buildings; buildings are one and two stories in height, none of which have elevator access. The Phase 1 site is 9.84 acres and includes 87 parking spaces, a tennis court, a basketball court, a community room/property management/resident services office, and open space.

Photo 1: GGV circa 1960

Number of buildings, stories per building, units per building, any elevator access:

Golden Gate Village Phase I is comprised of 88 residential dwelling units in 14 separate buildings; buildings are one and two stories in height, none of which have elevator access. The breakdown of residential buildings is as follows:

- Type B – there are nine (9) 2 story buildings
    - One of these buildings addressed as 101-115 Drake Avenue, has ground floor community space which is to be renovated per the attached community building plan in Tab 12 with address designated as 105 Drake Avenue, which shall be the address of record for Golden Gate Village Phase 1,
- Type C - there is one (1) 1 story building, and
- Type E – there are four (4) 1 story buildings.

The breakdown of apartment sizes is as follows:

- One bedroom - 17 units, 19% of total number of apartments
- Three bedrooms - 65 units, 74% of total number of apartments
- Four bedrooms - 6 units, 7% of total number of apartments

Figure 1: Phase I Site Plan

Building Type

The Type B, C, and E buildings are Construction Type V-B, with foundation types that are all slab on grade and exterior types that are all wood and/or CMU.

None of the buildings are elevator served. Type B buildings are two story townhouse configuration and Type C and E buildings are single story.

Building Area Uses

						Construction Type		Occupancy	
Use	Bldg	# Bldgs	Bldg SF	Bldg Materials	# Stories	Original	Current	Original	Current
	B	9	7,000*	CMU & wood frame	2	V	V-B	H	R-2
	C	1	4,500	Wood frame	1	V	V-B		
	E	4	2,150	Wood frame	1	V	V-B		

*Building B12 includes approximately 3,513 sf of ground floor property management offices, resident services offices, meeting rooms, and community room spaces for residents, with the second floor above including 4 residential units totaling approximately 3,815 sf.

Housing Type and How the Design Will Serve the Targeted Population

The project is family housing with 74% of units being three-bedroom apartments, 7% four-bedroom apartments, and 19% one-bedroom apartments. Current tenants in good standing will be allowed to return to their same unit upon completion of the renovation. The project is currently 100% affordable and will remain so after the renovation.

Number of Units and Bedroom Types, Accessibility Features

Of the 14 residential buildings, one Type B building (101-115 Drake) was converted in 1985 to a mixed-use structure, creating resident services and community use area for tenants on the ground floor with residential units above. These spaces were called the "non dwelling units" as noted in various supporting 3rd party documents.

Golden Gate Village Phase I includes 88 apartments with a total of 236 bedrooms; these unit counts and sizes will remain the same at the completion of renovations. One of the units will be used as a manager's unit. The following is the breakdown of units by bedroom count:

Phase 1 Unit Mix Summary

	1	2	3	4	Total
Low Income Units	17	0	64	6	87
Managers Unit	0	0	1	0	1
Total Units	**17**	**0**	**65**	**6**	**88**
%	*19%*	*0%*	*74%*	*7%*	*100%*
Bedrooms	**17**	**0**	**195**	**24**	**236**

Note that all units will have in-unit washers and dryers, as such there are no centralized laundry facilities in Golden Gate Village Phase 1. This is reflected in the architectural drawings submitted in Tab 12-E1.

In 1993 there were renovations to create accessible units in each of the building types across the entire site. This was completed prior to the buildings and property being deemed historic. Golden Gate Village Phase I currently has 6 existing mobility accessible units. Through the the rehabilitation of Golden Gate Village Phase 1, 10 additional accessible units will be created from the existing Phase 1 unit stock, as well as 4 communication accessible units.

Currently, across the entire 296-unit Golden Gate Village site, there are 5% mobility units and 2% communication units. However, at the completion of all three phases of Golden Gate Village, there will be a total of 10% mobility

units and 4% communication units across the entire site and all 3 phases. The applicant has previously obtained a waiver from TCAC to acknowledge that the distribution of units will vary across building types and phases, see Tab 00. However, please note that as stated in the waiver at the time of submission, the property due diligence was still in process and the final accessibility plan being determined. While in the waiver request there were 18 mobility accessible units planned for Phase 1, now there are only 16. However, the concept approved in the waiver still holds true, and the waiver request included the following language:

1. **Allow project to meet ADA requirements early, in the first two phases of the project.**

As described above, the rehabilitation is currently contemplated to occur in three phases. Allowing the project to frontload the new ADA mobility units into the earlier phases would ensure CTCAC regulations are met, or exceeded, by phase and providing at least 10% ADA mobility units in aggregate across the phases at all times. The table below demonstrates how the CTCAC mobility requirements can be met and/or exceeded by phase with the approval of this waiver request:

Phase	# Units	# ADA Units	% Units	Cumulative % ADA Units Completed	CTCAC Requirements
1	88	18	18%	18%	Exceeds
2	103	5	5%	12%	Exceeds
3	105	7	6%	10%	Meets

2

While the exact building and unit count for each phase is still being determined, the above is provided in order to obtain approval from CTCAC on the approach. Assuming the waiver is granted, subsequent funding applications would reflect the approved approach.

The following is the revised mobility accessibility plan by phase, showing that the 10% will be met cumulatively as each phase closes on construction financing, consistent with the approved waiver:

	Units	ADA in Phase	%	Cumulative Units	Cumulative ADA	%
Phase 1	88	16	18%	88	16	18.2%
Phase 2	103	6	6%	191	22	11.5%
Phase 2	105	9	9%	296	31	10.5%

Number and Size of Manager's Unit(s) and Market Rate Units

GGV Phase I will not have any market rate units. One 3-bedroom unit (approximately 959 sf) will be designated for an on-site manager. There will not be front desk or security staff present in lieu of a manager's unit.

Market Rate/Senior Housing

Golden Gate Village Phase 1 is not being built concurrently with a market rate project, nor is there a senior housing component to Golden Gate Village Phase 1.

Parking

There are 87 parking stalls in GGV Phase I that are not assigned currently. No additional spaces will be created for parking given that the site and landscape are both on the national historical register. It is anticipated that the existing parking lots will be re-striped to create the requisite number of ADA accessible parking spaces for the ADA accessible units.

Site Amenities

On-site property amenities include a sports court, playgrounds, extensive outdoor space and walking paths, a community room with a kitchen, and residential services offices.

Sustainable and Green Building Elements

The project will meet the minimum requirements outlined in the Minimum Construction Standards and the TCAC regulations. In addition, the project will include the following sustainability measures:

- Electrification of the entire site
- New heating and cooling systems for all interior spaces
- New water heaters
- New Energy Star kitchen appliances
- New dual pane energy efficient windows
- New low flow plumbing fixtures
- Drought tolerant landscape
- New kitchen and bath ventilation to improve moisture control and indoor air quality.

Multi Phased Projects

As stated above, the overall Golden Gate Village project will be divided into three phases (phasing map is shown below). All common areas and outdoor spaces will be accessible to all residents of all 3 phases of Golden Gate Village. Golden Gate Village Phase 1 is the first phase and shown in pink. Golden Gate Village Phase 1 will be ground leased by metes and bounds (a portion of APN 052-140-41) from Marin Housing Authority to Golden Gate Village Phase I, L.P.

Future phases of Golden Gate Village will be applying to TCAC/CDLAC in 2026 and 2027 to allow for logical construction phasing and relocation to occur. Each phase will meet TCAC minimum requirements for managers units, however the management office and community room in Phase 1 will serve all three phases, and the developer shall seek approval from TCAC/CDLAC prior to those applications being submitted. Additional service amenities will be provided in the future phases per TCAC requirements for each project.

Summary of Planned Parcel Subdivisions

No subdivisions are planned; instead, Marin Housing Authority will ground lease a portion of parcel APN 052-140-41 to Golden Gate Village Phase I, L.P. This is described in Tab 1 – Site Control Narrative.

History of Previous Renovations

While the project was constructed in the early 1960's there were a series of minor renovations completed in the late 1970's and 1980's to modernize mechanical equipment, laundry equipment, and address security concerns. In the 1990's there were renovations completed to create accessible units. To date there has not been a comprehensive renovation project of the units. The overall physical conditions of the buildings are mixed, the structure and the character defining features that make this property historic are still a solid foundation for a high-quality design project that was ahead of its time. The infrastructure is now at or past its useful life cycle, as are windows, roofing, and interior finishes. The core scope of the proposed renovations include:

- Preservation of historic structures and the historic site
- Upgrades and improvements to utilities and infrastructure
- Electrification of all buildings
- Addition of fire sprinklers to all buildings
- Improved site safety and lighting
- Improved building signage and wayfinding
- Full renovation of dwelling units and buildings
- A focus on aging in place and accessibility
- A focus on sustainability

Unique Features that increase costs

The project involves the gut rehabilitation of a 64-year old public housing complex with 14 buildings, a large 9.84-acre site, and aging infrastructure.

Golden Gate Village is on the Federal National Register of Historic Places, and therefore the rehabilitation is subject to SHPO review for maintaining the historic character. This limits the flexibility of material choices and renovation work, thus increasing costs dramatically.

The project will be made all electric to comply with current building code, and will involve the renovation of the interiors of units as well as the building envelopes. Also, currently there are no fire sprinklers, which will be added for the safety of the residents.

Additionally, the site infrastructure is past its useful life. Therefore, there will be replacement of underground water/sewer infrastructure, as well as undergrounding of existing overhead electrical lines for fire safety as a portion of the site is in a high fire zone.

Demolition

General demolition of interiors and exteriors of buildings and units is required for the full scope of rehabilitation, with the foundation slab and framed building structures to remain.

Offsite improvements

There are no general off-site or project-specific off-site costs.

SITE PLAN W/PHASING OVERLAY
N.T.S.

Phase 1 Low Rise Buildings

	Bedroom Type						
Building ID	1BRD	2BRD	3BRD	4BRD	NDU	Total Units	Total Dwell Units
B6	0	0	8	0	0	8	8
E2	4	0	0	0	0	4	4
B5	0	0	8	0	0	8	8
B12	1	0	3	0	4	8	4
B11	0	0	6	2	0	8	8
B10	0	0	8	0	0	8	8
B9	0	0	8	0	0	8	8
E5	4	0	0	0	0	4	4
B8	0	0	8	0	0	8	8
E4	4	0	0	0	0	4	4
B13	0	0	8	0	0	8	8
C2	0	0	0	4	0	4	4
B7	0	0	8	0	0	8	8
E3	4	0	0	0	0	4	4
Total	17	0	65	6	4	92	88

6 EXISTING ACCESSIBLE UNIT
10 PROPOSED ADDITIONAL ACCESSIBLE UNITS

Phase 2 Low Rise Buildings and Mid Rise Buildings

	Bedroom Type						
Building ID	1BRD	2BRD	3BRD	4BRD	NDU	Total Units	Total Dwell Units
E1	4	0	0	0	0	4	4
B4	0	0	8	0	0	8	8
49 Cole	2	17	2	0	0	21	21
59 Cole	2	17	2	0	0	21	21
B2	0	0	8	0	0	8	8
69 Cole	4	16	1	0	0	21	21
B3	0	0	8	0	0	8	8
C1	0	0	1	3	0	4	4
B1	0	0	8	0	0	8	8
							0
							0
							0
							0
							0
Total	12	50	38	3	0	103	103

1 EXISTING ACCESSIBLE UNIT
5 PROPOSED ADDITIONAL ACCESSIBLE UNITS

Phase 3 Mid Rise Buildings

	Bedroom Type						
Building ID	1BRD	2BRD	3BRD	4BRD	NDU	Total Units	Total Dwell Units
79 Cole	4	16	1	0	0	21	21
89 Cole	2	17	2	0	0	21	21
99 Cole	4	15	2	0	0	21	21
409 Drake	3	16	2	0	0	21	21
419 Drake	2	18	1	0	0	21	21
							0
							0
							0
							0
							0
							0
							0
							0
							0
Total	15	82	8	0	0	105	105

9 EXISTING ACCESSIBLE UNIT
0 PROPOSED ADDITIONAL ACCESSIBLE UNITS

	44	132	111	9	4	300	296

UNITS PER PHASE

PHASING PLAN

Golden Gate Village – Revitalization Project

MARIN HOUSING
BURBANK HOUSING
PYATOK

EXHIBIT E-1

PROJECT BUDGET (ALL PHASES)

[attached]

Golden Gate Village - Unit Mix by Phase

	Phase 1	Phase 2	Phase 3	Total
1 Bedroom	17	12	15	44
2 Bedroom	0	50	82	132
3 Bedroom	65	38	8	111
4 Bedroom	6	3	0	9
Units	**88**	**103**	**105**	**296**

Golden Gate Village - Sources and Uses by Phase

Permanent Sources	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Tax Exempt Bonds Perm Loan	$ 35,608,536	$ 37,419,799	$ 34,060,223	$ 107,088,557
Assumed Debt	$ -	$ -	$ -	$ -
Assumed Reserves	$ -	$ -	$ -	$ -
Accrued Soft Loan Interest	$ -	$ -	$ -	$ -
Local Soft Funding (GAP)	$ -	$ 1,994,488	$ 7,055,783	$ 9,050,271
Seller Carryback	$ 9,384,000	$ 10,506,000	$ 10,710,000	$ 30,600,000
Deferred Developer Fee	$ 5,352,656	$ 6,038,537	$ 6,361,536	$ 17,752,729
Income from Operations	$ 813,789	$ 890,816	$ 875,705	$ 2,580,311
HTC Equity	$ 2,768,612	$ 3,084,085	$ 3,232,650	$ 9,085,347
LP Equity	$ 30,325,314	$ 33,799,004	$ 35,328,652	$ 99,452,969
GP Equity	$ 100	$ 100	$ 100	$ 300
Total Sources	**$ 84,253,006**	**$ 93,732,828**	**$ 97,624,649**	**$ 275,610,483**
Oversourced	***$ 0***	***$ -***	***$ -***	***$ 0***

Uses	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Acquisition	$ 9,384,000	$ 10,506,000	$ 10,710,000	$ 30,600,000
Hard Costs	$ 44,381,482	$ 49,334,630	$ 52,416,296	$ 146,132,408
Hard Cost Contingency	$ 4,428,148	$ 4,933,463	$ 5,241,630	$ 14,603,241
Architecture/Engineering	$ 1,800,000	$ 1,500,000	$ 1,500,000	$ 4,800,000
Building Permits/Plan Check	$ 1,461,289	$ 1,628,043	$ 1,729,738	$ 4,819,069
Misc Soft Costs (Legal, 3rd parties, etc)	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 3,900,000
Soft Cost Contingency	$ 415,930	$ 458,076	$ 434,505	$ 1,308,512
Relocation	$ 2,010,000	$ 2,333,543	$ 1,819,765	$ 6,163,307
Insurance	$ 650,000	$ 650,000	$ 650,000	$ 1,950,000
Financing Costs	$ 7,751,390	$ 9,227,375	$ 9,513,293	$ 26,492,058
TCAC/CDLAC Costs	$ 215,036	$ 231,543	$ 235,485	$ 682,064
Reserves	$ 984,547	$ 1,077,050	$ 1,027,133	$ 3,088,731
Developer Fee	$ 9,471,184	$ 10,553,105	$ 11,046,804	$ 31,071,093
Total Uses	**$ 84,253,006**	**$ 93,732,828**	**$ 97,624,649**	**$ 275,610,483**

EXHIBIT E-2

PHASE 1 BUDGET

[attached]

Golden Gate Village - Unit Mix by Phase

	Phase 1
1 Bedroom	17
2 Bedroom	0
3 Bedroom	65
4 Bedroom	6
Units	**88**

Golden Gate Village - Sources and Uses by Phase

Permanent Sources		**Phase 1**
Tax Exempt Bonds Perm Loan	$	35,608,536
Assumed Debt	$	-
Assumed Reserves	$	-
Accrued Soft Loan Interest	$	-
Local Soft Funding (GAP)	$	-
Seller Carryback	$	9,384,000
Deferred Developer Fee	$	5,352,656
Income from Operations	$	813,789
HTC Equity	$	2,768,612
LP Equity	$	30,325,314
GP Equity	$	100
Total Sources	**$**	**84,253,006**
Oversourced	***$***	***0***

Uses		**Phase 1**
Acquisition	$	9,384,000
Hard Costs	$	44,381,482
Hard Cost Contingency	$	4,428,148
Architecture/Engineering	$	1,800,000
Building Permits/Plan Check	$	1,461,289
Misc Soft Costs (Legal, 3rd parties, etc)	$	1,300,000
Soft Cost Contingency	$	415,930
Relocation	$	2,010,000
Insurance	$	650,000
Financing Costs	$	7,751,390
TCAC/CDLAC Costs	$	215,036
Reserves	$	984,547
Developer Fee	$	9,471,184
Total Uses	**$**	**84,253,006**

EXHIBIT F-1

PROJECT SCHEDULE (ALL PHASES)

[To be developed at a later date and added to this Agreement by amendment, as needed.]

EXHIBIT F-2

PHASE 1 SCHEDULE

[attached]

Exhibit F-2

GGV Redevelopment Phase 1

1	**Master Development Agreement/Option Agreement**		
1.1	BH Internal Review Term Sheet	11/27/24	11/27/24
1.2	Draft Term Sheet to MHA	12/4/24	12/11/24
1.3	Revise Draft Term Sheet	12/12/24	1/15/25
1.4	Draft MDA	12/16/24	2/20/25
1.5	Draft Option Agreement	2/21/25	4/1/25
1.6	MHA Board Review/Approval OA	4/15/25	4/15/25
1.7	Agenda item due to MHA- MDA	5/31/25	5/31/25
1.8	Final board packet due to MHA-MDA	6/11/25	6/11/25
1.9	MHA Board Review/Approval MDA	6/17/25	6/17/25
2	**RAD Application**		
2.1	Resident Meeting #1	10/7/24	10/7/24
2.2	Resident Meeting #2	10/9/24	10/9/24
2.3	CHAP Issuance	12/31/24	12/31/24
2.4	Resident Meeting #3	6/17/25	6/17/25
2.5	Concept Call	7/10/25	7/10/25
2.6	Resident Meeting #4	7/10/25	8/6/25
2.7	eCNA - Phase 1	4/1/25	7/1/25
2.8	Submit Finance Plan	8/6/25	8/6/25
2.9	RAD Conversion Commitment (RCC)	11/1/25	11/1/25
2.10	Financing Closing	2/16/26	2/16/26
3	**Relocation & Return**		
3.1	Resident Interviews Phase 1	6/16/25	9/17/25
3.2	Identfy Relocation Destination	1/1/25	9/17/25
3.3	Final Relocation Plan	9/17/25	9/17/25
3.4	90 Day Notices	10/1/25	10/1/25
3.5	Temporary Relocation	2/1/26	2/7/28
3.6	Return to GGV	6/1/26	2/7/28
4	**Entitlements - Marin County**		
4.1	Application & Approval - Land Use Permit Exemption	1/15/25	3/17/25
5	**Part 50/NEPA/CEQA Review - Includes 106**		
5.1	CEQA NOE	4/15/25	4/15/25
5.2	Initiate Part 50 - EA loaded to HEROS	6/10/25	6/10/25
6	**National Parks Service review (if applying for Historic Tax Credits)**		
6.1	NPS: Part 1	9/22/25	12/12/25
6.2	NPS: Part 2	9/22/25	12/12/25
6.3	NPS: Part 3	2/8/28	5/1/28
7	**Phase 1 - Design/Finance/Construction**		
7.1	Pyatok Requests SD/DD/CD Proposals	12/2/24	1/10/25
7.2	Schematic Design	4/15/25	6/27/25
7.3	Design Development	6/30/25	9/30/25
7.4	Construction Documents	10/1/25	2/13/26
7.5	50% CD Bldg Permit submittal	10/1/25	12/15/25
7.6	90% CD GMP set (incorporated 1st round plan check comments)	12/15/25	2/13/26
7.7	Bidding & Negotiation	10/15/25	1/15/26
7.8	Building Permit approvals	6/1/25	1/15/26
7.9	PGE Review & Approval	8/8/25	8/6/26
7.10	PGE Equipment Procurement (12-18 mos)	12/15/24	6/15/26
7.11	Construction Start (20 mos)	6/1/26	2/7/28
8	**Phase 1 - Financing Application**		
8.1	MHA Resolution to Submit	4/15/25	4/15/25
8.2	TCAC Application submittal	5/20/25	5/20/25
8.3	TCAC Self Score Release	6/30/25	6/30/25
8.4	TCAC Award	8/20/25	8/20/25
8.5	TCAC - 180 day Start Work	2/16/26	2/16/26
9	**Property Management**		
9.1	Property Management Plan	7/1/25	10/1/25
9.2	Final New Lease	8/1/25	10/1/25
9.3	Resident Certifications	10/1/25	1/31/26
9.4	Sign New Leases	10/1/25	1/31/26

EXHIBIT G

PREDEVELOPMENT BUDGET

[attached]

ERNA Amended Predevelopment Budget

Phase 1: Golden Gate Village ERNA Budget v. Actual			
Item #	**Scope item**	**ERNA Budget**	**Adjusted Budget**
Testing (MHA)			
1	Phase 1 - Dominion	$ 10,900.00	$ 3,750.00
2	CNA/PNA - Dominion - 1st	$ 12,500.00	$ 16,750.00
3	CNA/PNA - Dominion - 2nd (Estimate)		$ 16,750.00
4	Hazardous Materials Survey	$ 192,000.00	$ 192,000.00
5	Add'l Materials Lab Testing - Langan		$ 7,300.00
6	Part 58 EA	$ 2,500.00	$ 2,500.00
7	Radon Testing - 1st	$ 14,000.00	$ 14,000.00
8	Radon Testing - 2nd Retesting		$ 39,800.00
9	Roof Testing		$ 17,105.00
10	Siding Testing		$ 17,650.00
	Subtotal	**$ 231,900.00**	**$ 327,605.00**
Documents/Reports			
11	CEQA - NEPA	$ 45,000.00	$ 91,602.02
12	Arborist assesment	$ 5,000.00	$ -
13	As built Drawings	$ 1,000.00	$ -
14	ALTA/Utility/Topo Survey	$ 100,000.00	$ 15,000.00
15	Surveyor - Parcel Map Waiver (Estimate)		$ 50,000.00
16	County Entitlement Fees (Estimate)		$ 10,000.00
	TCAC Fees		$ 3,700.00
17	Geotech report	$ 160,000.00	$ -
18	Geotech/Environmental Consultation time	$ 7,000.00	$ -
19	Summary of Treatment (Historical Consultant)	$ 15,000.00	$ 10,500.00
20	SHPO/NPS Coordination - WJE (Estimate)		$ 5,000.00
	Documents/Reports Subtotal	**$ 333,000.00**	**$ 185,802.02**
Design Team			
21	Architect: PYATOK	$ 160,000.00	$ 160,000.00
22	Architect: PYATOK - Add Serve		$ 40,000.00
23	Landscape: Hood Studio	$ 131,250.00	$ 131,250.00
24	Structural - Tipping	$ 21,000.00	$ 21,000.00
25	Mechanical/Plumbing - LEI	$ 15,750.00	$ 15,750.00
26	Electrical - BWF	$ 10,500.00	$ 10,500.00
27	Accessibility - Endelman	$ 21,000.00	$ 21,000.00
28	Fire & Life Safety code - Coffman	$ 15,750.00	$ 15,750.00
29	Sustainability - Beyond Efficiency	$ 5,250.00	$ 5,250.00
30	Historical Consultant - WJE	$ 47,250.00	$ 47,250.00
31	Envelope Consultant - Allan, Buick & Bers	$ 21,000.00	$ 21,000.00
32	Civil - Sherwood	$ 50,000.00	$ 65,000.00
	Civil - Sherwood Water Concept Design		$ 2,100.00
33	Dry Utilities (Estimate)	$ 15,000.00	$ 45,000.00
34	Design Team Reimbursables 4%	$ 20,550.00	$ 20,550.00
35	Financial Consultant		$ 75,000.00
36	Financial Consultant - CHPC		$ 31,500.00
37	Appraisal (Estimate)		$ 4,000.00
	Design Team Subtotal	**$ 534,300.00**	**$ 731,900.00**
Exploratory Demolition			
38	Exploratory Demolition - Roofing Asbestos & Underlayment	$ 18,000.00	$ 20,353.00
40	Potholing infrastructure	$ 16,000.00	$ -
41	Video Existing Sewer (Estimate)	$ 10,000.00	$ 40,000.00
42	Preconstruction Agreement - Nibbi	$ 30,000.00	$ 32,953.00
	Exploratory Demolition Subtotal	**$ 74,000.00**	**$ 93,306.00**
43	Community Engagement	$ 5,000.00	$ 5,000.00
44	Communications (Estimate)		$ 250,000.00
	Community Outreach Subtotal	**$ 5,000.00**	**$ 255,000.00**
	Subtotal	**$ 1,178,200.00**	**$ 1,593,613.02**
	Contingency 15%	**$ 175,980.00**	**$ 10,566.98**
	Grand Total	**$ 1,354,180.00**	**$ 1,604,180.00**

EXHIBIT H

MAJOR DECISIONS

[attached]

Exhibit H

Matrix of Development Roles and Responsibilities

Development Role	Lead*	Review and Approve*	Support*	Kept Informed*
Predevelopment				
Community Support	MHA/Burbank			
Land Use Entitlements (zoning, design review, etc.)	Burbank	MHA		
Meeting with local County officials re: planning/entitlements	Burbank		MHA	
Environmental Review (NEPA/CEQA)	Burbank/MHA	MHA/Burbank		
Acquisition				
Due Diligence	Burbank	MHA		
Negotiate Acquisition Documents	Burbank/MHA			
Project Accounting				
Maintain Project Budgets and Proformas	Burbank	MHA		
Process Invoices	Burbank			MHA
Oversee annual and project audits	Burbank			MHA
Perform partnership accounting	Burbank			MHA
Finance (applications, negotiations, etc.) *If financing is going to encumber MHA owned property; and/or, if MHA as co-general partner has guarantee obligations to lenders and investors, MHA should review and approve all finance related matters.				
Financial Consultant (select consultant, prepare and negotiate scopes of work, fees and administer contract).	Burbank	MHA		
Predevelopment	Burbank	MHA		
Financial Analysis	Burbank	MHA		

Exhibit H

Matrix of Development Roles and Responsibilities

Development Role	Lead*	Review and Approve*	Support*	Kept Informed*
TCAC (application and reservation)	Burbank	MHA		
State Funding Application	Burbank	MHA		
Other Funding Sources	Burbank	MHA		
Construction Lender(s)	Burbank	MHA		
Permanent Lender(s)	Burbank	MHA		
Tax Credit Investor/Limited Partner	Burbank	MHA		
Guarantees (Assumes no MHA Construction Guarantee)	Burbank	MHA		
During Construction (payment and completion)	Burbank/MHA			
During Lease-Up-Operation (to tax credit investors and others)	Burbank/MHA			
Architect and Design				
Select Architect	Burbank	MHA		
Select engineers, prepare and negotiate scopes of work, fees and contracts with architect and engineer(s) and administer contracts	Burbank	MHA		
Construction				
Select Construction Manager	Burbank	MHA		
Select General Contractor	Burbank	MHA		
Prepare and negotiate scopes of work, fees and contracts with general contractor and administer contract	Burbank	MHA		
Secure all building permits	Burbank	MHA		
Submit construction draw requests	Burbank	MHA		
Approve construction draws	Burbank	MHA		

Exhibit H

Matrix of Development Roles and Responsibilities

Development Role	Lead*	Review and Approve*	Support*	Kept Informed*
Approve construction change orders	Burbank	MHA		
Owner Represent for Contract Administration	Burbank/MHA			
Residency & Relocation				
Enforce Existing Leases	MHA		Burbank	
Create New Lease Template	Burbank/MHA			
Create Relocation Plan	Burbank	MHA		
Communication with Residents	Burbank/MHA			
Execute New Leases & Implement Relocation Plan	Burbank		MHA	
Insurance				
Obtain all insurance needed for the project	Burbank/MHA			
Property Management				
Select and Negotiate Management Contract	Burbank	MHA		
Coordinate property management duties	Burbank			MHA
Marketing Plan (for target residents)	Burbank			MHA
Marketing Implementation	Burbank			MHA
Asset Management				
Annual property tax exemption	Burbank			MHA
All Investor and Third-Party Reporting	Burbank			MHA
Negotiate Limited Partner Exit (Unless Burbank exits prior to year 15)	MHA/Burbank			
Resident Services				

Exhibit H

Matrix of Development Roles and Responsibilities

Development Role	Lead*	Review and Approve*	Support*	Kept Informed*
Prepare and Negotiate Services Contract	Burbank			MHA
Coordinate resident services with service providers	Burbank			MHA
Coordination with Other Consultants (including negotiation of contracts)				
Legal Team	Burbank	MHA		
Others, as applicable	Burbank	MHA		

*** Development Roles:**

- Where a party is the "**Lead**" role, the party shall actively and regularly consult in good faith with and accept input from a party in a "Support" role and will consider such input in good faith prior to taking final action with respect to that activity, so that both the Lead and the Support have an integral role in the activity. The party who is not the Lead on a particular activity shall respond promptly (no later than fifteen (15) business days) and in good faith to all requests for input. However, if agreement cannot be reached between a Lead party and Support party, then the Lead party may make the final decision a party is in a "kept informed" role, that party will not be consulted or asked to provide input prior to talking action with respect to that activity, but rather will be kept informed only."

- If a party is listed as having a "**Review and Approve**" role, the party in the "Lead" role shall request approval from such party in writing (e-mail is acceptable) and if such request for approval is not responded to in writing within ten (10) business days approval shall be deemed to have been given. Failure to obtain approval from a party listed as having "Review and Approve", will be resolved in accordance with the dispute resolution provisions of the joint development agreement or development services agreement, as applicable. The Lead party shall keep the Review and Approved party informed in all events.

  Notwithstanding anything to the contrary in this Agreement, each Party shall have the right to review and approve any contract or agreement which is directly binding on that Party or is not consistent with this Agreement.

- If a party is in a "**Kept Informed**" role, that party will not be consulted or asked to provide input prior to taking action with respect to that activity, but rather will be kept informed only.

EXHIBIT I

FORM OF GROUND LEASE

[attached]

GROUND LEASE AGREEMENT

by and between

HOUSING AUTHORITY OF THE COUNTY OF MARIN

and

[PHASE OWNER ENTITY]

DATED AS OF [_____]

TABLE OF CONTENTS

GROUND LEASE AGREEMENT

Golden Gate Village Phase [__]

THIS GROUND LEASE AGREEMENT (this "**Lease**") is entered into as of [_____] by and between the HOUSING AUTHORITY OF THE COUNTY OF MARIN, a public body, corporate and politic organized and existing under the laws of the State of California ("**Landlord**" or the "**Authority**"), and [PHASE OWNER ENTITY] ("**Tenant**").

RECITALS

A. Landlord owns that certain real property situated in Marin City, California, as more particularly described on Exhibit A attached hereto (the "**Leased Premises**").

B. Tenant is a [California limited partnership] duly formed and authorized to do business in the State of California having [_____], as its administrative general partner (the "**Administrative General Partner**") and [_____], as its managing general partner (the "**Managing General Partner**").

C. Tenant and Landlord entered into that certain Master Development Agreement for Golden Gate Village (the "**MDA**"), dated [_____], 2025, for the development and rehabilitation of the Leased Premises.

D. Tenant intends to develop and rehabilitate approximately [_____] ([___]) units of rental housing (the "**Residential Units**") of which [_____] ([___]) units will be operated and maintained pursuant to a RAD HAP Contract (as hereinafter defined) and as qualified low-income housing tax credit units (the "**RAD Units**"), and [_____] (collectively, the "**Improvements**") on the Leased Premises.

E. Landlord desires to lease the Leased Premises to Tenant for a period of _____ (___) years pursuant to the terms of this Lease.

F. Capitalized terms which are referred to and utilized throughout this Lease, including in these Recitals, are defined in Article 1 of this Lease.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions.

For the purposes of this Lease, the following defined terms shall have the meanings ascribed thereto in this Article 1.

(a) "**Act**" shall mean the United States Housing Act of 1937, as amended.

(b) "**Applicable CC&Rs & Easements**" shall mean all covenants, conditions, restrictions, and easements that are now or hereafter recorded against the Leased Premises and/or the Project and (i) are identified as exceptions to coverage in the Owner's Title Policy issued to Tenant on the Commencement Date; (ii) are required by the City or one or more other Governmental Authorities in connection with the construction, rehabilitation or development of the Project or related infrastructure (if any), or (iii) arise by, through, or under Tenant or Tenant's contractors, agents, or licensees; or (v) are otherwise approved by Tenant in writing.

(c) "**Approved Financing**" shall mean all of the following loans and financing acquired by Tenant and approved by Landlord for the purpose of financing the acquisition and construction of the Project (and future refinancing of the Approved Financing with the prior written approval of Landlord pursuant to Section 3.2):

(1) [Construction Loan];

(2) [Permanent Loan];

(3) [Seller Financing];

(4) [LIHTC Equity]; and

(5) [HTC Equity].

(d) "**Approved Financing Documents**" shall mean the documents that evidence the Approved Financing.

(e) "**Acquisition Deed of Trust**" shall mean that certain [Deed of Trust] of substantially even date herewith, securing the [Acquisition Note] and recorded against the Leased Premises.

(f) "**Acquisition Note**" shall mean that certain [Acquisition Note] executed by Tenant in favor of Landlord for the full fair market value of the Leased Premises, as determined in accordance with the MDA, and evidencing the Acquisition Loan.

(g) "**Capitalized Rent**" shall mean the capitalized rent payment rent due to Landlord from Tenant pursuant to Section 4.1 of this Lease.

(h) "**Casualty**" shall have the meaning set forth in Article 12 hereof.

(i) "**City**" shall mean Marin City, California.

(j) "**Closing**" shall means the date Landlord and Tenant authorize the release of the Memorandum of Ground Lease for recording in the Official Records.

(k) "**Commencement Date**" shall mean the date of Closing.

(l) "**Community Amenities**" shall mean [_____].

(m) "**Conversion**" shall mean the date that the [Construction Loan] is paid in full or converted into the Permanent Loan in whole or in part.

(n) "**Event of Default**" shall have the meaning set forth in Article 13 hereof.

(o) "**Environmental Reports**" shall mean, [_____].

(p) "**First Mortgage Loan**" shall mean the [_____].

(q) "**First Mortgagee**" shall mean the holder of the First Mortgage Loan.

(r) "**Force Majeure**" shall mean one of the following to the extent outside of the reasonable control of the party claiming relief based upon same: (a) acts of God, or of the public enemy, (b) riots, war or acts of terrorism, (e) fires, (f) floods or earthquakes, epidemics, (g) quarantine restrictions, (h) strikes or lockouts, (i) freight embargoes, or (j) other events substantially similar in scope and magnitude to the events described in foregoing (a)-(i).

(s) "**Governmental Authorities**" shall mean any applicable federal, state, or local governmental or quasi-governmental entities, subdivisions, agencies, authorities, or instrumentalities having jurisdiction over the Leased Premises, the Improvements, Landlord, or Tenant.

(t) "**Hazardous Substances and Materials**" shall mean any oil or any fraction thereof or petroleum products or "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5, or 25501(j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. § 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), Safe Drinking Water Act (42 U.S.C. § 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), Clean Air Act (42 U.S.C. § 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.), at such time; and any additional wastes, substances, or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Leased Premises, but excluding any substances or materials used in the construction or the maintenance or operation of the Project, so long as the same are used in accordance with all applicable laws.

(u) "**HUD**" shall mean the U.S. Department of Housing and Urban Development.

(v) "**Impositions**" shall mean all taxes including property taxes, assessments, water and sewer charges, charges for public utilities, excises, levies, license and permit fees and other charges that shall or may be assessed, levied, or imposed during the Term by any Governmental Authorities upon the Leased Premises or any part thereof, including the buildings or improvements now or hereafter located thereon; provided, however, that the term "**Impositions**" shall not include any income tax, capital levy, estate, succession, inheritance, transfer, or similar taxes of Tenant, or any franchise tax imposed upon any owner of the fee estate of the Leased Premises, or any income, profits, or revenue tax, assessment, or charge imposed upon the rent or other benefit received by Tenant under this Lease by any Governmental Authorities.

(w) "**Improvements**" shall mean the Residential Units to be rehabilitated on the Leased Premises, including, without limitation, tenant-related space, Community Amenities, and related ancillary facilities, together with any and all replacements or substitutions therefor or modifications thereto.

(x) "**Insurance Requirements**" shall mean the requirements, whether now or hereafter in force, of any insurer or insurance carrier, any board of fire underwriters or any other company, bureau, organization, or entity performing the same or similar functions, applicable to the Leased Premises and/or the Improvements, or any portion thereof, to the extent so applicable.

(y) "**Investor**" shall mean [_____].

(z) "**Landlord's Estate**" shall mean Landlord's fee estate in the land constituting the Leased Premises.

(aa) "**Lease**" shall mean this Ground Lease Agreement.

(bb) "**Lease Year**" shall mean a calendar year.

(cc) "**Leased Premises**" shall mean that certain land located in the City, as more particularly described on Exhibit A attached hereto and made a part hereof together with all and singular rights, easements, licenses, privileges and appurtenances thereunto or belonging thereto.

(dd) "**Legal Requirements**" shall mean all applicable laws, statutes, codes, ordinances, orders, rules, regulations, and requirements of all Governmental Authorities and the appropriate agencies, officers, departments, boards, and commissions thereof, whether now or hereafter in force, applicable to Landlord, Tenant, the Leased Premises, the Improvements, or any portion thereof, to the extent so applicable.

(ee) "**Management Agent**" shall mean the Person designated from time to time as "Management Agent" of all or any portion of the Improvements under any management agreement entered into from time to time with Tenant. [_____] is approved by Landlord and shall serve as the initial Management Agent for the Project.

(ff) "**Memorandum of Ground Lease**" shall mean the memorandum of this Lease to be recorded against the Leased Premises in the Official Records in the form attached hereto as Exhibit B.

(gg) "**Mortgage**" shall mean any mortgage, deed of trust, security agreement, or collateral assignment executed in connection with the Approved Financing encumbering Tenant's Estate created hereunder as a leasehold deed of trust lien.

(hh) "**Mortgagee**" shall mean the holder, mortgagee, grantee, or secured party under any Mortgage and its successors and assigns.

(ii) "**Net Cash Flow**" shall have the meaning set forth in the Partnership Agreement, provided that the definition of such term, and any amendments thereof, is approved by the Authority.

(jj) "**Net Condemnation Award**" shall mean the net amounts owed or paid to the Parties and Mortgagee(s), if any, or to which either of the Parties and Mortgagee(s), if any, may be or become entitled by reason of any Taking or pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred by the Parties and Mortgagee(s), if any, in collecting such award or payment.

(kk) "**New Lease**" shall have the meaning set forth in Section 9.7 hereof.

(ll) "**Official Records**" shall mean the official land records of Marin County, California.

(mm) "**Operating Budget**" shall mean the annual operating budget for the Project that sets forth the projected Operating Expenses for the upcoming year, that is subject to and shall be submitted for review and reasonable approval of Landlord, each year during the Term as set forth in Section 4.6 hereof and subject to the review of Landlord's Board in accordance with the RAD Requirements during the term of the RAD Use Agreement.

(nn) **Operating Expenses**" shall mean actual, reasonable, and customary (for comparable rental housing developments in Marin County) costs, fees, and expenses directly incurred, paid, and attributable to the operation, maintenance, and management of the Project in a calendar year, including, without limitation: painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, mandatory mortgage loan debt service, amounts required to be deposited into reserves by the Approved Financing Documents, sewer charges, real and personal property taxes (taking into account any available California Welfare Tax Exemption), assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of property management (including deferred property management fees), fees and expenses of accountants, attorneys and other professionals, the cost of social services and other housing supportive services provided at the Project, the Authority Compliance Fee, extraordinary expenses approved by Landlord, and

other actual, reasonable, and customary operating costs and capital costs which are directly incurred and paid by Tenant, but which are not paid from any reserve accounts for the Project.

(oo) "**Partnership Agreement**" shall mean the Tenant's [Agreement of Limited Partnership] dated as of [_____], as it may be amended or supplemented from time to time.

(pp) "**Party**" shall mean Landlord or Tenant, as applicable. Landlord and Tenant shall be referred to collectively as the "**Parties**".

(qq) "**Person**" shall mean an individual, partnership, corporation, limited liability company, trust, unincorporated association, or other entity or association.

(rr) "**Post-Foreclosure Rent Restriction**" shall mean, following foreclosure or deed in lieu of foreclosure of Tenant's interest in the Project by any Mortgagee, the gross rent with respect to such RAD Unit in the Project does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit as calculated pursuant to 26 U.S.C. § 42(g)(2). For purposes of this definition, the income imputed limitation applicable to any unit in the Project shall be deemed to be eighty percent (80%) of area median income.

(ss) "**Project**" shall mean the Improvements and Tenant's Estate.

(tt) "**RAD HAP Contract**" shall mean one or more RAD Section 8 Project Based Voucher Housing Assistance Payments Contracts which may be entered into by and between Landlord and Tenant with respect to the RAD Units.

(uu) "**RAD Requirements**" shall include, but not be limited to: (i) the Consolidated and Further Continuing Appropriations Act of 2012, as amended by the Consolidated Appropriations Act, 2014 (Pub. L. No. 113-76, approved January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. No. 113-235, approved December 6, 2014), and Division L, Title II, Section 237 of the Consolidated Appropriations Act (Pub. L. No. 114-113, enacted December 18, 2015), and all applicable statutes and any regulations issued by HUD for the RAD program, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process; (ii) all current requirements in HUD handbooks, guides, notices, including but not limited to, HUD Notice H-2019-09 PIH-2019-23 (HA) (September 5, 2019), as amended by RAD Supplemental Notice 4B (Notice H-2023-08 PIH-2023-19 (HA) (July 27, 2023), as further amended by RAD Supplemental Notice 4C (Notice H-2025-01 PIH-2025-03 (HA) (January 16, 2025, and as it may be further amended from time to time, and Mortgagee Letters (if any) for the RAD program, and all future updates, changes, and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes, and amendments shall be applicable to the Leased Premises and Improvements only to the extent that they interpret, clarify, and implement terms in the applicable closing document rather than add or delete provisions from such document; (iii) requirements of the RAD Use Agreement; and (iv) requirements of the RAD HAP Contract.

(vv) "**RAD Units**" shall mean the [_____] ([___]) Residential Units operated and maintained in accordance with any RAD HAP Contract.

(ww) "**RAD Use Agreement**" shall mean that certain Rental Assistance Demonstration Use Agreement executed by Landlord, Tenant and HUD to be recorded with respect to permitted uses of the Leased Premises and rights of potential beneficiaries and any riders or amendments thereto, approved by HUD, Investor, and Mortgagees. In the event of any conflict between the provisions of the RAD Use Agreement and this Lease, the RAD Use Agreement shall govern.

(xx) "**Regulatory Agreements**" shall mean, collectively, the Tax Credit Regulatory Agreement and any regulatory agreement(s) executed by Tenant and/or Landlord in connection with the Approved Financing, and any other regulatory agreement reasonably determined to be necessary or advisable by Tenant (with the reasonable consent of Landlord) during the Term. To the extent that any regulatory agreement or covenant is extinguished through foreclosure (or otherwise terminated or expired), such regulatory agreement(s) or covenant shall no longer be applicable to this Lease.

(yy) "**Rents**" shall have the meaning set forth in Section 4.2 hereof.

(zz) "**Residential Units**" shall mean the [_____] ([__]) multi-family residential units to be developed on the Tenant's Estate (excluding the manager's unit).

(aaa) "**Resident(s)**" shall mean any tenant, sub-tenant, or licensee of Tenant under any Residential Lease(s).

(bbb) "**Resident Lease(s)**" shall mean any lease or license agreement entered into by Tenant with residents of the Residential Units to be constructed on the Leased Premises.

(ccc) "**Right of First Refusal/Purchase Option**" shall mean the purchase option and right of first refusal described in the Partnership Agreement and Section 17.7 herein that provides Landlord or its designee and the Administrative General Partner or its designee with a right of first refusal and/or purchase option related to the Project.

(ddd) "**Section 3**" shall have the meaning set forth in Section 3.1 hereof.

(eee) "**Section 42**" shall mean Section 42 of the Internal Revenue Code of 1986, as amended.

(fff) "**Taking**" shall mean a taking during the Term hereof of all or any part of the Leased Premises and/or the Improvements, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain or a change in grade materially affecting the Leased Premises and/or Improvements or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right, or interest so taken must be surrendered to

the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking. If a Mortgage exists, the Mortgagees, to the extent permitted by law and pursuant to such Mortgagees loan documents, shall be made parties to any Taking or Taking proceeding.

(ggg) "**Tax Credit Eligible Household**" shall mean a household that is eligible to rent and occupy a qualified low-income dwelling unit under Section 42 and any Legal Requirements of the State of California or TCAC relating to low-income housing tax credits.

(hhh) "**Tax Credit Regulatory Agreement**" shall mean that certain agreement with TCAC to be executed by Tenant and properly recorded in the Official Records, setting forth certain terms and conditions under which the Project will be operated.

(iii) "**Tax Credit Units**" shall mean [_____] ([___]) of the Residential Units located on the Leased Premises, which are to be restricted for use during the "compliance period" and any "extended use period" (as such terms are defined in Section 42) solely by Tax Credit Eligible Households.

(jjj) "**TCAC**" shall mean the California Tax Credit Allocation Committee.

(kkk) "**Tenant's Estate**" shall mean Tenant's leasehold interest and Tenant's ownership of the Improvements in the Leased Premises acquired pursuant to this Lease during the Term.

(lll) "**Term**" shall mean the period of time set forth in Section 2.3 hereof.

(mmm)"**Transfer**" shall mean any sale, assignment, transfer, conveyance, encumbrance, mortgage, or hypothecation, in any manner or form or any agreement to do any of the foregoing.

Section 1.2 Exhibits. The Exhibits referred to in this Lease and attached hereto are expressly a part of this Lease as if fully set forth herein:

Exhibit A: Leased Premises
Exhibit B: Memorandum of Ground Lease
Exhibit C: Affordability Restrictions and Tenant Protections
[Exhibit D: Sustainability Plan]
Exhibit E: Section 3 Requirements
Exhibit F: Property Management Plan
[Exhibit H: Supportive Services Plan]

ARTICLE 2 LEASE OF THE LEASED PREMISES

Section 2.1 Leased Premises. Subject to the terms hereof and in consideration of the covenants of payment and performance stipulated herein, Landlord has leased, demised, and let, and by these presents does hereby lease, demise, and let unto Tenant, and Tenant hereby leases and takes from Landlord, the Leased Premises. As compensation for the purchase of the leasehold interest during the Term created by this Lease, Tenant has compensated Landlord in the amount

of [_____] Dollars and No/100 ($[_____]), pursuant to the [Acquisition Note and Acquisition Deed of Trust]. Landlord and Tenant acknowledge and agree that Capitalized Rent represents the purchase price of the Leased Premises.

Section 2.2 Reserved.

Section 2.3 Term. Unless sooner terminated pursuant to the provisions hereof, this Lease shall continue in full force and effect for a term ("**Term**"), commencing on the Commencement Date and expiring on date that is ninety-nine (99) years from Closing.

Section 2.4 Use. Tenant shall, throughout the Term, continuously use the Leased Premises and the Improvements only for the construction, operation, marketing for lease, and leasing of the Residential Units, and such other uses as are reasonably and customarily attendant to such uses, subject to the Regulatory Agreements and this Lease, including but not limited to the restrictions and requirements set forth in Article 3 hereof. The Project shall be used, operated, and devoted for the entire Term as required by Exhibit C, provided that the Post-Foreclosure Rent Restrictions shall apply following any foreclosure, and for no other use or purpose. Further, Tenant agrees:

(a) not to use the Leased Premises for any disorderly or unlawful purpose;

(b) to use commercially reasonable efforts to prevent any action by any Residents from committing or maintaining any nuisance or unlawful conduct on or about the Leased Premises;

(c) to use commercially reasonable efforts to prevent any action by any Resident that would cause Tenant to violate any of the covenants and conditions of this Lease with respect to the Project;

(d) upon reasonable prior notice from Landlord, to take reasonable action, if necessary, to abate any action by any Resident that would cause Tenant to violate this Lease; and

(e) subject to the rights of Residents, to permit Landlord and its agents upon not less than forty-eight (48) hours' prior written notice to inspect the Leased Premises or any part thereof at any reasonable time during the Term.

Section 2.5 Possession. Landlord agrees to and shall provide possession of the Leased Premises to Tenant on the Commencement Date.

Section 2.6 Memorandum of Ground Lease. Concurrent with the execution of this Lease, the Parties shall execute and acknowledge the Memorandum of Ground Lease, in the form attached hereto as Exhibit B, which Tenant shall cause to be immediately recorded in the Official Records at Tenant's expense.

ARTICLE 3 THE IMPROVEMENTS

Section 3.1 Rehabilitation. Tenant shall cause the commencement and completion of rehabilitation of the Improvements on or before [_____, 202__], subject to Force Majeure. Tenant shall cause the Improvements to be constructed in substantial compliance with the plans and specifications that have been approved by Landlord. The rehabilitation of the Improvements shall be conducted in a good and workman-like manner, in compliance with all requirements set forth in this Lease, the requirements of the Approved Financing, all permits and approvals issued for the Project, all construction documents as approved by Landlord, and all applicable laws (including without limitation, the federal Davis-Bacon and Related Acts and Section 3 of the Housing and Community Development Act of 1974, as amended) ("**Section 3**"), Tenant's obligations set forth in Section 3.7 below and all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any Governmental Authority having jurisdiction, and the Tenant shall be responsible to the Landlord for the procurement and maintenance thereof, as may be required of the Tenant and all entities engaged in work on the Project. In designing and constructing the Project, the Tenant shall comply with accessibility requirements, shall meet Section 3 requirements, and shall use sustainable construction materials and techniques in accordance with the Sustainability Plan attached hereto as Exhibit D. Tenant shall take no action to effectuate any material amendments, modifications, or alterations to the plans and specifications unless Landlord has approved such, in writing and in advance.

Section 3.2 No Liens. Tenant shall not have any right, authority, or power to bind Landlord, Landlord's Estate, or any other interest of Landlord in the Leased Premises, for any claim for labor or material or for any other charge or expense, lien, or security interest incurred in connection with the construction or operation of the Improvements or any change, alteration, or addition thereto. Tenant shall not have any right to encumber Tenant's Estate without the written consent of Landlord, other than for Approved Financing and the Regulatory Agreements, utility easements, and other customary easements or agreements necessary and incidental to the construction and operation of the Improvements, which easements are subject to the approval of Landlord, which shall not be unreasonably withheld. Notwithstanding the foregoing and subject to the prior written approval of the Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, the Tenant may refinance the Approved Financing loans. Any refinancing of the Approved Financing loans shall be on commercially reasonable terms in an amount not to exceed the then outstanding principal balance of such Approved Financing loans plus reasonable costs. The Tenant shall reimburse the Landlord for any costs it incurs related to the refinancing of the Approved Financing loans.

Tenant shall promptly pay and discharge all claims for work or labor done, supplies furnished, or services rendered at the request of Tenant and shall keep the Leased Premises free and clear of all mechanics' and materialmen's liens in connection therewith. If any claim of lien is filed against the Leased Premises or a stop notice is served on Landlord or other third party in connection with the construction or operation of the Improvements or any change, alteration, or addition thereto, then Tenant shall, within thirty (30) days after such filing of service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Landlord a surety bond in sufficient form and amount, or provide Landlord with other assurance reasonably satisfactory to Landlord that the claim of lien or stop notice will be

paid or discharged, provided that Landlord provides written notice of such claim of lien or stop notice to Tenant promptly upon receipt by Landlord.

If Tenant fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, Landlord may (but shall be under no obligation to), after delivery of written notice to Tenant and Tenant's failure to discharge in accordance herewith within thirty (30) days of such delivery, discharge such lien, encumbrance, charge, or claim at Tenant's expense, and Tenant shall pay to Landlord as Additional Rent (as defined in Section 4.2) any such amounts expended by Landlord within thirty (30) days after written notice is received from Landlord of the amount expended. Alternately, Landlord may require Tenant to immediately deposit with Landlord the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. Landlord may use such deposit to satisfy any claim or lien that is adversely determined against Tenant.

Tenant shall file a valid notice of cessation or notice of completion upon cessation of construction on the Improvements for a continuous period of thirty (30) days or more, except in the event such cessation of construction is caused by adverse weather conditions, and shall take all other reasonable steps to forestall the assertion of claims of lien against the Leased Premises. Landlord shall have the right to post or keep posted on the Leased Premises, or in the immediate vicinity thereof any notices of non-responsibility for any construction, alteration, or repair of the Leased Premises by Tenant. Tenant authorizes Landlord, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that Landlord deems necessary or desirable to protect its interest in the Leased Premises.

Section 3.3 Permits, Licenses and Easements. Tenant shall be responsible for obtaining any and all permits, licenses, easements, and other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Leased Premises and to grant or cause to be granted all permits, licenses, easements, and other governmental authorizations that are necessary or helpful for electric, telephone, gas, cable television, water, sewer, drainage, access, and such other public or private utilities or facilities as may be reasonably necessary or desirable in connection with the construction or operation of the Improvements. Tenant shall be entitled, without separate payment to Landlord for tap or connection fees, to tap into the existing lines, facilities, and systems of applicable electric, gas, cable, water, sewer, sewer treatment, and other utilities serving the Leased Premises, provided Tenant remains responsible for payment of fees and costs required by the City for such services. Landlord agrees to use Landlord's reasonable efforts to assist Tenant to obtain waiver, reduction, or deferral, as applicable, of all fees and other charges otherwise payable in connection with obtaining any permits, licenses, easements, and other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Leased Premises in connection with the Improvements. Tenant covenants and agrees to comply with the terms and conditions of all Applicable CC&Rs & Easements which apply to the Leased Premises and/or the Project, excluding any obligation specifically allocated to and undertaken by Landlord pursuant to the terms of a separate agreement between Landlord and Tenant.

Section 3.4 Title to Improvements.

(a) During the Term. Notwithstanding any provision in this Lease to the contrary, the Improvements and all alterations, additions, equipment, and fixtures built, made, or installed by Tenant in, on, under, or to the Leased Premises or the Improvements shall be the sole property of Tenant until the expiration of the Term or other termination of this Lease and subject to the Right of First Refusal/Purchase Option.

(b) After the Term. Upon the expiration of the Term or other termination of this Lease, the Improvements and all alterations, additions, equipment, and fixtures shall be deemed to be and shall automatically become the property of Landlord, without cost or charge to Landlord. Landlord agrees that Tenant, at any time prior to the seventy-fifth (75th) day after the expiration or other termination of this Lease, and following the expiration of the right to new lease under Section 9.7 of this Lease without exercise by any Mortgagee, may remove from the Leased Premises any and all equipment which Tenant has furnished for maintenance purposes or for the use of the Management Agent, provided that Tenant shall repair any physical damage to the Leased Premises caused by the removal of such equipment and property. Tenant agrees to execute, at the request of Landlord at the end of the Term, a quitclaim deed of the Improvements to Landlord to be recorded at Landlord's option and expense and any other documents that may be reasonably required by Landlord or Landlord's title company to provide Landlord title to the Leased Premises and the Improvements free and clear of all monetary liens and monetary encumbrances not caused or agreed to by Landlord.

(c) Mortgagee Protection. In the event of any default by Tenant under the Lease or any Approved Financing Documents, Landlord will allow any Mortgagee to enforce its lien and security interest in Tenant's personal property located at the Leased Premises and Landlord will allow any Mortgagee to assemble and remove the Tenant's personal property located at the Leased Premises.

Section 3.5 Benefits of Improvements During Term. Landlord acknowledges and agrees that any and all depreciation, amortization, and other tax attributes of ownership, including without limitation, tax credits for federal or state tax purposes relating to the Improvements located on the Leased Premises and any and all additions thereto, substitutions therefor, fixtures therein, and other property relating thereto shall be deducted or credited exclusively to Tenant as the sole owner of such Improvements during the Term and for the tax years during which the Term begins and ends.

Section 3.6 Regulatory Agreements.

(a) Tenant shall, at all times throughout the Term, comply with all applicable requirements of the Regulatory Agreements as required herein. Tenant will cause all Tax Credit Units to be operated and maintained in accordance with the Tax Credit Regulatory Agreement until its expiration, and Tenant shall so operate and maintain such Tax Credit Units for the term set forth in the Tax Credit Regulatory Agreement, unless such Tax Credit Regulatory Agreement is released from the Leased Premises pursuant to a foreclosure upon a Mortgage; provided, however, (i) that in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy, or increasing rent of residential tenants for a period of three (3) years after

acquisition of a building by foreclosure or deed-in-lieu of foreclosure, and (ii) following foreclosure or deed in lieu of foreclosure of a Mortgage, the Project shall thereafter be subject to the Post-Foreclosure Rent Restriction.

(b) All of the RAD Units shall be operated in accordance with the RAD Requirements.

Section 3.7 Equal Opportunity; Section 3. The Tenant, for itself and its successors and assigns, and transferees agrees that in the construction, operation and management of the Project:

(a) Tenant will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, disability, medical condition, age, marital status, gender identity status, sex, sexual orientation, HIV status or Acquired Immune Deficiency Syndrome (AIDS) condition or perceived condition, or retaliation for having filed a discrimination complaint (nondiscrimination factors). The Tenant will take affirmative action to ensure that applicants are considered for employment by the Tenant without regard to the nondiscrimination factors, and that Tenant's employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Tenant agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(b) Tenant will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors;

(c) Tenant will cause the foregoing provisions to be inserted in all contracts for the construction, operation and management of the Project entered into after the date of this Lease; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw material;

(d) Tenant will comply with the Section 3 requirements, as such may be amended from time to time. During construction of the Project, Tenant shall comply with the Section 3 requirements set forth in Exhibit E attached hereto. Following completion of rehabilitation and for the remainder of the Term of this Lease, Tenant shall comply with the Section 3 requirements and shall cause the Management Agent to comply with all Section 3 requirements;

(e) The Tenant shall provide to the Landlord such information and documentation as reasonably requested by the Landlord to determine compliance with the Section 3 Requirements, as applicable, during the Term of this Lease; and

(f) The Tenant agrees to include the following language in the initial Management Agreement: “Management Agent shall notify the designated person or persons at the Authority or their designee of its need for management and/or maintenance employees for the Project at least ten (10) business days prior to advertising for the hiring of any management or maintenance

employees for the Project. Within one (1) week of receipt of such notification from the Management Agent, the Authority may respond to the Management Agent in writing with referrals for any such employee positions identified by the Management Agent. Management Agent shall consider any such referrals made by the Authority in accordance herewith as it makes its hiring decisions for the management and maintenance of the Project. To that end, Management Agent shall give referrals identified by the Authority in accordance herewith equal opportunity to interview for applicable available positions."

The Tenant shall use reasonable efforts to monitor and enforce, or shall cause its general contractor to monitor and enforce, the equal opportunity requirements imposed by this Lease. As requested, the Landlord shall provide such technical assistance necessary to implement this Section 3.7.

Section 3.8 Reserved.

Section 3.9 Reserved.

Section 3.10 State Prevailing Wages and Federal Davis Bacon and Related Acts Compliance. This development project is a public works project, as defined in Labor Code section 1720, and must be performed in accordance with the requirements of Labor Code sections 1720 to 1815, inclusive, and sections 16000 to 17270 of Title 8 of the California Code of Regulations, which govern the payment of prevailing wage rates on public works projects. The project is also subject to the federal Davis-Bacon and Related Acts (29 CFR 1 et seq., 29 CFR 3 et seq., and 29 CFR 5-7 et seq.) and all other applicable federal and state laws, regulations, policies, as amended, including those regarding discrimination, unfair labor practices, anti-kickback, collusion, the Fair Labor Standards Act, and where triggered, the Contract Work Hours and Safety Standards Act.

(a) Public Works Compliance. Tenant shall pay and assure that all contractors and subcontractors working on the Project pay no less than federal and state prevailing wages; and comply with all applicable reporting and recordkeeping requirements. Tenant, as an "Awarding Body", shall also pay any and all applicable labor compliance monitoring fees.

(i) State Prevailing Wages. Tenant shall and shall cause its contractors and subcontractors to pay prevailing wages in the construction of the Project as those wages are determined pursuant to Labor Code Sections 1720 et seq. and the implementing regulations of the Department of Industrial Relations ("**DIR**"), to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the DIR and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., 1810-1815 and implementing regulations of the DIR.

A. All calls for bids, bidding materials and the construction documents for the Project must specify that (1) no contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the Project unless registered with the DIR pursuant to Labor Code Section 1725.5; and (2) the Project is subject to compliance monitoring and enforcement by the Authority.

B. Tenant, as the "awarding body", shall register the Project as required by Labor Code Section 1773.3 as set forth in the DIR's online form PWC-100 within thirty (30) days of project award or prior to the start of construction (whichever occurs first), and provide evidence of such registration to the Authority upon request and any additional registration reporting to the DIR.

C. In accordance with Labor Code Sections 1725.5 and 1771.1, Developer shall require that its contractors and subcontractors be registered with the DIR, and maintain such registration as required by the DIR.

D. Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the DIR. Tenant shall require its contractors and subcontractors to submit payroll and other records electronically to the DIR and the Authority pursuant to Labor Code Sections 1771.4 and 1776 et seq, or in such other format as required by the DIR and the Authority.

E. Developer shall and shall cause its contractors and subcontractors to keep and retain such records as are necessary to determine if prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq., and that apprentices have been employed as required by Labor Code Section 1777.5 et seq., and shall, from time to time upon the request to provide to the Authority such records and other documentation reasonably requested by the Authority.

F. Tenant shall and shall cause its respective contractors and subcontractors to comply with all other applicable provisions of Labor Code, including without limitation, Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., 1810-1815 and implementing regulations of the DIR in connection with construction of the Project any other work undertaken or in connection with the Project.

G. Copies of the currently applicable current per diem prevailing wages are available from the DIR website, www.dir.ca.gov. Developer shall cause its respective contractors to post the applicable prevailing rates of per diem wages at the Leased Premises and to post job site notices, in compliance with Title 8 California Code of Regulations 16451(d) or as otherwise as required by the DIR.

H. Tenant shall indemnify, hold harmless and defend (with counsel reasonably selected by the Authority), to the extent permitted by applicable law, the Authority, its councilmembers, commissioners, officials, employees and agents, against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Tenant, or its contractors or subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., to hire apprentices in accordance with Labor Code Sections 1777.5 et seq., or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., 1810-1815 and the implementing regulations of the DIR in connection with the work performed pursuant to this Agreement.

Section 3.11 Payment and Performance Bonds In connection with construction of the Improvements, Tenant shall require its general contractor to procure and deliver to Landlord copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of the Improvements, and one hundred percent (100%) payment bond. Said bonds shall be issued by an insurance company which is licensed to do business in the State of California and has a rating equivalent to AAA or AA+ by an insurance company listed in the current year's Federal Register or as otherwise approved by Landlord. The labor and materials (payment) bond shall name Landlord as a co-obligee or assignee.

Section 3.12 Landlord Review Tenant shall be solely responsible for all aspects of Tenant's conduct in connection with the Improvements, including, but not limited to, the quality and suitability of the specifications, the supervision of construction work, and the qualifications, financial condition, and performance of all engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by Landlord with reference to the Improvements, in accordance with the terms of this Lease, is solely for the purpose of determining whether Tenant is properly discharging its obligations to Landlord, and should not be relied upon by Tenant or by any third parties as a warranty or representation by Landlord as to the quality of the design or performance of the Improvements.

Section 3.13 Accessibility Requirements The design and the operation of the Project shall meet the program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8 or any applicable successor regulation, the Americans with Disabilities Act, and the Fair Housing Act and their implementing regulations. In addition, the Tenant shall ensure that the percentage of accessible dwelling units complies with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, subpart C or any applicable successor regulation.

ARTICLE 4 RENTS

Section 4.1 Capitalized Rent. Upon execution of this Lease, Tenant has compensated Landlord for the acquisition of the leasehold interest created by this Lease in the amount of [_____] Dollars and [__]/100 ($[_____]) ("**Capitalized Rent**") attributable to the unrestricted fair market value of the Leased Premises. Payment of the Capitalized Rent shall be deemed made by and upon the execution and delivery to Landlord of the [Acquisition Note].

Section 4.2 Additional Rents. In addition to the Capitalized Rent specified in Section 4.1 hereof, any and all of the payments that Tenant is required to make hereunder to or for the benefit of Landlord shall be deemed to be "**Additional Rents**." All such Additional Rents shall be payable in accordance with the provisions of this Lease specifying the payment of such Additional Rents, including, but not limited to, Section 4.3 herein. The Capitalize Rent specified in Section 4.1 hereof and Additional Rents payable hereunder shall be deemed "**Rents**" reserved

by Landlord, and any remedies now or hereafter given to Landlord under the laws of the State of California for collection of the Rents shall exist in favor of Landlord, in addition to any and all other remedies specified in this Lease.

Section 4.3 Payments. All Rents or other sums, if any, due Landlord hereunder shall be paid by Tenant to Landlord at the address of Landlord set forth herein for notices, or to such other person and/or at such other address as Landlord may direct.

Section 4.4 Net Lease and Assumption of Risk. This Lease is intended to be, and shall be, construed as an absolute net lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the Parties), the Rents provided for herein shall be absolutely net to Landlord over and above all costs, expenses, and charges of every kind or nature whatsoever related to the Leased Premises, including, without limitation, taxes, utility costs, insurance premiums, operating expenses, costs of repairs, maintenance, restorations, and replacements of the Project, except as may otherwise be expressly set forth herein.

Section 4.5 Financial Statements. Tenant shall provide to Landlord annual and quarterly financial statements.

(a) Within one hundred twenty (120) days after the end of each calendar year but in no event later than April 1 of each year, Tenant shall prepare and deliver to Landlord a statement (the "**Annual Statement**"), in form and containing such details as are reasonably satisfactory to Landlord, showing the total amount of Net Cash Flow received during such calendar year, itemizing all revenues and expenditures used to compute Net Cash Flow, and specifying the total amount of the annual Net Cash Flow payment due pursuant to the terms of the [Acquisition Note], if any. Tenant shall make any required Net Cash Flow payment to Landlord on the date that it delivers the Annual Statement to Landlord. Concurrent with delivery of each Annual Statement, Tenant shall also deliver to Landlord the audited financial statements of Tenant, as of the end of the prior year, with the report of Tenant's accountants thereon stating that the audit of such financial statements has been made in accordance with generally accepted audit standards.

(b) Within twenty-one (21) days after the end of each calendar quarter, Tenant shall prepare and deliver to Landlord a statement (the "**Quarterly Statement**"), in form and containing such details as are reasonably satisfactory to Landlord. At a minimum each Quarterly Statement for the Project shall include: (i) an income statement, (ii) a balance sheet, and (iii) rent rolls.

Section 4.6 Operating Budget. Not less than thirty (30) days prior to the completion of the Improvements, and not less than annually thereafter on or before November 1 of each year, Tenant shall submit to Landlord on not less than an annual basis an Operating Budget for the Project, which budget shall be subject to the written approval of Landlord's president/chief executive officer or his designee (the "**Executive Officer**"), which approval shall not be unreasonably withheld, conditioned, or delayed. The proposed Operating Budget shall include a description of anticipated repairs and capital replacements to be undertaken during such year. The Executive Officer's discretion in review and approval of each proposed Operating Budget

shall include, without limitation, authority to review individual categories, line items, and accounts, such as the following: extent, type, and amount for social services at or associated with the Project; existing balance(s) in and proposed deposits to any reserve accounts to evaluate shortfalls and/or cumulative unexpended/unencumbered deposits and reasonableness and conformity to prevailing market rates in Marin County. Landlord shall respond promptly, but in any event on or before December 1 of each year, to Tenant's request for approval of its Operating Budget. If Landlord fails to respond in any form to Tenant's request for approval of its Operating Budget on or before December 1, then Tenant may consider the Operating Budget approved (the "**Default Approval**"). In the event Default Approval does not apply and Landlord and Tenant fail to reach agreement on an Operating Budget by the beginning of the fiscal year, the Operating Budget of the previous fiscal year shall apply to the Project without any increase or change. Changes to the Operating Budget over five percent (5%) during the year must be approved by the Landlord. Notwithstanding anything in this Lease to the contrary, as long as the Project is subject to the RAD Use Agreement, the Operating Budget shall be submitted to the Landlord's Board of Commissioners annually and the Landlord's Board of Commissioners shall (a) confirm that the Tenant is making deposits into the reserve for replacement required under the RAD Requirements, (b) assess the financial health of the Project, and (c) make such other determinations as may be imposed by the RAD Requirements from time to time.

ARTICLE 5 TAXES AND OTHER IMPOSITIONS; UTILITIES

Section 5.1 Payment of Impositions. Prior to delinquency, Tenant will pay or cause to be paid all of the Impositions, except that if any Imposition that Tenant is obligated to pay in whole or in part is permitted by law to be paid in installments, Tenant may pay or cause to be paid such Imposition (or its proportionate part thereof) in installments prior to delinquency. Upon the written request of Landlord, Tenant shall exhibit and deliver to Landlord evidence satisfactory to Landlord of payment of all Impositions. During the first and last years of the Term, all Impositions that shall become payable during each calendar, fiscal, tax, or Lease Year, as applicable, shall be ratably adjusted on a per diem basis between Landlord and Tenant in accordance with the respective portions of such calendar, fiscal, tax, assessment, or Lease Year during the Term. If any special assessments are payable in installments, Tenant shall pay only those installments that are due and for which the delinquency date occurs during the Term for periods occurring during the Term. The Parties acknowledge that Tenant intends to apply for an exemption for ad valorem taxes under Section 214(g) of the California Revenue and Taxation Code. Nothing in this Section 5.1 shall prohibit the Tenant from depositing such Imposition payments into an escrow account maintained by the lender of First Mortgage Loan for the purposes of paying such Impositions.

Section 5.2 Contested Taxes and Other Impositions. Tenant, at its sole cost and expense, in its own name or in the name of Landlord and subject to the consent of any Mortgagee (if required), may contest the validity or amount of any Imposition relating to all or any portion of the Leased Premises, in which event the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted.

(a) As may be necessary or desirable, Landlord or Tenant, as applicable, upon the request of the other Party, shall use its best reasonable efforts to assist in any such proceeding to contest the validity or amount of any Imposition.

(b) Nothing contained in this Section 5.2, however, shall be construed to allow any such contested Imposition to remain unpaid for a length of time which shall permit the Leased Premises, or any part thereof, to be sold by any Governmental Authorities for the nonpayment of such Imposition. Tenant shall promptly furnish Landlord copies of all notices, appeals, pleadings, motions, and orders in any proceedings commenced with respect to such contested Imposition. During such contest, Tenant shall (by the payment of such disputed taxes, assessments, or charges, if necessary) prevent any advertisement of tax sale, any foreclosure of, or any divesting thereby of Landlord's title, reversion, or other interest in or to the Leased Premises and the Improvements.

Section 5.3 Valuation Assessment. If applicable, Tenant, at its expense, may attempt to obtain a lowering of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon.

Section 5.4 Failure to Pay Impositions. If Tenant fails to pay any Impositions before the same become delinquent, or as otherwise required pursuant to Section 5.1 hereof, Landlord, at its election, may pay such Impositions (but shall not be obligated to pay same), together with any interest and penalties due thereon, and the amount so paid by Landlord shall be repayable to Landlord by Tenant within forty-five (45) days after Landlord's demand therefor.

Section 5.5 Utilities. Tenant shall pay all utilities used, rendered, or supplied upon or in connection with the Improvements and the construction thereof including, but not limited to, all charges for gas, electricity, light, heat, or power, all telephone and other communications services, all water rents and sewer service charges, and all sanitation fees or charges levied or charged against the Leased Premises during the Term; provided, however, that Tenant shall have no responsibility hereunder for the payment of utilities supplied by the respective providers directly to Residents for such Residents' use in connection with the occupancy of their respective Residential Units. Landlord shall have no responsibility for the payment of utility costs.

ARTICLE 6 INSURANCE

Section 6.1 Tenant's Insurance. During the Term, Tenant shall keep and maintain in force, at no cost or expense to Landlord, the following insurance, all of which shall be provided by companies and/or agencies authorized to do business in the State of California; provided, however, that in the event of conflict between the following requirements and the requirements in the Approved Financing Documents, the stricter requirements shall control:

(a) Leased Premises Insurance. Property insurance covering all risks of direct physical loss or damage to the Improvements not scheduled to be demolished, with limits of not less than one hundred percent (100%) of the "full replacement value" thereof, which insurance shall be provided by Tenant upon Closing. Such policies shall be broad form and shall include, but shall not be limited to, coverage for fire, extended coverage, vandalism, malicious mischief,

and storm. Perils customarily excluded from all risk insurance, e.g., earthquake and flood, may be excluded. The term "full replacement value" shall exclude the cost of excavation, foundations, and footings. The amount of such insurance shall be adjusted by reappraisal of the Project by the insurer or its designee not more than once every five (5) years after construction during the Term, if requested in writing by Landlord.

(b) General Liability Insurance. Commercial general liability and automobile liability insurance, covering loss or damage resulting from accidents or occurrences on or about or in connection with the Improvements or any work, matters, or things under, or in connection with, or related to this Lease, with personal injury, death, and property damage combined single limit liability of not less than [One Million Dollars and No/100 ($1,000,000.00) for general liability and One Million Dollars and No/100 ($1,000,000.00)] for automobile liability for each accident or occurrence and an aggregate limit of not less than [Two Million Dollars and No/100 ($2,000,000.00)] for general liability and [One Million Dollars and No/100 ($1,000,000.00)] for automobile liability, and umbrella/excess liability insurance of [Five Million Dollars and No/100 ($5,000,000.00)]. Coverage under any such comprehensive policy shall be broad form and shall include, but shall not be limited to, operations, contractual, elevators, owner's and contractor's protective, products and completed operations, and the use of all owned, non-owned, and hired vehicles.

(c) Workers' Compensation Insurance. Tenant shall carry or cause to be carried Workers' Compensation insurance with limits as required by the State of California and Employer's Liability limits of [One Million Dollars and No/100 ($1,000,000.00)] for bodily injury by accident and [One Million Dollars and No/100 ($1,000,000.00)] per person and in the annual aggregate for bodily injury by disease covering all persons employed by Tenant in connection with the Improvements and with respect to whom death, bodily injury, or sickness insurance claims could be asserted against Landlord or Tenant.

(d) Builders' Risk Insurance. As of Closing, during the course of any construction, alteration, or reconstruction of the Improvements, the cost for which exceed the capacity of Tenant's permanent/operating property insurance carrier, then Tenant shall provide builders' risk insurance for not less than the value of the construction contract, combined single limit for bodily injury or property damage insuring the interests of Landlord, Tenant, and any contractors and subcontractors.

Section 6.2 General Requirements. All policies described in Section 6.1 shall include Landlord and Tenant, together with Mortgagees, as their respective interests may appear. All policies described in Section 6.1 shall contain: (a) the agreement of the insurer to give Landlord and Mortgagees, as applicable, at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies, however if such notice cannot be provided by the carrier, then responsibility of such notice shall be borne by the Tenant; (b) an agreement that such policies are primary and non-contributing with any insurance that may be carried by Landlord; (c) a waiver by the insurer of all rights of subrogation against Landlord and its authorized parties in connection with any loss or damage thereby insured against; and (d) terms providing that any loss covered by such insurance may be adjusted with Landlord and Tenant according to their interests in the Leased Premises, but shall,

to the extent required by the loan documents of a Mortgage, be payable to the holder of a Mortgage, who shall agree to receive and disburse all proceeds of such insurance, subject to the duty of Tenant to repair or restore, as set forth in Sections 12.1 and 12.2 hereof.

Section 6.3 Evidence of Insurance. Certificates of insurance for all insurance required to be maintained by Tenant prior to Closing under this Article 6 shall be furnished by Tenant to Landlord on or before the date of this Lease. Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by this Lease at any time.

Section 6.4 Failure to Maintain. If Tenant fails to maintain such insurance, Landlord, at its election, may procure such insurance as may be necessary to comply with the above requirements (but shall not be obligated to procure same), and Tenant agrees to repay to Landlord as Additional Rent the cost of such insurance. Landlord shall provide at least three (3) days' notice and opportunity to cure to Tenant before procuring any required insurance; provided, however, if such cure period would create a potential lapse in any insurance coverage, Landlord shall have no such notice obligation.

Section 6.5 Acceptability of Insurers**.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-: VII or such other rating as may be reasonably acceptable to Landlord.

ARTICLE 7 MAINTENANCE, ALTERATIONS, REPAIRS AND REPLACEMENTS

Section 7.1 Maintenance of Leased Premises. During the Term at Tenant's sole cost and expense, Tenant shall keep and maintain the Leased Premises, all Improvements, and all appurtenances thereunto belonging, in good and safe order, condition, and repair. In addition, all maintenance and repair of the Residential Units shall conform and comply with the Legal Requirements affecting the Leased Premises.

Section 7.2 Alterations to Leased Premises. Following construction of the Improvements, Tenant may make any additions, alterations, or changes (sometimes collectively referred to herein as "**Alterations**") in or to the Improvements subject, however, to the following conditions:

(a) No Alterations shall be made that are likely to materially impair the structural soundness of the Improvements;

(b) No Alterations of the Leased Premises shall be undertaken (other than in emergency situations or as required by Governmental Authorities having jurisdiction) which have a cost greater than [Two Hundred Fifty Thousand Dollars and No/100 ($250,000.00)] that would materially affect the design of the Improvements, or demolition of any portion thereof, without first presenting to Landlord complete plans and specifications therefor and obtaining Landlord's written consent thereto (which consent shall be given so long as, in Landlord's judgment, such Alterations will not violate the Legal Requirements, this Lease, the Regulatory Agreements, or impair the value of the Improvements);

(c) No Alterations shall be undertaken until Tenant shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable Governmental Authorities, all required consents of Mortgagee, and the consent of Landlord if required pursuant to subsection (b), above, if applicable. Landlord shall join in the application for such permits or authorizations whenever such action is necessary or helpful and is requested by Tenant, and shall use Landlord's reasonable best efforts to obtain such permits or authorizations; and

(d) Any Alterations shall be performed in a good and workman-like manner and in compliance with the Legal Requirements, Regulatory Agreements, RAD Requirements and all applicable Insurance Requirements.

Section 7.3 Indemnifications. Notwithstanding any other provision of this Lease to the contrary, Tenant shall defend, indemnify and hold harmless Landlord and its commissioners, its officer(s), employee(s), agent(s), contractor(s), and director(s) (including directors or employees of any Landlord instrumentalities or affiliates) from all claims, actions, demands, costs, expenses and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by an act or omission of the Tenant, its agent(s), contractor(s), servant(s), or employee(s) which constitutes a breach of the Tenant's obligations under this Lease. If any third-party performing work for the Tenant on the Project shall assert any claim against the Landlord on account of any damage alleged to have been caused by reason of the negligent acts or intentional misconduct of the Tenant, its agent(s), servant(s), employee(s) or contractor(s) (including, without limitation, its general contractor), the Tenant shall defend at its own expense any suit based upon such claim; and if any such judgment or claim against the Landlord shall be allowed, the Tenant shall pay or satisfy such judgment or claim and pay all reasonable costs and expenses in connection therewith including reasonable attorneys' fees.

In addition, if any contractor or subcontractor which performed preconstruction work or any construction work for Tenant or Tenant's affiliates on the Improvements shall assert any claim against Landlord on account of any damage alleged to have been caused by reason of acts of negligence of Tenant or Tenant's affiliates, their members, partners, officers, directors, affiliates, agents, or employees, or their construction contractors, Tenant shall defend at its own expense any suit based upon such claim; and if any such judgment or claim against Landlord shall be allowed, Tenant shall pay or cause to be paid or satisfied such judgment or claim and pay all costs and expenses in connection therewith.

The obligations, indemnities, and liabilities of the Tenant under this Section 7.3 shall not extend to any liability caused by the negligence or misconduct of HUD, Landlord, or their employee(s), contractor(s), or agent(s). The Tenant's liability shall not be limited by any provisions or limits of insurance set forth in this Lease. This indemnity shall survive the termination of this Lease.

Section 7.4 Management. Tenant shall at all times use its best efforts to keep the Leased Premises fully leased, in good condition and repair and in accordance with this Lease. Tenant shall: (a) carefully and efficiently operate, lease, and manage the Leased Premises; (b)

maintain separate books and records for the Leased Premises; (c) timely collect all rents, and pay and discharge all costs, expenses, liabilities, and obligations of or relating to the Leased Premises; (d) use commercially reasonable efforts to operate and maintain the Leased Premises substantially in accordance with the Operating Budget approved by Landlord pursuant to Section 4.6; (e) maintain such reserves as may be required by the Mortgagee; and (f) timely furnish Landlord with accounting documents and other information regarding the Project and the operation thereof as may be reasonably required by Landlord.

Section 7.5 Delegation of Management Duties. The Leased Premises shall be managed by the Management Agent approved by Landlord. Each management contract relating to the Leased Premises shall (a) be subject to the Landlord's approval, (b) provide that it may be terminated by Landlord at any time after the termination of this Lease upon thirty (30) days' notice to the Management Agent and (c) allow Tenant to terminate the management contract following Management Agent's failure to materially comply with the management, leasing, and occupancy requirements of Sections 7.4, 7.5 and 7.6 of this Lease. If Landlord determines that the Management Agent has failed to materially comply with the management, leasing, and occupancy requirements of Sections 7.4, 7.5 and 7.6 of this Lease, Landlord shall notify Tenant. Tenant shall then have sixty (60) days beyond the cure periods in the management contract to cause the Management Agent to correct the non-compliance. If, following such sixty (60) day period, Management Agent has not corrected the non-compliance and Tenant has not terminated the management contract then, Landlord shall have the right, subject to any applicable Mortgagee or Investor approvals, to remove Management Agent. All service and supply contracts shall also by their terms be terminable by Landlord at any time after the termination of this Lease upon thirty (30) days' notice. Tenant shall not enter into any commercially unreasonable contract for services or supplies. Landlord's approval of any management agent shall not be construed as a representation, endorsement, or warranty by Landlord as to the reputation, ability, or qualifications of the same. In addition, the Landlord expressly reserves the right to approve the fees and/or compensation of the Management Agent. As of the date hereof, Landlord has approved the initial Management Agent, the initial Management Agreement, and initial management fee.

Section 7.6 Management and Operation of the Residential Units.

(a) Tenant shall be responsible, at its sole cost and expense, for the repair and maintenance of the Residential Units in full compliance with this Lease and all Legal Requirements (including, without limitation, any applicable HUD regulations and guidelines applicable to the RAD Units), and for paying all costs relating to such Residential Units (including, without limitation, taxes, insurance, and any homeowner's association fees or special assessments). Landlord shall have the right to inspect, monitor, and audit the operations of Tenant (including, but not limited to, evaluating housing quality standards and the tenant selection process) with respect to the operation and maintenance of the Residential Units in its capacity as contract administrator for HUD of any RAD HAP Contract, and Tenant shall cooperate fully with respect to such activities by Landlord (including, without limitation, providing Landlord with such information regarding the operation and maintenance of the Residential Units as may reasonably by requested by Landlord).

(b) Tenant and Landlord shall comply with the provisions of Exhibit F hereto, the Property Management and Re-Occupancy Plan, which requires: (i) Tenant to rent all vacant RAD Units to eligible families referred and approved by Landlord; (ii) Landlord and Tenant to determine tenant eligibility in accordance with any applicable HUD regulations and guidelines; and (iii) the Parties to cooperate in good faith with respect to the lease-up process to ensure, among other matters that lease-up and occupancy occurs in a timely manner and complies with the requirements of Approved Financing and the Regulatory Agreements.

(c) Subject to the rights of any Resident(s) with a "right to return" to a replacement RAD Unit, Landlord and Tenant agree that the Tax Credit Units developed on the Leased Premises must be rented to Residents who meet the eligibility requirements of TCAC, California Debt Limit Allocation Committee, the other Regulatory Agreements and the Investor and Project lenders in connection with the Approved Financing Documents. Landlord shall only refer to Tenant those Residents who meet the requirements of TCAC, California Debt Limit Allocation Committee, the Section 18 Restriction, and the RAD Use Agreement, as applicable. The referral process shall be detailed in the Property Management and Re-Occupancy Plan and Landlord shall countersign the Property Management and Re-Occupancy Plan to ensure Landlord's compliance with its obligations thereunder. Tenant shall provide all Residents tenant protections provided at Exhibit C and all occupants of the Residential Units supportive services as provided in the Supportive Services Plan at Exhibit G.

Section 7.7 Certain Limitations on Work. Tenant shall not do or knowingly permit any work which would adversely and materially affect the value, rentability, or rental value of the Leased Premises, and Tenant shall not, without the prior written consent of Landlord, demolish or remove, or cause, knowingly suffer, or knowingly permit the demolition or removal of, the Project other than such demolition and/or removal as may be permitted following any event described in Articles 11 and 12 hereof.

Section 7.8 Alterations Required by Law. Without limitation on the other provisions of this Lease, if any work shall be required with respect to the Leased Premises or any part thereof by any present or future laws, ordinances, or regulations, the same shall be done by and the cost thereof borne by Tenant.

Section 7.9 Landlord Completion of Work. To the extent Tenant is required to complete work pursuant to any Legal Requirement and fails to do so, upon the expiration of sixty (60) days written notice from Landlord to Tenant, or such longer period as is reasonably necessary to complete such work given the circumstances, Landlord shall have the right to complete such work and Tenant shall reimburse Landlord for all reasonable expenses incurred in connection therewith.

ARTICLE 8 MORTGAGE LOANS

Section 8.1 Loan Obligations. Nothing contained in this Lease shall relieve the Tenant of its obligations and responsibilities under any Approved Financing or Approved Financing Documents to operate the Project as set forth therein.

Section 8.2 Liens and Encumbrances Against Tenant's Interest in the Leasehold Estate. Tenant shall have the right to encumber the leasehold estate created by this Lease and the Improvements with the Regulatory Agreements and all other liens and restrictive covenants related to the Approved Financing. Except as otherwise provided in this Lease, Tenant shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property other than a lien for current taxes, whether by express agreement or operation of law, or allow any encumbrance or lien to be made on or attached to the Property or the Improvements, except with the prior written consent of the Landlord, which approval shall not be unreasonably withheld, delayed or conditioned, and as otherwise permitted under this Lease. The Tenant shall notify the Landlord in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Improvements, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of the Tenant or otherwise.

Section 8.3 Cost of Loans to be Paid by Tenant. The Tenant affirms that, except as otherwise provided in the documents evidencing financing to the Project provided by Landlord, it shall bear all of the costs and expenses in connection with (i) the preparation and securing of the Approved Financing, (ii) the delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with the Approved Financing.

Section 8.4 Proceeds of Loans. It is expressly understood and agreed that all Approved Financing proceeds shall be paid to and become the property of Tenant, and that the Landlord shall have no right to receive any such Approved Financing proceeds.

Section 8.5 No Subordination of Fee Interest. The Landlord will not approve any subordination of its fee interest in any portion of the Property to the interests of any lender or other entity providing financing for the Project. Landlord agrees to execute lease riders that may be required by TCAC in connection with the Approved Financing and Regulatory Agreements required by TCAC; provided, however, that any such required lease riders and Regulatory Agreements are consistent with this Lease and approved by Landlord and HUD, as applicable.

Section 8.6 Notice and Right to Cure Defaults Under Loans. The Landlord may record in the Official Records a request for notice of any default under the Approved Financing Documents or other financing secured by the Project. In the event of default by the Tenant under the Approved Financing Documents or other financing secured by the Project, the Landlord shall have the right, but not the obligation, to cure the default within the cure periods available to the Tenant and its partners ("**Financing Cure Right**"). Any payments made by the Landlord to cure a default shall be treated as Additional Rent due from the Tenant and shall be paid to Landlord within thirty (30) days following the date on which the payment was made by the Landlord.

ARTICLE 9 PERMITTED MORTGAGES AND INVESTOR RIGHTS

Section 9.1 Right to Encumber. Tenant shall have the right during the Term to encumber, through one or more Mortgages, Regulatory Agreements, or declaration of covenants, all of Tenant's right, title, and interest in the Leased Premises, subject to the provisions of this

Lease and with prior written Landlord and HUD approval, if required. Landlord hereby approves all Mortgages and Regulatory Agreement contemplated by the Approved Financing Documents, except any Approved Financing Documents not executed as of substantially even date herewith. Except as expressly set forth in this Lease, Landlord shall not encumber its fee interest in the Leased Premises.

Section 9.2 Notice to Mortgagee. During any period in which a Mortgage is in place, Landlord shall give any such Mortgagee of which Landlord has received notice from Tenant a duplicate copy of all notices of default or other notices that Landlord may give to or serve in writing upon Tenant pursuant to the terms of this Lease and all such duplicate copies of notices of default and other notices shall be distributed simultaneously to both Tenant and Mortgagee. No notice by Landlord to Tenant under this Lease shall be effective unless and until a copy of such notice has been delivered to each Mortgagee of which Landlord has received notice from Tenant. Additionally, Landlord shall give Mortgagee written notice of any rejection of this Lease in bankruptcy proceedings. Landlord shall not serve a notice of cancellation or termination upon Tenant unless a copy of any prior notice of default shall have been given to Mortgagee and the time for curing such default pursuant to Section 9.3 below shall have expired without the same having been cured, and no such notice of default shall be effective as to such Mortgagee not receiving actual notice thereof. Landlord further agrees that it shall notify Mortgagee in writing of the failure of Tenant to cure a default within any applicable grace period under this Lease and of the curing of any default by Tenant under this Lease, and Mortgagee shall have the additional cure periods pursuant to Section 9.4 below. The performance by Mortgagee of any condition or agreement on part of Tenant to be performed hereunder will be deemed to have been performed with the same force and effect as though performed by Tenant. The address of Mortgagee originally designated in a Mortgage may be changed upon written notice delivered to Landlord in the manner specified in Section 18.12 herein. Landlord's failure to give any such notice to any such Mortgagee shall not constitute a default under Section 13.4.

Section 9.3 Right of Mortgagee to Cure. Notwithstanding any default by Tenant under this Lease, Landlord shall have no right to terminate or cancel this Lease unless Landlord shall have given each Mortgagee written notice of such default pursuant to Section 9.2 of this Lease and such Mortgagees shall have failed to remedy such default or acquire Tenant’s leasehold estate created by this Lease or commence foreclosure or other appropriate proceedings as set forth in, and within the time specified by, this Section.

Any Mortgagee which has an outstanding Mortgage shall have the right, but not the obligation, at any time to pay any or all of the rent due pursuant to the terms of this Lease, and do any other act or thing required of Tenant by the terms of this Lease, to prevent termination of this Lease. After receipt of notice from Landlord that Tenant has failed to cure such default within the period specified in this Lease, Mortgagee shall have ninety (90) days from the receipt of such notice to cure such default. All payments so made and all things so done shall be as effective to prevent a termination of this Lease as the same would have been if made and performed by Tenant instead of by Mortgagee. However, in order to prevent termination of this Lease, a Mortgagee shall not be required to cure: (i) default on obligations of Tenant to satisfy or otherwise discharge any lien, charge, or encumbrance against Tenant’s interest in this Lease caused by a wrongful act or omission of Tenant; or (ii) defaults on obligations of Tenant under

any indemnity provision in this Lease arising from acts or omissions of Tenant; or (iii) other past monetary obligations then in default; (iv) any default resulting from the acts or omissions of Landlord; or (v) any default relating to the failure to pay Additional Rent resulting from Landlord's exercise of its Financing Cure Right ("**Excluded Defaults**"). For purposes of clarification and illustration, it is the intention of the Parties hereto that Excluded Defaults shall include (but not as an exclusive list) claims, damages, liability, and expenses, including personal injury and property damage arising or alleged to be arising from actions or inactions of Tenant such as failure to pay insurance premiums, allowing dangerous conditions to exist at the Leased Premises or failure to operate the Leased Premises in accordance with regulatory restrictions. If the default by Tenant is of such nature that it cannot practicably be cured without possession of the Leased Premises, then the ninety (90)-day period set forth above shall be extended for so long as a Mortgagee shall be proceeding with reasonable diligence to foreclose on Tenant's interest or otherwise obtain possession of the Leased Premises for itself or a receiver and such cure period shall commence upon the date that Mortgagee obtains possession.

Prior to the expiration of the cure rights of Mortgagees, Landlord shall not effect or cause any purported termination of this Lease nor take any action to deny Tenant possession, occupancy, or quiet enjoyment of the Leased Premises or any part thereof.

Without limiting the rights of Mortgagees as stated above, and whether or not there shall be any notice of default hereunder, each Mortgagee shall have the right, but not the obligation, at any time prior to termination of this Lease to pay all of the rent due hereunder, with all due interest and late charges, to procure any insurance, to pay any taxes or assessments, to make any repairs or improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants, and conditions hereof to prevent termination of this Lease. Any Mortgagee and its agents and contractors shall have full access to the Leased Premises for purposes of accomplishing any of the foregoing. Any of the foregoing done by any Mortgagee shall be as effective to prevent a termination of this Lease as the same would have been if done by Tenant.

In addition to the cure period provided above in this Section 9.3, if the default is such that possession of the Leased Premises may be reasonably necessary to remedy the default, any Mortgagee shall have a reasonable time after the expiration of such ninety (90)-day period within which to remedy such default, provided that (i) such Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease (other than Excluded Defaults) within such ninety (90)-day period and shall continue to pay currently any monetary obligations when the same are due and (ii) such Mortgagee shall have acquired Tenant's leasehold estate hereunder or commenced foreclosure or other appropriate proceedings prior to or within such period, and shall be diligently prosecuting the same.

Any default under this Lease which by its nature cannot be remedied by any Mortgagee shall be deemed to be remedied if (i) within ninety (90) days after receiving written notice from Landlord that Tenant has failed to cure such default within the period specified in this Lease, or prior thereto, any Mortgagee shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings or other remedies available to such Mortgagee

under the applicable Mortgage, (ii) Mortgagee shall diligently prosecute any such proceedings or remedies referenced in subsection (i) above to completion, and (iii) Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant hereunder (other than Excluded Defaults) which does not require possession of the Leased Premises.

If any Mortgagee is prohibited, stayed, or enjoined by any bankruptcy, insolvency, or other judicial proceedings involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that any Mortgagee shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease (other than Excluded Defaults) and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that such Mortgagee shall not interfere with Landlord's efforts to seek compliance by Tenant with any non-monetary obligation under this Lease.

Section 9.4 Limitation on Liability of Mortgagee. No Mortgagee shall be or become liable to Landlord as an assignee of this Lease or otherwise unless it expressly assumes by written instrument executed by Landlord and Mortgagee such liability (in which event the Mortgagee's liability shall be limited to the period of time during which it is the owner of the leasehold estate created hereby) and no assumption shall be inferred from or result from foreclosure or other appropriate proceedings in the nature thereof or as the result of any other action or remedy provided for by such Mortgage or other instrument or from a conveyance from Tenant pursuant to which the purchaser at foreclosure or grantee shall acquire the rights and interest of Tenant under the terms of this Lease.

Section 9.5 Estoppel Certificates. Landlord and Tenant agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other Party, or upon request from any Mortgagee or Investor or a permitted assignee or other interested party, Landlord or Tenant will execute, acknowledge, and deliver to the other Party or to such Mortgagee or Investor a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect; (b) the date through which the Rents have been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default (or any conditions existing which, but for the passage of time or the giving of notice, would constitute a default), set-off, defense, or other claim against Landlord or Tenant, as applicable, other than those, if any, so specified under the provisions of this Lease. In addition to clauses (a) through (c) above, if a Mortgagee requires such a statement in writing from Landlord, Landlord, in its statement, shall (x) confirm that Landlord consents to the Mortgage in question; (y) identify all of the relevant documents that evidence this Lease; and (z) provide any other statements or provisions reasonably requested by Mortgagee. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Landlord, Tenant ,or any Mortgagee or Investor, as the case may be, in this Lease or by any prospective Mortgagee or Investor or permitted assignee of any Mortgage or Investor.

Section 9.6 Registration of Mortgages. Tenant shall, from time to time upon written request by Landlord, provide written notice to Landlord of the name and address of each Mortgagee under this Lease. For purposes of this Lease, the First Mortgagee is a Mortgagee and

all references to Mortgagee shall refer to and include (i) the First Mortgagee, together with its successors and assigns including a successor who acquires the First Mortgagee's interests as a result of foreclosure or acceptance of a deed in lieu of foreclosure and (ii) a holder of any Mortgage. Any Mortgagee or designee thereof that acquires title to the leasehold estate or any part thereof, any person that acquires title to the leasehold estate through any judicial or non-judicial foreclosure sale, deed, or assignment in lieu thereof, or any sale or transfer made under any order of any court to satisfy wholly or in part obligations secured by any Mortgage, and the successors and assigns of any such Mortgagee, is referred to as a "**Transferee**." Each Mortgagee and Transferee is an intended beneficiary of the terms of this Lease.

Section 9.7 New Lease. Notwithstanding the provisions of Sections 10 and 11 hereof, in the event of the termination or cancellation of this Lease prior to the natural expiration of the Term of this Lease due to a default of Tenant or operation of law or otherwise (including, without limitation, the bankruptcy filing of Tenant or the commencement of an insolvency proceeding or similar proceeding, an act of condemnation or eminent domain against a portion of the Leased Premises by a government agency or body, the destruction or damage of the Leased Premises, or a change in the control or management of Tenant), Landlord shall also be obligated to give notice to Mortgagee simultaneously with such notice given to Tenant and shall include in the notice a statement of all sums which would be due under this Lease at the time of termination and all other defaults of Tenant existing at such time. No such notice to Tenant shall be effective with respect to termination or cancellation of this Lease unless Mortgagee shall also have been so notified. Landlord, upon written request from any Mortgagee within sixty (60) days of receiving such notice of termination or cancellation, shall enter into a new lease with the Mortgagee having a lien with the most senior priority or its designee in accordance with and upon the same terms and conditions as set forth herein and with the same relative priority in time and in right as this Lease (to the extent possible) and having the benefit of and vesting in Mortgagee, or its designee, of all the rights, title, interest, powers, and privileges of Tenant hereunder (the "**New Lease**"). In this regard, in the event of the filing of a petition in bankruptcy by Tenant, and Tenant rejects this Lease under the then applicable provisions of the United States Bankruptcy Code, U.S.C. Title 11, (the "**Bankruptcy Code**"), Landlord shall, upon the request of a Mortgagee within the time period specified above, affirm this Lease, and Landlord will enter into a New Lease immediately upon Tenant's rejection of this Lease. In the event of the filing of a petition in bankruptcy by Landlord, and Landlord rejects this Lease and Tenant does not affirm it, a Mortgagee will have, within a reasonable amount of time, the authority to affirm this Lease on behalf of Tenant and to keep this Lease in full force and effect. Nothing in this Section or this Lease shall be construed to imply that this Lease may be terminated by reason of rejection in any bankruptcy proceeding of Tenant. The Parties intend, for the protection of Mortgagees, that any such rejection shall not cause a termination of this Lease. Notwithstanding anything to the contrary contained herein, no termination of this Lease shall become effective until, and the lien of each Mortgage on the Leased Premises shall remain effective until, either a New Lease has been made pursuant to this Section 9.7 of this Lease or no Mortgagee has timely accepted (or caused to be accepted) a New Lease, upon the expiration of the 60-day period as set forth above. Upon entering into a New Lease, such Mortgagee or its affiliated designee shall cure any monetary default by Tenant hereunder, except Excluded Defaults.

After cancellation and termination of this Lease and upon compliance with the provisions of this Section 9.7 by Mortgagee, or its designee, within such time, Landlord shall thereupon execute and deliver such New Lease to such Mortgagee or its designee, having the same relative priority in time and right as this Lease (to the extent possible) and having the benefit of all the right, title, interest, powers, and privileges of Tenant hereunder in and to the Leased Premises (other than with respect to Excluded Defaults) and Landlord and the new Tenant shall execute and deliver any deed or other instrument and take such other action as may be reasonably necessary to confirm or assure such right, title, interest, or obligations.

Upon the execution and delivery of the New Lease, title to all Improvements on the Leased Premises shall automatically vest in the Mortgagee or the designee until the expiration or earlier termination of the term of the New Lease.

If Landlord shall, without termination of the Lease, evict Tenant, or if Tenant shall abandon the Leased Premises, then any reletting thereof shall be subject to the liens and rights of Mortgagees, and in any event Landlord shall not relet the Leased Premises or any part thereof, other than renewal of occupancies of residential tenants and leases or other occupancy agreements with new residential tenants consistent with any covenants of record for low-income housing, without sixty (60) days' advance written notice to all Mortgagees of the intended reletting and the terms thereof, and if any Mortgagee shall, within thirty (30) days of receipt of such notice, give notice to Landlord of such Mortgagee's intent to pursue proceedings to foreclose on the Leased Premises or otherwise cause the transfer thereof, then so long as the Mortgagee shall diligently pursue such proceedings Landlord shall not proceed with such reletting without the written consent of such Mortgagee.

Nothing herein contained shall require any Mortgagee to accept a New Lease.

No Mortgagee shall be liable to Landlord unless it expressly assumes such liability in writing. In the event any Mortgagee or other transferee becomes the "Tenant" under this Lease or under any New Lease obtained pursuant to this Article, Mortgagee or other transferee shall not be liable for the obligations of Tenant under this Lease that do not accrue during the period of time that the Mortgagee or such other transferee, as the case may be, remains the actual Tenant under this Lease or the New Lease, holding record title to the leasehold interest thereunder, other than the requirement that the Mortgagee cure any monetary defaults (except Excluded Defaults) by Tenant upon entering into a New Lease. In no event shall any Mortgagee or other transferee be: (i) liable for the erection, completion, or restoration of any improvements unless erection, completion, or restoration of any improvements is required as a result of the acts or omissions of the Mortgagee following the date of its acquisition of Tenant's interest in the Leased Premises; (ii) liable for any condition of the Leased Premises that existed prior to the date of its acquisition of Tenant's interest in the Leased Premises, or for any damage, loss, or injury caused by such preexisting condition, or for the correction thereof or the compliance with any law related thereto; (iii) bound by any amendment of this Lease made without the prior written consent of the Mortgagee; or (iv) liable for any act or omission of any prior "Tenant" of any portion of the Leased Premises (including Tenant). Any liability of any Mortgagee or other transferee shall be limited to its interests in the leasehold and the Leased Premises, and shall be enforceable solely against those interests.

The Investor, for so long as Investor is a limited partner of Tenant, shall have all of the same rights as a Mortgagee under this Section 9.7 to the extent such rights are not exercised by any Mortgagee; provided, however, that in lieu of foreclosure, Investor shall be attempting with diligence and in good faith to remove one or both general partners of Tenant in accordance with the [Partnership Agreement].

Section 9.8 Rights of Investor. Investor shall have the same notice and cure rights as any Mortgagee, which rights shall run concurrently with those of any Mortgagee for so long as Investor is a limited partner of Tenant, provided, however, that Investor shall be deemed to have met any condition relating to the commencement or continuation of a foreclosure proceeding if it is attempting with diligence and in good faith to remove one or both general partners of Tenant. Notwithstanding anything to the contrary herein, Tenant shall not be permitted to terminate this Lease prior to the expiration of the Term without the prior written consent of the Investor. The address for any notices to same, as of the date hereof, is provided in Section 18.12 hereof. Notwithstanding any other provisions herein:

(a) if a monetary event of default occurs under the terms of this Lease, prior to exercising any remedies hereunder, Landlord shall provide written notice of such default to Investor and Investor shall have a period of sixty (60) days after such notice is given within which to cure the default prior to exercise of remedies by Landlord; or

(b) if a nonmonetary event of default occurs under the terms of this Lease, prior to exercising any remedies hereunder, Landlord shall provide written notice of such default to Investor and Investor shall have a period of ninety (90) days after such notice is given within which to cure the default prior to exercise of remedies by Landlord, unless such cure cannot reasonably be accomplished within such ninety (90) day period, in which event Investor shall have such time as is reasonably required to cure such default so long as Investor continues in good faith to diligently pursue the cure.

ARTICLE 10 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 10.1 Representations, Warranties and Covenants of Tenant. As an inducement to Landlord to enter into and to proceed under this Lease, Tenant warrants and represents to Landlord as follows, which warranties, representations, and covenants are true and correct as of the date of this Lease:

(a) Tenant has the right, power, and authority to enter into this Lease and the right, power, and authority to comply with the terms, obligations, provisions, and conditions contained in this Lease;

(b) The entry by Tenant into this Lease and the performance of all of the terms, provisions, and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Tenant is a party or by which it is bound;

(c) Tenant (i) shall not cause or permit any Hazardous Substances and Materials to be placed, held, located, or released or disposed of on, under, or at the Leased Premises or any part thereof, except in commercially reasonable amounts used in the construction and operation of the Improvements and in accordance with Legal Requirements, and (ii) shall not cause or permit any Hazardous Substances and Materials contamination of the Leased Premises or any part thereof.

(d) At all times during the Term, Tenant or its authorized representative shall use, maintain and operate the Leased Premises and the Improvements thereon in accordance with all Legal Requirements and Regulatory Agreements.

Section 10.2 Representations, Warranties and Covenants of Landlord. As an inducement to Tenant to enter into and to proceed under this Lease, Landlord warrants and represents to Tenant as follows, which warranties, representations, and covenants are true and correct as of the date of this Lease:

(a) Landlord has the right, power, and authority to enter into this Lease and the right, power, and authority to comply with the terms, obligations, provisions, and conditions contained in this Lease;

(b) Landlord has made available prior to execution of this Lease all documents related to the Leased Premises and existing prior to the Commencement Date (the "**Property Documents**"), and any copies that are furnished to Tenant by Landlord are and will be true, complete and correct copies of the Property Documents; (2) Landlord has received no notices from any Governmental Authority of any zoning, safety, building, fire, environmental, health code or any other violations whatsoever with respect to the Leased Premises other than as disclosed in the Property Documents; (3) there is no litigation or proceeding (including, but not limited to, condemnation or eminent domain proceedings, pending grievances or arbitration proceedings or foreclosure proceedings threatened) or pending unfair labor practice charges or complaints, pending, or threatened, against or relating to the Landlord or the Leased Premises; (4) Landlord has not received notice of any special assessment(s) from any Governmental Authority; (5) except as set forth in the Property Documents, Environmental Reports and otherwise disclosed in writing to Tenant, to the Landlord's actual knowledge the Leased Premises does not contain any Hazardous Substances and Materials; (6) there are no maintenance, operating or other agreements affecting the Leased Premises, except as set forth in the Property Documents and disclosed in writing to the Tenant; (7) unless otherwise agreed to in writing by the Tenant, any service contracts will be terminated by the Landlord prior to Closing; and (8) the Landlord has not and will not enter into any contract, agreement, understanding or commitment that will be binding on Tenant or the Leased Premises after the Closing without the approval of the Tenant.

(c) Landlord shall provide all available information relating to the Leased Premises, as expeditiously as necessary, for the orderly progress of the Project. In addition, the Landlord shall coordinate closely with the Tenant regarding all communications with HUD, forward to the Tenant all relevant correspondence, directives, and other written materials either to or from HUD with respect to this Lease. Landlord will respond as promptly as possible, within its management structure, to questions that may arise during Project administration.

(d) The entry by Landlord into this Lease and the performance of all of the terms, provisions, and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach of default under any other agreements to which Landlord is a party or by which it is bound.

Section 10.3 Hazardous Substances and Materials.

(a) Certain Covenants and Agreements. Tenant hereby covenants and agrees that:

(1) Except as permitted by Section 10.1(c) hereof, Tenant shall not permit the Leased Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal, release, or transportation of Hazardous Substances and Materials or otherwise knowingly permit the presence of Hazardous Substances and Materials in, on, or under the Leased Premises in violation of any applicable law. Provided however, that if any condition causing non-compliance with this Section existed at the Leased Premises prior to the Commencement Date of this Lease, Tenant shall not be in default hereunder unless Tenant's acts or omissions exacerbate such prior existence;

(2) Tenant shall keep and maintain the Leased Premises and each portion thereof in compliance with, and shall not cause or permit the Leased Premises or any portion thereof to be in violation of, any applicable environmental laws. Provided however, that if any condition causing non-compliance with this Section existed at the Leased Premises prior to the date of this Lease, Tenant shall not be in default hereunder unless Tenant's acts or omissions exacerbate such prior existence;

(3) Upon receiving actual knowledge of any of the following, Tenant shall immediately advise Landlord in writing:

(A) any and all enforcement, cleanup, removal, or other governmental or regulatory actions instituted, completed, or threatened against Tenant or the Leased Premises pursuant to any applicable environmental laws;

(B) any and all claims made or threatened by any third party against Tenant or the Leased Premises relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Substances and Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "**Hazardous Substances and Materials Claims**");

(C) the presence of any Hazardous Substances and Materials in, on or under the Leased Premises in quantities which require reporting to a government agency or in excess of commercially reasonable amounts used in the construction and operation of the Improvements and in accordance with Legal Requirements; or

(4) Tenant shall indemnify Landlord for any and all costs and expenses, and increases thereof, including reasonable attorneys' fees, reasonable expert witness fees, and

reasonable consultant fees, resulting from Tenant's failure to give Landlord notice as required by Section 10.3(a)(3).

(5) Landlord shall have the right to join and participate in, as a party if it so elects, any Hazardous Substances and Materials Claims including any legal proceedings or actions (including response actions) initiated in, or in connection therewith. Landlord's election to so join or participate shall not affect in any manner the indemnity obligations of the Parties as set forth in this Lease.

(6) Without Landlord's prior written consent, which shall not be unreasonably withheld or delayed, Tenant shall not take any remedial action in response to the presence of any Hazardous Substances and Materials on, under, or about the Leased Premises (other than in emergency situations or as required by Governmental Authorities having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Substances and Materials Claims.

(b) Indemnity. Without limiting the generality or obligations of the indemnification set forth in Section 7.3 above, Tenant hereby agrees to indemnify, protect, hold harmless, and defend (by counsel reasonably satisfactory to Landlord) Landlord, its board members, commissioners, officers, agents, successors, assigns, and employees (the "**Landlord Indemnitees**") from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees, expert witness fees, and consultant fees)("**Indemnification Claims**"), arising directly or indirectly, in whole or in part, out of:

(1) The failure of Tenant or any other person or entity under Tenant's control on or after the Commencement Date (or prior to the Commencement Date if and to the extent that the negligence or willful misconduct of Tenant or any other person under the control of Tenant resulted in material harm) to comply with any applicable environmental law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation, or disposal, or investigation or notice thereof, of Hazardous Substances and Materials into, on, under, or from the Leased Premises;

(2) The presence in, on, or under, or the escape, seepage, leakage, spillage, emission, discharge, migration, disposal, release, or threatened release of any Hazardous Substances and Materials in, on, under, or from the Leased Premises on or after the Commencement Date (or prior to the Commencement Date if and to the extent that the negligence or willful misconduct of Tenant or any person under the control of Tenant results in material harm); or

(3) Any act or omission on or off the Leased Premises on or after the Commencement Date (or prior to the Commencement Date if and to the extent that the negligence or willful misconduct of Tenant or any employees, agents, contractors, or subcontractors of Tenant results in material harm), whether by Tenant or any employees, agents,

contractors, or subcontractors of Tenant, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport, or disposal of any Hazardous Substances and Materials. Tenant's indemnity obligations as they pertain to activities occurring off the Leased Premises shall only extend to activities performed by or arising from activities performed by Tenant or any employees, agents, contractors, or subcontractors of Tenant or parties over which Tenant has control.

The foregoing indemnity shall further apply to any residual contamination on or under the Leased Premises, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport, release, threatened release, or disposal of any such Hazardous Substances and Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with environmental laws. The provisions of this subsection shall survive expiration of the Term or other termination of this Lease, and shall remain in full force and effect. This indemnity obligation shall not extend to the extent any claim arises from any Landlord Indemnitee's negligence or willful misconduct, any and all claims arising from any Hazardous Substances and Materials brought onto and/or released at the Leased Premises by any Landlord Indemnitee, or Indemnification Claims arising from conditions existing at the Leased Premises prior to the date of this Lease, except to the extent such conditions is exacerbated by Tenant's negligence or willful misconduct.

(c) Survival. The provisions of Section 10.3(b) shall survive expiration or earlier termination of this Lease, and shall remain in full force and effect. Nothing in this Lease is intended in any way to limit either Party from pursuing any remedies such Party may have with regard to the existence of Hazardous Substances or Materials in, on, under, or about the Leased Premises as against third parties.

(d) No Limitation. Tenant hereby acknowledges and agrees that Tenant's duties, obligations, and liabilities under this Lease, including, without limitation, under subsection (b) above, are in no way limited or otherwise affected by any information Landlord may have concerning the Leased Premises and/or the presence on the Leased Premises of any Hazardous Substances and Materials, whether Landlord obtained such information from Tenant or from its own investigations, except as provided herein.

Section 10.4 As-Is Conveyance. Except as otherwise set forth in this Lease, including but not limited to Sections 10.2 and 10.3, this Lease is made "AS IS," with no warranties or representations by Landlord concerning the condition of the Leased Premises.

ARTICLE 11 EMINENT DOMAIN

Section 11.1 Termination of Lease. Landlord and Tenant agree that, in the event of a Taking such that Tenant reasonably determines that the Leased Premises cannot continue to be operated, at reasonable cost, for its then-current use, then, subject to the rights and with the prior consent of all Mortgagees, this Lease shall, at Tenant's sole option, terminate as of the Taking Date.

Section 11.2 Continuation of Lease and Presumption of Restoration. Landlord and Tenant agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 11.1 above, this Lease shall continue in effect as to the remainder of the Leased Premises, and the Net Condemnation Award subject to the rights and with the prior consent of all Mortgagees will be disbursed in accordance with Section 11.4 below to Tenant or to Mortgagee and shall be used so as to make the remainder of the Leased Premises a complete, unified, and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking, subject to any applicable requirements of Mortgagees (in order of priority, with the First Mortgage Loan having first priority).

Section 11.3 Temporary Taking. If there shall be a temporary Taking of a year or less with respect to all or any part of the Leased Premises or of Tenant's Estate, then the Term shall not be reduced and Tenant shall continue to pay all Rents, Impositions, and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Tenant shall not be required to perform such obligations that Tenant is prevented from performing by reason of such temporary Taking.

Section 11.4 Award. Subject to the rights of Mortgagees, if there is a Taking, whether whole or partial, Landlord and Tenant shall be entitled to receive all awards for the Leased Premises and the Improvements, subject to the rights of the Mortgagees. If the Leased Premises shall be restored as is contemplated in Section 11.2 above, Tenant shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award, with the Landlord receiving the portion allocable to the Landlord's Estate and the Tenant receiving the portion allocable to the Tenant's Estate (valued as if this Lease remained in full force and effect), subject to the Mortgagees' right to elect to have such Net Condemnation Award paid directly to such Mortgagees, as set forth in the applicable Approved Financing Documents. Anything to the contrary contained herein, any Net Condemnation Award recovered by or allocated to Landlord shall in no event be greater than the value of Landlord's fee interest in the unimproved land that constitutes the Leased Premises and any Net Condemnation Award recovered by or allocated to Tenant or Mortgagee shall in no event be less than the total Net Condemnation Award minus the value of Landlord's fee interest in the unimproved land.

Section 11.5 Joinder. If one or more Mortgages exist, the Mortgagees, subject to Section 18.16, (i) to the extent permitted by law, shall be made a party to any Taking proceeding, must be provided notice and opportunity to participate in any proceedings, discussions or settlements relating to such Taking.

ARTICLE 12 DAMAGE OR DESTRUCTION

Section 12.1 Damage or Destruction to Leased Premises. Tenant shall give prompt written notice to Landlord after the occurrence of any fire, earthquake, act of God, or other casualty to or in connection with the Leased Premises, the Improvements, or any portion thereof (hereinafter sometimes referred to as a "**Casualty**"). Subject to Section 12.2 below, and the rights of any Mortgagees, if during the Term the Improvements shall be damaged or destroyed by Casualty, Tenant shall repair or restore the Improvements, so long as Tenant determines, in its sole discretion, that it is feasible to do so and in such event Tenant provides or causes to be

provided sufficient additional funds which, when added to such insurance proceeds, will fully effect such repair or restoration. Upon the occurrence of any such Casualty, Tenant, promptly and with all due diligence, shall apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty. Mortgagee shall have the right to participate in all adjustments, settlements, negotiations or actions with the insurance company regarding the amount and allocation of any such insurance proceeds In the event that Tenant shall determine, subject to the rights and with the consent of Mortgagee, by notice to Landlord given within thirty (30) days after receipt by Tenant of any such insurance proceeds, that it is not economically practical to restore the Improvements and/or the Leased Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, Tenant may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. If Tenant terminates this Lease pursuant to this Section 12.1, Tenant shall surrender possession of the Leased Premises to Landlord immediately.

Section 12.2 Damage or Destruction near End of Term. If, during the last seven (7) years of the Term, the Improvements shall be damaged by Casualty, then Tenant shall have the option, to be exercised within one hundred twenty (120) days after such Casualty:

(a) to repair or restore the Improvements as hereinabove provided in this Article 12; or

(b) subject to the rights of Mortgagees, to terminate this Lease by notice to Landlord, which termination shall be deemed to be effective as of the date of the Casualty. If Tenant terminates this Lease pursuant to this Section 12.2, Tenant shall surrender possession of the Leased Premises to Landlord immediately and assign to Landlord (or, if same has already been received by Tenant, pay to Landlord) all of its right, title, and interest in and to the proceeds from Tenant's insurance upon the Leased Premises, subject to the prior rights of any Mortgagee therein, as referenced in Section 12.3 below.

Section 12.3 Distribution of Insurance Proceeds. In the event that insurance proceeds are not applied to restoration of the Leased Premises, the Improvements, or any portion thereof and this Lease is terminated pursuant to Sections 12.1 or 12.2 hereof, the insurance proceeds received as the result of such Casualty shall be distributed, in the order provided, to (a) the First Mortgagee in accordance with the First Mortgage Loan Mortgage for the repayment of the First Mortgage Loan if such Casualty occurs while the First Mortgage Loan Mortgage is in effect, (b) all other Mortgagees with Mortgages in effect, (c) to Tenant to recover its investment, and (d) Landlord, and otherwise in accordance with Section 12.1 hereof; provided, however, subject to the Approved Financing Documents Tenant may retain the following amount of insurance proceeds: (i) any reasonable costs, fees or expenses incurred by Tenant in connection with the adjustment of the loss or collection of the proceeds; (ii) any reasonable costs incurred by Tenant in connection with the Leased Premises after the Casualty, which costs are eligible for reimbursement from such insurance proceeds; and (iii) the proceeds of any rental loss or business interruption insurance applicable prior to the date of surrender of the Leased Premises to Landlord.

ARTICLE 13 EVENTS OF DEFAULT

Section 13.1 Events of Default. Each of the following shall be an "**Event of Default**" by Tenant hereunder:

(a) failure by Tenant to pay any Rents when due or to pay or cause to be paid any Impositions, insurance premiums, or other liquidated sums of money herein stipulated to be paid by Tenant, if such failure shall continue for a period of sixty (60) days after written notice thereof has been given by Landlord to Tenant, Mortgagee and Investor;

(b) failure by Tenant to perform or observe any of the provisions of this Lease stipulated in this Lease to be observed and performed by Tenant (including, but not limited to the failure to comply with Section 3.6) , if such failure shall continue for a period of ninety (90) days after written notice thereof has been given by Landlord to Tenant and Investor; provided, however, that if any such failure cannot reasonably be cured within such ninety (90)-day period, then Landlord shall not have the right to terminate this Lease or Tenant's right to possession hereunder so long as Tenant or Investor promptly commences the curing of any such failure and thereafter proceeds in good faith and with due diligence to remedy and correct such failure within a reasonable period of time;

(c) the failure of Tenant to cure, within the prescribed time period, (i) any declaration of default by the holder of a Mortgage on the Tenant's Estate, (ii) any breach or violation of Applicable CC&Rs and Easements with which Tenant is obligated to comply under Section 3.3, following the expiration of any applicable notice and cure periods, or (iii) any breach or violation of any Approved Financing Document, following notice to Tenant and the expiration of any applicable cure period;

(d) the subjection of any right or interest of Tenant in this Lease to attachment, execution, or other levy, or to seizure under legal process, if not released within one hundred twenty (120) days; provided that the foreclosure of any Mortgage shall not be construed as an Event of Default within the meaning of this Subsection 13.1(d);

(e) the appointment of a receiver, not including receivership pursuant to any Mortgage, to take possession of Tenant's Estate or of Tenant's operations on the Leased Premises for any reason, if such receivership is not terminated, dismissed, or vacated within one hundred twenty (120) days after the appointment of the receiver;

(f) the filing by Tenant of a petition for voluntary bankruptcy under the Bankruptcy Code or any similar law, state or Federal, now or hereafter in effect;

(g) the filing against Tenant of any involuntary proceedings under such Bankruptcy Code or similar law, if such proceedings have not been vacated or stayed within ninety (90) days of the date of filing;

(h) the appointment of a trustee or receiver for Tenant or for all or the major part of Tenant's property or the Leased Premises, in any involuntary proceeding, not including pursuant to any Mortgage, or taking of jurisdiction by any court over all or the major part of Tenant's

property or the Leased Premises in any involuntary proceeding for the reorganization, dissolution, liquidation, or winding up of Tenant, if such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ninety (90) days;

(i) Reserved;

(j) a general assignment by Tenant for the benefit of creditors or Tenant's admittance in writing of its insolvency or inability to pay its debts generally as they become due or Tenant's consent to the appointment of a receiver or trustee or liquidator for Tenant, all or the major part of its property, or the Leased Premises; or

(k) violation of the Regulatory Agreements or RAD Use Agreement, if such failure shall continue for a period of sixty (60) days after written notice thereof has been given by Landlord to Tenant and Investor.

To the extent cure is permitted hereunder, a partner of Tenant shall have the right to cure any default or breach of this Lease by Tenant, and Landlord agrees to accept a timely cure tendered by a partner.

Section 13.2 Rights and Remedies.

(a) At any time after the occurrence of an Event of Default hereunder, Landlord, subject in all respects to the provisions of this Lease with respect to Landlord's and Investor's rights to cure defaults by Tenant and with respect to the rights of any Mortgagees and Investors, and subject further to the provisions of Section 13.3 of this Lease, may terminate this Lease by giving Tenant written notice thereof (with a copy of such notice to the Mortgagees and to Investor), setting forth in such notice an effective date for termination which is not less than thirty (30) days after the date of such notice, in which event this Lease and Tenant's Estate created hereby and all interest of Tenant and all parties claiming by, through, or under Tenant shall automatically terminate upon the effective date for termination as set forth in such notice, with the same force and effect and to the same extent as if the effective date of such notice had been the date originally fixed in Article 2 hereof for the expiration of the Term. In such event, Landlord, its agents, or representatives, shall have the right, without further demand or notice, to re-enter and take possession of the Leased Premises (including all buildings and other Improvements comprising any part thereof) at any time from and after the effective termination date without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or existing breaches of covenants; provided that Landlord shall not be entitled to disturb possession of any tenants or others in possession pursuant to tenant leases with Tenant so long as such tenants or others are not in default thereunder and attorn to Landlord as their Landlord.

(b) Upon the exercise of Landlord's remedies pursuant to this Section 13.2, Tenant shall execute such releases, deeds, and other instruments in recordable form as Landlord shall reasonably request in order to accurately set forth of record the then current status of Tenant's Estate and Tenant's rights hereunder.

Section 13.3 Deficiency Judgments. Landlord, for itself and for each and every succeeding owner of Landlord's Estate in the Leased Premises, agrees that it shall never be entitled to seek a personal judgment against Tenant or its partners and that (a) upon any Event of Default hereunder, the rights of Landlord to enforce the obligations of Tenant, its successors, or assigns, or to collect any judgment, shall be limited to the termination of this Lease and of Tenant's Estate and the enforcement of any other rights and remedies specifically granted to Landlord hereunder, provided, however, that the limitations set forth in this Section 13.3 shall not be applicable to (i) fraud or (ii) misappropriation of any Net Condemnation Award or insurance/

Section 13.4 Default by Landlord.

(a) Events of Default. Landlord shall be in default of this Lease if it fails to perform any provision of this Lease that it is obligated to perform or if any of Landlord's representations or warranties is untrue or becomes untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) days after written notice of the default has been given to Landlord. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord commences to cure the default within such thirty (30)-day period and diligently and in good faith continues to cure the default until completion.

(b) Right to Cure; Tenant's Remedies. Subject to Section 13.5 below, if Landlord shall have failed to cure a default by Landlord after expiration of the applicable time for cure of a particular default, Tenant, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Landlord, after which Tenant shall retain, and may exercise and enforce, any and all rights that Tenant may have against Landlord as a result of such default, (ii) from time to time without releasing Landlord in whole or in part from the obligations to be performed by Landlord hereunder, may cure the default at Landlord's cost, (iii) may terminate this Lease, and/or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable costs incurred by Tenant in order to cure such a default by Landlord shall be due immediately from Landlord, together with interest at the prime rate published in the Wall Street Journal from time to time, and may be offset against any amounts due from Tenant to Landlord.

Section 13.5 Notices. Notices given by Landlord under Section 13.1 or by Tenant under Section 13.4 shall specify the alleged default and the applicable Lease provisions, and shall demand that Tenant or Landlord, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure. No such notice shall be deemed a forfeiture or termination of this Lease unless expressly set forth in such notice.

Section 13.6 Bankruptcy of Landlord. If this Lease is rejected by Landlord or Landlord's trustee in bankruptcy following the bankruptcy of Landlord under the Bankruptcy Code, as now or hereafter in effect, Tenant shall not have the right to treat this Lease as terminated except with the prior written consent of all Mortgagees, and the right to treat this Lease as terminated in such event shall be deemed assigned to each and every Mortgagee

whether or not specifically set forth in any such Mortgage, so that the concurrence in writing of Tenant and each Mortgagee shall be required as a condition to treating this Lease as terminated in connection with any such bankruptcy proceeding.

ARTICLE 14 QUIET ENJOYMENT AND POSSESSION; INSPECTIONS

Section 14.1 Quiet Enjoyment. Landlord covenants and warrants that Tenant, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use, and enjoy, and shall have the full, exclusive, and unrestricted use and enjoyment of, all of the Leased Premises during the Term, subject only to the provisions of this Lease, RAD Use Agreement, the Regulatory Agreements, and all applicable Legal Requirements.

Section 14.2 Landlord's Right of Inspection. Notwithstanding Section 14.1 above, Landlord, in person or through its agents, upon reasonable prior notice to Tenant, shall have the right, subject to the rights of tenants, to enter upon the Leased Premises for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by Tenant with its obligations under this Lease. In addition to the aforementioned inspection rights, Tenant grants a right of access to Landlord, or any of its authorized representatives, with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts.

ARTICLE 15 VACATION OF LEASED PREMISES

Tenant covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Tenant will peaceably and quietly yield and surrender possession of the Leased Premises to Landlord. The foregoing, however, will be subject to the rights of tenants or others in possession pursuant to tenant leases with Tenant, provided that such tenants are not in default thereunder and attorn to Landlord as their Landlord. An action of forcible detainer shall lie if Tenant holds over after a demand for possession is made by Landlord. Notwithstanding anything to the contrary herein, Tenant shall not voluntarily vacate or surrender and Landlord shall not accept any voluntary vacating or surrendering of the Leased Premises by Tenant while a Mortgage remains outstanding or while an Investor shall remain a partner in Tenant.

ARTICLE 16 NON-MERGER

For so long as any debt secured by a Mortgage upon the leasehold created by this Lease shall remain outstanding and unpaid, or so long as an Investor shall remain a partner in Tenant, unless Mortgagee shall otherwise consent in writing, there shall be no merger of either this Lease or Tenant's Estate created hereunder with the fee estate of the Leased Premises or any part thereof by reason of the fact that the same person may acquire, own, or hold, directly or indirectly, (a) this Lease, Tenant's Estate created hereunder, or any interest in this Lease or Tenant's Estate (including the Improvements), and (b) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Landlord, having an interest in (i) this Lease or Tenant's

Estate created hereunder, and (ii) the fee estate in the Leased Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same, and shall have obtained the prior written consent of Mortgagee.

ARTICLE 17 ASSIGNMENTS AND TRANSFERS; FORECLOSURE

Section 17.1 Consent Required. Except as specifically permitted in the Regulatory Agreements, no Transfer shall be made without Landlord's prior written approval; any such Transfer shall be made pursuant to the Regulatory Agreements. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant, except that Tenant may not assign or sublet its interest in this Lease without the prior written consent of Landlord and any other consent required by the Regulatory Agreements. Any attempted Transfer without such required consents shall be null and void. Any person to whom any Transfer is attempted without such consent shall have no claim, right, or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any person claiming under or through the same.

Section 17.2 Limitations on Consent Requirement. Notwithstanding the foregoing:

(a) The consent of Landlord shall not be required for:

(1) a lease of any Residential Unit at the Leased Premises, subject to the Landlord's prior approval of the form of Tenant Lease;

(2) transfer of the Leased Premises and Improvements to a Mortgagee by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent thereof), or to a third-party purchaser pursuant to a foreclosure sale (or the leasehold equivalent thereof);

(3) after Closing, the transfer by Investor of Investor's partnership interest in Tenant to an affiliate of Investor or a transfer of an interest in Investor, provided that either Investor remains obligated to fund its equity contribution, or the affiliate assumes the obligations to fund Investor's equity contribution, in accordance with the terms of the Partnership Agreement (if at the time of the proposed transfer no equity contribution remains unpaid, then consent shall not be required for the transfer of any partner interest);

(4) grants and easements for the establishment, operation, and maintenance of utility services; or

(5) the removal of a general partner of the Tenant pursuant to the Partnership Agreement and the replacement of such general partner with an affiliate of Investor, provided that the admission of a non-affiliate of Investor shall require the reasonable consent of Landlord.

(b) If Tenant requests the consent of Landlord to an internal reorganization of Tenant, or of any of the partners, members, or stockholders of Tenant, Landlord will not unreasonably withhold or delay such consent.

Section 17.3 Subsequent Assignment. In cases where Landlord's consent is required, Landlord's or HUD's consent to one assignment will not waive the requirement that Landlord and HUD consent to any subsequent assignment.

Section 17.4 Request for Consent. If Tenant requests Landlord's consent to a specific assignment, Tenant shall provide to Landlord such information as may reasonably be required by Landlord.

Section 17.5 Consent of Landlord Not Required. The foreclosure of a Mortgage or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in any Mortgage, or any conveyance of the Tenant's Estate to any Mortgagee or its affiliate or third party designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof or the enforcement by any Mortgagee of any of its rights or remedies under a Mortgage, shall not breach any provision of or constitute an Event of Default under this Lease, and upon such foreclosure, sale, or conveyance, Landlord shall recognize any Mortgagee or such affiliate or designee of any Mortgagee, or any purchaser at any such foreclosure sale, as Tenant hereunder. Provided, however, that Landlord may disapprove a subsequent Transfer after foreclosure, deed in lieu of foreclosure or other appropriate proceedings where the proposed transferee has (a) insufficient prior experience in managing affordable multifamily rental housing, (b) demonstrated poor performance in managing affordable multifamily rental housing, or (c) has been debarred or suspended by HUD.

Section 17.6 Transfer After Foreclosure. This Lease may be transferred, without the consent of Landlord, to any Mortgagee or an affiliate thereof (or its designee or nominee), pursuant to foreclosure or similar proceedings, or pursuant to a Transfer of this Lease to such Mortgagee (or its affiliate or third party designee) in lieu thereof, and, without the consent of Landlord except as stated herein below, may be thereafter transferred by such Mortgagee (or its affiliate or third party designee), and any Mortgagee (or its affiliate) shall be liable to perform the obligations herein imposed on Tenant only for and during the period it is in possession or ownership of the leasehold estate created hereby. Provided, however, that Landlord may disapprove a subsequent Transfer after foreclosure, deed in lieu of foreclosure, or other appropriate proceedings by Mortgagee (or its affiliate or third party designee) where the proposed transferee has (a) insufficient prior experience in managing affordable multifamily rental housing, (b) demonstrated poor performance in managing affordable multifamily rental housing, or (c) has been debarred or suspended by HUD. In no event shall any Mortgagee (or its affiliate or third party designee) be (i) liable for any prior act or omission of Tenant unless and to the extent such act or omission is continuing following the foreclosure or other transfer, or (ii) subject to any offsets or defenses which Landlord may have against Tenant.

Section 17.7 [Grant of Purchase Option. Notwithstanding anything to the contrary set forth in any other provision of this Lease, nothing shall prohibit the granting of a purchase option and/or right of first refusal to the Landlord, or its designee, including without limitation, the [Managing General Partner or its affiliate, and to the Administrative General Partner] to purchase the Tenant's Estate (or the Investor's interest in the Tenant) as provided in the Right of First Refusal/Purchase Option and/or (ii) the exercise of such Right of First Refusal/Purchase Option in accordance with the Right of First Refusal/Purchase Option (and the assignment of the

Acquisition Loan to purchaser, if the Authority or its affiliate is the purchaser); provided, however, that any such option rights described in this Section 17.7 shall be subordinate to the Approved Financing Documents.]

ARTICLE 18 MISCELLANEOUS PROVISIONS

Section 18.1 Entire Agreement: Modifications. This Lease supersedes all prior discussions and agreements between the Parties with respect to the leasing of the Leased Premises. This Lease contains the sole and entire understanding between the Parties with respect to the leasing of the Leased Premises pursuant to this Lease, and all promises, inducements, offers, solicitations, agreements, representations, and warranties heretofore made between the Parties, if any, are merged into this Lease. This Lease may be amended by mutual agreement of the Parties, subject to the prior written approval of each Mortgagee in the case of any material amendment, provided that any such amendment must be in writing and signed by both Parties. Each Mortgagee shall be provided notice of any amendment to this Lease.

Section 18.2 Amendments. Landlord shall not unreasonably withhold its consent to any amendments to this Lease that are reasonably requested by a Mortgagee, including, without limitation, for the purpose of reasonably implementing the mortgage protection provisions contained in this Lease to allow Mortgagee reasonable means to protect or preserve the lien of its Mortgage upon occurrence of a default under the terms of this Lease. Landlord and Tenant each agree to execute and deliver (and to acknowledge for recording purposes, if necessary) such agreement(s) or instrument(s) reasonably required to effect such amendments; provided, however, Landlord may, in its sole and absolute discretion, refuse to consent to any proposed amendments to the description of the Leased Premises, the Term, Rents, or any other amendments which would materially change the rights and/or obligations of Landlord under this Lease. Landlord and Tenant each agree not to enter into any amendment or modification of the Lease without the prior written consent of each Mortgagee. Any amendment to this Lease must be in writing and signed by both Parties.

Section 18.3 Governing Law. This Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of California.

Section 18.4 Binding Effect. This Lease shall inure to the benefit of and be binding upon the Parties hereto, their heirs, successors, administrators, executors, and permitted assigns.

Section 18.5 Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the Parties have been materially altered by such unenforceability.

Section 18.6 Further Assurances. From and after the date of this Lease, Landlord and Tenant, at the request of the other Party, shall make, execute, and deliver or obtain and deliver all

such affidavits, deeds, certificates, resolutions, and other instruments and documents, and shall do or cause to be done all such other things that either Party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 18.7 Captions. All captions, headings, paragraphs, subparagraphs, letters, and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit, or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to particular articles, sections, subsections, paragraphs, and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 18.8 Gender. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

Section 18.9 Exhibits. Each and every exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.

Section 18.10 References. All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms "herein," "hereof," "hereinafter," "hereunder" and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 18.11 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers, and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 18.12 Notices. All notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by Federal Express or UPS, or by hand delivery by a recognized, reputable courier, to each party at the addresses set forth below. Any such notice, request, demand, or other communication shall be considered given or delivered, as the case may be, on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand, or other communication. By giving prior written notice thereof, any Party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other Party any notices, requests, demands, or other communications required or permitted to be given hereunder by such Party.

To Landlord: Housing Authority of the County of Marin
4020 Civic Center Drive
San Rafael, CA 94903

	Attn: Executive Director
with copy to:	Reno & Cavanaugh, PLLC 455 Massachusetts Avenue, Suite 400 Washington, DC 20001 Attn: Cody Bannon
To Tenant:	[PHASE OWNER ENTITY] _____ _____ _____ _____
with copy to:	_____ _____ _____ _____

Section 18.13 Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 18.14 Time of Essence. Time is and shall be of the essence in this Lease.

Section 18.15 Relationship of Parties. No relationship exists between Landlord and Tenant other than landlord and tenant. The Parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a debtor-creditor, principal-agent, or any other relationship except as aforesaid, exist between them.

Section 18.16 Multiple Leasehold Mortgages. If at any time there shall be more than one Mortgage, the Mortgagee under the First Mortgage Loan ("**First Loan Mortgagee**") shall be prior in lien and shall be vested with all of the rights of Mortgagee under this Lease (other than the provisions for receipt of notices) to the exclusion of any junior Mortgage and junior Mortgagee; provided, however, that: (a) if the First Loan Mortgagee fails to or refuses to exercise its rights set forth under this Lease, each holder of a junior Mortgage in the order of priority of their respective liens shall have the right to exercise such rights; and (b) with respect to the right of a Mortgagee under Section 9.7 (right to request a New Lease), such right may, notwithstanding the limitation of time set forth in Section 9.7, if any, be exercised by the holder of any junior Mortgage, in the event the holder of a senior Mortgage shall not have exercised such right within the timeframe required under Section 9.7.

Section 18.17 Conflicts with Mortgage. In the event of a default under a Mortgage, such Mortgagee may exercise with respect to the Leased Premises any right, power, or remedy under the Mortgage which is not in conflict with the provisions of this Lease. In the event of a conflict

or inconsistency between any requirement contained in this Lease and any requirement contained in any document referred to in this Lease, including any Mortgage, the terms of this Lease shall in all instances be controlling.

Section 18.18 Attorneys' Fees. In the event of litigation between the Parties arising out of this Lease, each Party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

Section 18.19 Non-Liability of Governmental Officials and Employees; Conflicts of Interest. No member, official, employee, commissioner, agent, consultant, or contractor of Landlord shall be personally liable to Tenant or any successor or assign of Tenant in the event of any default or breach by Landlord hereunder, or for any amount which may become due to Tenant or any successor or assign of Tenant as a result of such default or breach, or for any of Landlord's obligations under this Lease; provided, however, that the foregoing shall not void or diminish the obligations of Landlord under this Lease.

Tenant represents and warrants that to Tenant's actual knowledge no member, official, employee, commissioner, agent, consultant, or contractor of Landlord has any direct or indirect personal interest in this Lease or participation in any decision relating to this Lease which affects his or her personal interests or the interests of any corporation, partnership, or other entity in which he or she is, directly or indirectly, interested. Tenant further represents and warrants to Landlord that it has not paid or given, and will not pay or give, to any third party (other than as specifically set forth in this Lease) any money or other consideration for obtaining this Lease.

Except as may be expressly set forth herein, no present or future partner, shareholder, participant, employee, agent, officer, or partner of or in Tenant shall have any personal liability, directly or indirectly, under or in connection with this Lease; provided, however, that the foregoing shall not void or diminish the obligations of Tenant under this Lease.

Section 18.20 Consent; Reasonableness. Except as otherwise specified herein, in the event that Tenant or Landlord shall require the consent or approval of the other Party in fulfilling any agreement, covenant, provision, or condition contained in this Lease, such consent or approval shall not be unreasonably withheld or delayed by the Party from whom such consent or approval is sought, and shall be given or disapproved within the times set forth herein, or, if no time is given, within ten (10) business days of request therefor. Except as may be otherwise expressly set forth herein, approvals and disapprovals on the part of Landlord may be given by Landlord's chief executive officer.

Section 18.21 Non-Waiver of Governmental Rights. Nothing in this Lease shall be construed to in any way obligate Landlord or any other Governmental Authority to take any discretionary action relating to the construction, development, or operation of the Project, including, but not limited to, condemnation, rezoning, variances, subdivision, environmental clearances, or any other governmental approvals which are or may be required pursuant to the Legal Requirements. Nothing in this Lease shall be construed to restrict or impair in any manner whatsoever any Legal Requirement or the exercise by Landlord of any governmental powers or rights thereunder.

Section 18.22 Removal of Personal Property. Title to personal property of Tenant shall remain in Tenant. If Tenant or Mortgagee shall not have removed such personal property from the Leased Premises upon a reasonable period of time following the expiration or earlier termination of the Lease (such period not to be less than thirty (30) days following delivery of written notice from Landlord to Tenant and Mortgagee), and following the expiration of Mortgagee's new lease right under Section 9.8 of this Lease without exercise thereof by any Mortgagee then Landlord shall have the right, at its election, in addition or in the alternative to its other rights with respect to the same, to either (i) deem such personal property abandoned and retain the same as its property, or dispose of the same without accountability in such manner as Landlord may see fit (and Landlord shall be promptly reimbursed by Tenant for all reasonable expenses of such disposition upon written demand therefor), or (ii) remove and store the same in a place satisfactory to Landlord, in which event all reasonable expenses of such removal and storage shall be charged to and be borne by Tenant, and Landlord shall be promptly reimbursed by Tenant for such expenses upon written demand therefor. Tenant shall repair any loss or damage to the Leased Premises or any part thereof caused or resulting from the removal of the personal property (whether removed by or at the direction of Landlord or Tenant), except to the extent such loss or damage was caused by the gross negligence or willful misconduct of Landlord, its agents and/or employees.

ARTICLE 19 PARTICULAR COVENANTS

Section 19.1 Non-Discrimination. Tenant shall not discriminate against, or segregate any person or group of persons on the grounds of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry, or disability in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Leased Premises nor shall Tenant, or any person claiming under or through Tenant, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of residential tenants, subtenants, sub-tenants, or vendees of the Leased Premises. The foregoing covenant shall run with the land. Landlord shall be entitled to invoke any remedies available at law or in equity to redress any breach of this subsection or to compel compliance therewith by Tenant.

Section 19.2 Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases, or contracts entered into by Tenant on or after the date of execution of this Lease as to any portion of the Project or Leased Premises shall contain the following language:

(a) In deeds: "Grantee herein covenants by and for itself, its successors, and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of residential tenants, lessees, subtenants, sublessee, or vendees in the property herein conveyed. The foregoing covenant shall run with the land."

(b) In leases (except for leases from Tenant to a residential tenant): "The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives, and assigns and all persons claiming under the lessee or through the lessee that the lessee's lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of residential tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of residential tenants, lessees, subtenants, sublessees, or vendees of the land."

Section 19.3 TCAC Lease Rider. At the time required by TCAC, Landlord and Tenant agree to execute and record against the Leased Premises in the official records of the County of Marin, a lease rider in the form required by TCAC and HUD.

ARTICLE 20 RAD PROVISIONS

Section 20.1 In addition to entering into this Lease, Landlord and Tenant also contemplate the provision of rental assistance to the Project pursuant to a RAD HAP Contract. If a RAD HAP Contract is entered into pursuant to the RAD Requirements, HUD will require Landlord and Tenant to enter into a RAD Use Agreement in connection with the provision of rental assistance to the Project. Notwithstanding any other clause or provision in this Lease, upon execution of the RAD Use Agreement and for so long as the RAD Use Agreement is in effect, the following provisions shall apply:

(a) This Lease shall in all respects be subordinate to the RAD Use Agreement. Subordination continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or this Lease.

(b) If any of the provisions of this Lease conflict with the terms of the RAD Use Agreement, the provisions of the RAD Use Agreement shall control.

(c) The provisions in this Article 20 are required to be inserted into this Lease by HUD and may not be amended without HUD's prior written approval.

(d) Violation of the RAD Use Agreement constitutes a default of this Lease.

(e) Notwithstanding any other contract, document or other arrangement, upon termination of this Lease, title to the real property leased herein shall remain vested in the Housing Authority of the City of Los Angeles and title to the buildings, fixtures, improvements, trade fixtures and equipment that belong to Tenant shall vest in the Housing Authority of the City of Los Angeles.

(f) Neither the Tenant nor any of its Partners shall have any authority to:

(1) Take any action in violation of the RAD Use Agreement; or

(2) Fail to renew the RAD HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by the Housing Authority of the City of Los Angeles or HUD.

(3) Except to the extent permitted by the RAD HAP Contract or RAD Use Agreement and the normal operation of the Project, neither the Tenant nor any Partners shall have any authority without the consent of the Housing Authority of the City of Los Angeles to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Project or any part thereof.

[signature pages follow]

IN WITNESS WHEREOF, this Lease is made and entered into as of Commencement Date.

LANDLORD:

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

By: _____
Name: _____
Title: _____

TENANT:

[PHASE OWNER ENTITY],
a [California limited partnership]

By: [_____]
[_____]
[_____]

EXHIBIT A

Leased Premises

[attached]

EXHIBIT B

Memorandum of Ground Lease

[attached]

RECORDING REQUESTED BY:
Housing Authority of the County of Marin

WHEN RECORDED MAIL TO:
Reno & Cavanaugh, PLLC
Attn: Cody Bannon
455 Massachusetts Ave., Suite 400
Washington, DC 20001

No fee for recording pursuant to
Government Code Section 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

MEMORANDUM OF GROUND LEASE

Golden Gate Village Phase [__]

THIS MEMORANDUM OF GROUND LEASE (this "**Memorandum**") is made as of [_____], by and between the Housing Authority of the County of Marin, a public body, corporate and politic, ("**Landlord**") and [PHASE OWNER ENTITY], a [California limited partnership] ("**Tenant**"), with respect to that certain Ground Lease Agreement dated as of substantially even date herewith (the "**Lease**"), between Landlord and Tenant.

Pursuant to the Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord that certain real property, more particularly described in Exhibit A, attached hereto and incorporated herein, (the "**Property**") and Landlord grants to Tenant all the improvements existing or to be constructed on the Property for the term of the Lease. The Lease commenced as of the date this Memorandum was submitted for recording in the land records of Marin County, California, and shall continue from such date for ninety-nine (99) years as per Section 2.3 of the Lease, as the same may be extended pursuant to the terms of the Lease. Section 17.7 of the Lease permits the [grant of a right of first refusal to the Landlord or the Managing General Partner (directly or through an affiliate) or their respective designees and a purchase option to [_____] and the Landlord or their respective designees, including without limitation, [_____]]

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein, including, but not limited to the affordability restrictions in the Lease and attached hereto as Exhibit B.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend, or supplement the Lease, of which this is a Memorandum.

[signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be duly executed as of the date first above written.

LANDLORD:

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

By: _____
Name: _____
Title: _____

WITNESS:

_____

[NOTARY BLOCK ON NEXT PAGE]

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 _____

TENANT:

[PHASE OWNER ENTITY],
a [California limited partnership]

By: [_____]
[_____]
[_____]

WITNESS:

_____

[NOTARY BLOCK ON NEXT PAGE]

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 _____

EXHIBIT A
Memorandum of Ground Lease
Golden Gate Village Phase [ ]

PROPERTY DESCRIPTION

[attached]

EXHIBIT B
Memorandum of Ground Lease
Golden Gate Village Phase [ ]

AFFORDABILITY RESTRICTIONS

EXHIBIT C

Affordability Restrictions

After initial lease up of residents from the existing Golden Gate Village public housing site exercising their right to return, the Residential Units shall be rented in accordance with the income limits and distribution as provided in the chart below.

	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	Market/ Unrestricted	Manager	Total
One Bedroom								
Two Bedroom								
Three Bedroom								
Four Bedroom								
Five Bedroom								
Total								

If there is a foreclosure, all units are subject to the Post-Foreclosure Rent Restrictions as described in the Lease.

Tenant Protections

Tenant Leases

Notwithstanding the Regulatory Agreements, Approved Financing Documents, and any other documents imposing tenant protections on the Project, all Residents shall be subject to the same Tenant Lease and tenant protections to the extent permitted by law. Landlord and Tenant acknowledge that the Residential Units obtain assistance under various programs including, but not limited to, the PBV program and RAD program, each of which provides tenant protections. The tenant protections and opportunities granted to Residents shall be uniformly applied to the Residential Units through the inclusion of tenant protection provisions in all Tenant Leases, including those provided herein, to the extent permitted by applicable Regulatory Agreements, and the RAD Use Agreement. Provided, however, that the tenant protections need not be extended to the one (1) manager's unit.

Resident Participation and Funding

To support Resident participation, Residents will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development.

1. Legitimate Resident Organization. Tenant must recognize legitimate resident organizations and give reasonable consideration to concerns raised by legitimate resident organizations. A resident organization is legitimate if it has been established by the Residents of the Project, meets regularly, operates democratically, is representative of all Residents in the Project, and is completely independent of the Tenant, management, and their representatives.

In the absence of a legitimate resident organization at the Project, HUD encourages the Tenant and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate resident organization.

Residents are encouraged to contact the Tenant directly with questions or concerns regarding issues related to their tenancy. Tenant is also encouraged to actively engage residents in the absence of a resident organization; and

2. Protected Activities. Tenant must allow Residents and resident organizers to conduct the following activities related to the establishment or operation of a resident organization:

a. Distributing leaflets in lobby areas;
b. Placing leaflets at or under Residents' doors;
c. Distributing leaflets in common areas;
d. Initiating contact with Residents;
e. Conducting door-to-door surveys of Residents to ascertain interest in establishing a resident organization and to offer information about resident organizations;
f. Posting information on bulletin boards;
g. Assisting Resident to participate in resident organization activities;
h. Convening regularly scheduled resident organization meetings in a space on site and accessible to Residents, in a manner that is fully independent of management representatives. In order to preserve the independence of resident organizations, management representatives may not attend such meetings unless invited by the resident organization to specific meetings to discuss a specific issue or issues; and
i. Formulating responses to Tenant's requests for:
    1. Rent increases;
    2. Partial payment of claims;
    3. The conversion from project-based paid utilities to resident-paid utilities;
    4. A reduction in resident utility allowances;
    5. Converting residential units to non-residential use, cooperative housing, or condominiums;
    6. Major capital additions; and
    7. Prepayment of loans.

In addition to these activities, Tenant must allow Residents and resident organizers to conduct other reasonable activities related to the establishment or operation of a resident organization. Tenant shall not require Residents and resident organizers, as required under the RAD Requirements, to obtain prior permission before engaging in the activities permitted in this section.

3. Meeting Space. Tenant must reasonably make available the use of any community room or other available space appropriate for meetings that are part of the Project when requested by:

a. Residents or a resident organization and used for activities related to the operation of the resident organization; or
b. Residents seeking to establish a resident organization or collectively address issues related to their living environment.

Resident and resident organization meetings must be accessible to persons with disabilities unless this is impractical for reasons beyond the organization's control. If the Project has an accessible common area or areas, it will not be impractical to make organizational meetings accessible to persons with disabilities. Tenant may charge a reasonable, customary and usual fee, approved by the HUD and/or Landlord as may normally be imposed for the use of such facilities in accordance with procedures prescribed by HUD, for the use of meeting space. The Landlord may waive this fee.

4. Resident Organizers. A resident organizer is a Resident or non-resident who assists residents in establishing and operating a resident organization, and who is not an employee or representative of Tenant, managers, or their agents. Tenant must allow resident organizers to assist Residents in establishing and operating resident organizations.

5. Canvassing. If the Project has a consistently enforced, written policy against canvassing, then a non-resident resident organizer must be accompanied by a Resident while at the Project. If the Project has a written policy favoring canvassing, any non-resident resident organizer must be afforded the same privileges and rights of access as other uninvited outside parties in the normal course of operations. If the Project does not have a consistently enforced, written policy against canvassing, the Project shall be treated as if it has a policy favoring canvassing. A Resident has the right not to be re-canvassed against his or her wishes regarding participation in a resident organization.

6. Funding. Tenant must provide $25 per occupied RAD Unit annually for resident participation, of which at least $15 per occupied RAD Unit shall be provided to the legitimate Resident organization at the Project. These funds must be used for resident education, organizing around tenancy issues, and training activities. In the absence of a legitimate resident organization at a Project:

a. Landlord encourages the Tenant and Residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate Residents organization. Residents are encouraged to contact the Tenant directly with questions or concerns regarding issues related to their tenancy. Tenant is also encouraged to actively engage Residents in the absence of a Resident organization; and
b. Project Owner s must make Resident participation funds available to Residents for organizing activities in accordance with this Exhibit. Residents must make requests for these funds in writing to the Tenant. These requests will be subject to approval by the Tenant.

Termination Notification

Tenant must provide adequate written notice of termination of any Resident lease in accordance with HUD requirements and any requirements prescribed in the Regulatory Agreements or Approved Financing Documents. Further, Tenant shall provide adequate written notice of termination of any Resident lease which shall not be less than:

a. A reasonable period of time, but not to exceed 30 days:

1. If the health or safety of other Residents, Tenant employees, or persons residing in the immediate vicinity of the premises is threatened; or
2. ii. In the event of any drug-related or violent criminal activity or any felony conviction;

b. 14 days in the case of nonpayment of rent; and
c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

Grievance Process

Tenant must maintain a grievance process in accordance with HUD requirements and any requirements prescribed in the Regulatory Agreements or Approved Financing Documents. Further, Tenant's grievance procedure shall provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. Notwithstanding the provisions of 24 CFR § 982.555, an opportunity for an informal hearing shall be given to Residents for any dispute that a Resident may have with respect to a Tenant action in accordance with the Resident's lease that adversely affect the Resident's rights, obligations, welfare, or status.

a. For Residents of the RAD Units, the Landlord, as contract administrator, will perform the informal hearing. The hearing officer must be selected in accordance with 24 CFR § 982.555(e) (4) (i). For Residents of Residential Units other than the RAD Units, the Tenant shall perform the informal hearing.
b. There is no right to an informal hearing for class grievances or to disputes between Residents not involving the Tenant or Landlord.
c. The Tenant shall give Residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1).
d. The Tenant shall provide the opportunity for an informal hearing before an eviction. Current informal hearing procedures must be outlined in the Tenant's Management Plan.

EXHIBIT D

Sustainability Plan

[attached]

EXHIBIT E

Section 3 Requirements

[attached]

EXHIBIT F

Property Management Plan

[attached]

EXHIBIT G

Supportive Services Plan

[attached]

EXHIBIT J

ROLES AND RESPONSIBILITIES

See Exhibit H

EXHIBIT K

THIRD PARTY CONTRACTORS

[attached]

Exhibit K

Third-Party Contractors

Architect	Pyatok Architecture and Urban Design
RAD Capital Needs Assessment	D3G
NEPA	SWCA
General Contractor	Nibbi Brothers General Contractors
Communications	D&A
Historic Consultant	WJE
Structural Engineer	Tipping Structural Engineers
Mechanical/Plumbing	Litzenberger Engineering, Inc.
Electrical	BWF Consulting Engineers
Civil	Sherwood Engineers
Joint Trench	Urban Design Consulting Engineers
Code/Fire Life Safety	Coffman Engineers
Building Envelop	Alanna Buick @ Bers Inc.

EXHIBIT L

INSURANCE REQUIREMENTS

General. The Developer and Owner Entity shall maintain and keep in full force and effect, and shall cause all of its contractors and subcontractors to maintain and keep in full force and effect, during the term of this Agreement, such insurance as is set forth below. Each such policy shall name the Authority as an additional insured and, in instances where the Authority is acting as a lender, as a loss payee. Each such policy shall be underwritten and issued by reputable companies authorized to do business in California, shall not be subject to cancellation without 30 days' prior written notice to the Authority and shall be primary to any insurance carried by the Authority. Any language purporting to limit the insurer's liability for failure to give the required 30 days' prior written notice shall be unacceptable to Authority. The Developer shall provide the Authority with a certificate of insurance, and if such certificate evidences the limits and coverage as set forth below and as more particularly described below, the Authority shall provide Owner Entity with a notice of acceptance.

1. *Commercial General Liability Insurance.* Commercial liability insurance or equivalent with limits of not less than $1,000,000 per occurrence, and $2,000,000 general aggregate for bodily injury, personal injury and property damage liability. The deductible or self-insured retention shall not be greater than $10,000.00. Coverage extensions shall include the following: premises and operations, subcontractors, products and completed operations, broad form property damage, blanket contractual liability, explosion, collapse and underground coverages (XCU), commercial auto liability. Additionally, the Developer will in good faith explore the feasibility of obtaining an environmental liability endorsement to its policy(ies) and if commercially reasonable shall obtain such coverage. Further, the Developer and Authority shall mutually determine whether it is financially feasible and practical to require the general contractor to carry environmental liability insurance; however, if the determination is made that the general contractor is not required to obtain environmental liability insurance, said determination shall be in writing signed by both the Developer and Authority. The Authority is to be named as an additional insured on a primary non-contributory basis for any liability arising directly or indirectly for the services contemplated by this Agreement;

2. *Auto Liability Insurance.* Commercial auto liability insurance covering bodily injury and property damage with a minimum coverage limit of $1,000,000 per occurrence for all owned, hired, and non-owned vehicles. When any motor vehicles (owned leased or hired by the Developer) are used by the Developer or its authorized agents in connection with the work to be performed, the Developer shall provide comprehensive automobile liability Insurance with limits of not less than $1,000,000 combined single limit for bodily injury and property damage. The Authority is to be named as an additional insured on a primary basis;

3. *Worker's Compensation and Employer's Liability Insurance.* Worker's compensation and employer's liability insurance providing statutory worker's compensation coverage;

4. *Errors and Omissions Insurance*. The architects, engineers, and each of their subcontractors shall obtain and maintain errors and omissions/ professional liability coverage at their own expense in the amount of not less than $1,000,000 per occurrence. The insurance company, form, and content of such coverage shall be subject to the reasonable approval of the Authority;

5. *Builder's Risk Insurance*. The General Contractor or Owner Entity shall obtain broad form builder's risk insurance, in a form to be submitted to and approved by the Authority, insuring all work in place and all materials to be used for such work, with such insurance to be payable on a replacement cost basis, regardless of whether partial payment has been made by the Authority. The builder's risk insurance need not be carried on excavations, piers, footings, or foundations until such time as work on the super-structure is started, and need not be carried in landscape work. Such insurance shall insure the interests of contractors, sub-contractors and suppliers as well as the Developer and the Authority as their interests may appear. The builder's risk insurance shall not contain a deductible in excess of $1,000 without the prior approval of the Authority. The Developer may terminate this insurance for completed buildings as of the date taken over for occupancy by the Owner Entity;

6. *Umbrella Insurance and Extended Coverage***.** In addition to all insurance required herein, the Developer shall obtain umbrella coverage of $10,000,000.00. Coverage extensions shall include the following: general liability, subcontractors, cross liability, products and completed operations, broad form property damage, blanket contractual liability, explosion, collapse and underground coverages (XCU) (to the extent not covered by Builders Risk Insurance), commercial auto liability, personal injury and errors and omissions; and

7. *Condition Precedent to this Agreement.* For the Developer and any contractors the Developer already has contracts with, these policies must be in place before the effective date of this Agreement and in-force insurance is a condition precedent to this Agreement. For contractors the Developer does not yet have a contract with, these policies must be in place prior to the contractor's performing any work on the Project.

Insurance Endorsement. These policies shall be endorsed (a) to name the Authority as an additional insured and as a loss payee (as applicable); and (b) to waive subrogation rights against the Authority.

Certificate of Insurance. The Developer shall provide the Authority with a certificate of insurance as evidence of the limits and coverages described above.

Insurer's Certificate. The Developer shall provide and cause its subcontractors to provide a copy of this Agreement to its insurer which shall provide the Authority with a certificate that the conditions of this Exhibit L are met.

Renewal Certificates. In the event that the Developer's insurance, or the insurance required by any other entity under this Agreement, is scheduled to expire during the

term of this Agreement, the Developer or the applicable contractor shall provide the Authority with copies of renewal certificates thirty (30) days prior to the expiration date of the expiring coverage. The Developer shall require its contractors to comply with this provision.

Changes in Coverage. The insurance contracts shall require the insurance company to notify the Authority in the event of a substantial change in coverage during the policy term.

Claims. In the event of a claim that takes place as a consequence relating to this Agreement, the Developer will notify the Authority within sixty (60) days following discovery of the claim by the Developer. In addition, the Developer will investigate and furnish the Authority with reports of all accidents, claims and known potential claims for damage or injury and will cooperate with its insurers and those of the Authority.

Insurance Policies. All insurance shall be carried with companies that are authorized to do business in the State of California and rated not less than A-VIII in Best's Insurance Guide and a Standard and Poor's claims paying ability rating of not less than AA.

EXHIBIT M

Governmental Requirements

The Developer agrees to execute the Certification Regarding Lobbying attached hereto as Attachment 1.

If applicable and if required by HUD, the Developer will comply with the Office of Management and Budget ("OMB") Cost Principles for Non-Profit Organizations as described in OMB Circular A-122, as well as any applicable HUD General Terms and Conditions.

The Developer acknowledges and agrees that this Agreement does not violate the conflict of interest provisions set forth in 2 C.F.R. Part 200 and the Parties hereto agree to comply with such provisions.

The Developer will keep books and records pertaining to its performance under this Agreement in accordance with generally accepted accounting principles for comparable activities. MHA, HUD, and the Comptroller General of the United States will have the right to perform an audit of Developer's finances and records relating to their performance under this Agreement and will have the right, upon advance written notice, to review and inspect the Developer's books and records relating to their performance under this Agreement, subject to the Developer's reasonable security and insurance requirements.

The authority granted to MHA, HUD, and the Comptroller General hereunder will expire on the later of (a) three (3) years following completion and delivery of any audit referred to in this Section, (b) three (3) years after the end of any fiscal year covered by such books and records, or (c) such longer period as may be required by 2 C.F.R. Part 200. The Developer will maintain such books and records as required by this Section throughout the period during which an audit may occur.

The Developer shall, in the course of the performance of its duties hereunder, comply with all of the following requirements, as the same may be amended and applicable to the Developer's activities hereunder, from time to time:

The Fair Housing Act (42 U.S.C. 3601-19) and regulations pursuant thereto (24 C.F.R. Part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 C.F.R. Part 107); the fair housing poster regulations (24 C.F.R. Part 110) and applicable advertising guidelines;

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations pursuant thereto (24 C.F.R. Part 1) relating to non-discrimination in housing;

The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 C.F.R. Part 146);

The prohibitions against discrimination against disabled individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 C.F.R. Part 8); the Americans with Disabilities Act (Public Law 101-336) and its implementing regulation at 28 C.F.R. Part 36; and the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 C.F.R. Part 40);

The Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, relating to disabilities;

Section 102 of the Department of Housing and Urban Development Reform Act of 1989, as implemented at 24 C.F.R. part 12, which contains provisions designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD;

Section 13 of the Department of Housing and Urban Development Act of 1974, as amended by section 112 of the HUD Reform Act of 1989, and as implemented at 24 C.F.R. Part 86;

24 C.F.R. Part 24, which applies to the employment, engagement of services, awarding of contracts, subgrants, or funding of any recipients, or contractors or subcontractors, during any period of debarment, suspension, or placement in ineligibility status;

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 C.F.R. Part 24; and 2 C.F.R. Part 200.

ATTACHMENT 1

Byrd Anti-Lobbying Certification

The undersigned certifies, to the best of his or her knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification will be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

[_____],
a _____]

By: _____
Name:_____
Title: _____