REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 3, 2021

CAO File No. 0220-00540-1559
Council File No. 20-0547
Council District: 1

To: The Mayor
The Council

From: *for* Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated August 16, 2021; Received by the City Administrative Officer August 17 2021; Additional Information Received through September 2, 2021

Subject: **REQUEST FOR AUTHORITY TO ISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE BONDS IN AN AMOUNT UP TO $16,844,884 FOR THE QUINCY APARTMENTS, A SUPPORTIVE HOUSING PROJECT**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Note and file the Los Angeles Housing Department (LAHD), formerly Housing and Community Investment Department (HCID), transmittal dated August 16, 2021 (Report) relative to the issuance of tax-exempt multifamily conduit revenue bonds for the Quincy Apartments project;

2. Consider the results of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing held on July 22, 2021 for the Quincy Apartments project attached to this report;

3. Adopt the Resolution attached to this report, authorizing the issuance of up to $16,844,884 in tax-exempt multifamily conduit revenue bonds for the Quincy Apartments project; and,

4. Authorize the General Manager of the LAHD, or designee, to negotiate and execute the relevant documents for the Quincy Apartments project, subject to the approval of the City Attorney as to form.

SUMMARY

The Los Angeles Housing Department (LAHD), formerly known as the Housing and Community Investment Department (HCID), requests authority to issue tax-exempt, multifamily housing conduit revenue bonds in an amount not to exceed $16,844,884 to finance the construction of the affordable housing development known as the Quincy Apartments (Project). The Project will consist

of the new construction of 53 units of supportive housing for seniors, homeless individuals with mental illness, and chronically homeless individuals with mental illness, and one unrestricted manager unit. The subject site is located at 2652 and 2662 West Pico Boulevard, Los Angeles, CA, 90006 in Council District One. The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on April 28, 2021 in an amount not to exceed $16,844,884 and designated an October 25, 2021 issuance deadline.

The Council had previously considered the minutes for a 2020 Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Hearing when it adopted a TEFRA Resolution on May 12, 2020. The LAHD provided the minutes for a subsequent 2021 TEFRA Hearing as an attachment to its transmittal dated August 16, 2021 (Report), for Council consideration. Subsequent to the release of its Report, the LAHD provided a revised Bond Resolution and bond documents to make technical corrections to the Project address, which are attached to this report for Council consideration and adoption. This Office concurs with the recommendations of the Department as amended to include the revised Bond Resolution and documents, and 2021 TEFRA Hearing minutes.

Subsequent to the release of its Report, LAHD also provided the following financing information required by Section 5852.1 of the California Government Code. The amounts below are good faith estimates and subject to change as rates are dependent on market conditions at the time of issuance:

1. True interest cost of Bonds (TIC);
2. Finance charge of the Bonds (Costs of Issuance);
3. Amount of proceeds received from the sale of the Bonds (Total Par); and,
4. Total payment amount (Total Debt Service).

1) TIC	2) Cost of Issuance	3) Total Par	4) Total Debt Service
3.86%	$229,331	$16,844,884	$20,131,391

The City's involvement in the issuance of multifamily housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of Wakeland Quincy LP and the City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and C.F. 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. Banner Bank is currently in compliance with the reporting requirements of the RBO and LAHD will ensure that Banner Bank will continue to adhere to the RBO. The City acts only as a conduit issuer, not the borrower, in this bond transaction and has no financial interest in this transaction.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund as a result of the issuance of these multifamily conduit

revenue bonds (bonds) for the Quincy Apartments (Project). The City is a conduit issuer and does not incur liability for the repayment of the bonds, which are a limited obligation payable solely from the revenues of the Project, and the City will in no way be obligated to make payments on the bonds.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

DEBT IMPACT STATEMENT

There is no debt impact as these bonds are a conduit issuance debt and not a debt of the City.

MWS:EIC:02220028c

Attachment

TEFRA PUBLIC HEARING MEETING MINUTES
THURSDAY – JULY 22, 2021
9:00 AM
THE LOS ANGELES
HOUSING + COMMUNITY INVESTMENT DEPARTMENT
BY TELECONFERENCE
APOLINAR ABRAJAN, CHAIR

This meeting was conducted to meet the required Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Public Hearing for the **Barry Apartments, Lincoln Apartments, Pointe on La Brea, and The Quincy projects.**

This meeting was called to order on Thursday, July 22, 2021 at 9:00 a.m. via teleconference by the Los Angeles Housing + Community Investment Department.

A notice of this hearing was published in the Los Angeles Times on July 15, 2021 (the "Notice"). The purpose of this meeting was to hear public comments regarding the City of Los Angeles' proposed issuance of multifamily housing revenue bonds or notes for the above referenced projects.

The City of Los Angeles Housing + Community Investment Department representatives present were Apolinar Abrajan, Carmen Velazquez, and Raymond Luc. All representatives were present via teleconference as described in the Notice.

By 9:30 a.m. there were no other representatives from the public who made themselves available and no public comments were provided, so the meeting was adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA public hearing meeting minutes regarding the above referenced projects held on July 22, 2021 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing + Community Investment Department
ANN SEWILL, General Manager

_____

Apolinar Abrajan, Financial Development Officer II

RESOLUTION

CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A BOND, IN ONE OR MORE SERIES, BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY HOUSING REVENUE BOND (THE QUINCY APARTMENTS) SERIES 2021Y IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED $16,844,884 TO PROVIDE FINANCING FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 16 HEREOF AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, A LOAN AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS AND THE TAKING OF RELATED ACTIONS, INCLUDING THE EXECUTION OF AMENDATORY DOCUMENTS THERETO.

WHEREAS, the City of Los Angeles (the "City") is authorized, pursuant to Section 248, as amended, of the City Charter (the "Charter") of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the "Law"), to issue its revenue bonds for the purposes of providing financing for the acquisition, construction and development of multifamily rental housing for persons and families of low or moderate income (the "Program") which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"); and

WHEREAS, the City desires to issue pursuant to the Law and in accordance with the Act, its revenue bond to provide financing for the acquisition, construction and equipping of that multifamily rental housing project described in paragraph 16 below (the "Project"); and

WHEREAS, the Project will be located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize such financing for the Project, and it is within the powers of the City to provide for such a financing and the issuance of such bond; and

WHEREAS, the City proposes to issue, pursuant to the Law and in accordance with the Act, its Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y (the "Bond") in one or more series in an aggregate principal amount not to exceed $16,844,884; and

WHEREAS, the City proposes to use the proceeds of the Bond to fund a loan to the owner identified in paragraph 16 (the "Owner") to finance a portion of the acquisition, construction, and equipping of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the Bond; and

WHEREAS, Banner Bank, a Washington corporation (the "Purchaser"), has expressed its intention of the Purchaser to purchase the Bond authorized hereby or to cause such Bond to be purchased by its affiliate, in whole and

WHEREAS, this Council (the "City Council") finds that the public interest and necessity require that the City at this time make arrangements for the sale of such Bond; and

WHEREAS, the interest on the Bond may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bond is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the Bond is required to be approved, following a public hearing, by an elected representative of the issuer of the Bond and an elected representative of the governmental unit having jurisdiction over the area in which the Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bond within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, (i) on March 2, 2020, to the effect that a public hearing would be held on March 16, 2020, and (ii) on July 15, 2021, to the effect that a public hearing would be held on July 22, 2021, regarding the issuance of the Bond, pursuant to a plan of financing; and

WHEREAS, the Los Angeles Housing and Community Investment Department (subsequently known as the Los Angeles Housing Department) held said public hearings on such dates, at which time an opportunity was provided to present arguments both for and against the issuance of the Bond and other bonds issued pursuant to a plan of financing; and

WHEREAS, the minutes of such public hearings, together with any written comments received in connection therewith, have been presented to this City Council; and

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

WHEREAS, such Financing Information has been disclosed in connection with the City Council meeting in which this Resolution is approved;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law.

2. Pursuant to the Law and in accordance with the Act and the Indenture (as hereinafter defined), a revenue bond of the City, to be designated as "City of Los Angeles Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y," in one or more series in an aggregate principal amount not to exceed $16,844,884 is hereby authorized to be issued. The principal amount of the Bond to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of an Indenture of Trust (the "Indenture") by and among the City, such trustee has shall be named in the final version of the Indenture, as trustee, executed by a below-defined Designated Officer (the "Trustee") and the Purchaser, substantially in the form attached hereto, is hereby approved along with any additions or supplements which may, in the determination of a Designated Officer, be necessary to document the issuance of the Bond authorized hereunder. The Mayor of the City, the General Manager, any Acting General Manager, any Interim General Manager or any Assistant General Manager, Acting Assistant General Manager, Interim Assistant General Manager, Executive Officer or the Acting Director or the Director—Finance and Development Division of the Housing Development Bureau of the Los Angeles Housing Department (each hereinafter referred to as a "Designated Officer") are each hereby authorized and directed to execute and deliver, for and in the name and on behalf of the City, said Indenture with such additions, changes or corrections (including, without limitation, designation of the Trustee) as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel to the City and approval by the City Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the Bond in excess of the amount stated above, such approval by the City Attorney to be conclusively evidenced by the execution and delivery of the Indenture with such additions, changes or corrections.

Any Designated Officer shall be authorized to approve the appointment of the Trustee.

4. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Mayor and City Treasurer, Interim City Treasurer or Deputy City Treasurer of the City are hereby authorized and directed to execute, by manual or facsimile signatures of such officers under the seal of the City, and the Trustee or an authenticating agent is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Trustee or an authenticating agent, the Bond in substantially such form, and the Trustee is hereby authorized and directed to sell and deliver such Bond to the Purchaser in accordance with the Indenture and the Loan Agreement (hereinafter defined). The date, maturity date, interest rate or rates (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, series designation and

other terms of the Bond shall be as provided in the Indenture as finally executed; provided, however, that the aggregate principal amount of the Bond shall not exceed $16,844,884, no interest rate on the Bond shall not exceed 12% per annum and the final maturity of the Bond shall be no later than forty (40) years from the date of issuance. The initial purchase price of the Bond shall be 100% of the par amount thereof as advances are made with respect to the Bond by the Purchaser. The Bond may, if so provided in the Indenture, be issued as a "draw-down" bond to be funded over time as provided in the Indenture. Such Bond may be delivered in temporary form pursuant to the Indenture if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the Bond in definitive form can be prepared.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into by and among the City, the Trustee and the Owner, substantially in the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval of the City Attorney, such approval to be conclusively evidenced by the execution of said Regulatory Agreement with such additions, changes or corrections. Any Designated Officer is hereby authorized and directed for and in the name and on behalf of the City to execute amendments to the Regulatory Agreement in order that interest on the Bond remains tax-exempt.

6. The proposed form of Construction and Term Loan Agreement (the "Loan Agreement"), by and among the City, the Purchaser as Bondowner Representative and the Owner, in substantially the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Loan Agreement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of the Loan Agreement with such additions, changes or corrections.

7. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bond are hereby approved, confirmed and ratified, and each Designated Officer of the City, the City Clerk, and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture, the Loan Agreement, the Regulatory Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and the implementation of the Program in accordance with the Act and the Law and this Resolution and resolutions heretofore adopted by the City.

8. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Designated Officer and to affix and attest the

seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

9. In addition to the Designated Officers, any official of the City, including any official of the Los Angeles Housing Department, as shall be authorized in writing by the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents, except the Bond, authorized by this Resolution.

10. In accordance with procedures established by the City Charter, the City Council, by adoption and approval of this Resolution and with the concurrence of the Mayor, does hereby direct that the proceeds of the Bond be delivered directly to the Trustee, instead of the City Treasurer, to be deposited into the funds and accounts established under the Indenture.

11. Pursuant to Section 147(f) of the Code, the City Council hereby approves the issuance of the Bond to finance the Project. It is intended that this Resolution constitute approval of the Bond by the applicable elected representative of the issuer of the Bond and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

12. Pursuant to the City Charter all agreements to which the City is a party shall be subject to approval by the City Attorney as to form.

13. Each Designated Officer and other properly authorized officials of the City as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the City and this Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Bond or the agreements relating thereto subsequent to their issuance.

14. The Bond shall contain a recital that it is issued pursuant to the Law and in accordance with the Act.

15. This Resolution shall take effect immediately upon its passage and adoption.

16. The "Project" and "Owner", as used herein, shall have the following meanings:

Project Name	Number of Units	Address	Owner
The Quincy Apartments	54 (including 1 manager unit)	2652 & 2662 West Pico Boulevard, Los Angeles CA 90006	Wakeland Quincy LP

[Remainder of Page Intentionally Left Blank]

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2021.

By _____
Name_____
Title _____

INDENTURE OF TRUST

by and among

CITY OF LOS ANGELES,
as City

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

BANNER BANK,
as Initial Bondowner Representative

Dated as of October 1, 2021

relating to:

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of October 1, 2021 (this "Indenture"), is by and among the **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California (herein called the "City"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as Trustee hereunder (herein called the "Trustee"), and **BANNER BANK**, a Washington corporation, as initial purchaser of the Bond hereunder (herein called the "Bondowner Representative").

W I T N E S S E T H:

WHEREAS, pursuant to Section 248 of the City Charter of the City of Los Angeles and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the "Law"), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the "Act"), the City is empowered to issue bonds to finance the acquisition, construction and development of multifamily rental housing for persons of low and moderate income; and

WHEREAS, the City proposes to issue pursuant to the Law and in accordance with the Act, its Multifamily Housing Revenue Bond (The Quincy Apartments), Series 2021Y (the "Bond"); and

WHEREAS, Wakeland Quincy LP, a California limited partnership (the "Owner"), has applied to the City for financial assistance for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, construction and equipping of a 53-unit (plus one manager unit) multifamily rental housing project for seniors located at 2652 & 2662 West Pico Boulevard, Los Angeles, California, known as The Quincy Apartments (the "Project"); and

WHEREAS, the provision of the Loan (as hereinafter defined), is authorized by the Law and the Act and will accomplish a valid public purpose of the City, and the City has determined that it is in the public interest to issue the Bond in the maximum principal amount of $16,844,884 for the purpose of providing funding necessary for the acquisition, construction and equipping of the Project; and

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

WHEREAS, in order to provide for the authentication and delivery of the Bond, to establish and declare the terms and conditions upon which the Bond is to be issued and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the City has authorized the execution and delivery of this Indenture; and

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

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

AGREEMENT:

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

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

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

The term "**Act**" shall mean Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California as in effect on the Closing Date.

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

The term "**Agreement**" or "**Loan Agreement**" shall mean the Construction and Term Loan Agreement, dated as of October 1, 2021, among the City, the Owner and the Bondowner Representative, pursuant to which the City agrees to lend the proceeds of the Bond to the Owner,

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

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

The term "**Authorized Amount**" shall mean $16,844,884, the authorized maximum principal amount of the Bond.

The term "**Authorized Attesting Officer**" shall mean the City Treasurer, Deputy City Treasurer or Interim City Treasurer of the City, or such other officer or official of the City who, in accordance with the laws of the State, the bylaws or other governing documents of the City, or practice or custom, regularly attests or certifies official acts and records of the City, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

The term "**Authorized City Representative**" shall mean the Mayor, the General Manager, any Interim General Manager, any Acting General Manager, any Assistant General Manager, any Acting Assistant General Manager, or any Interim Assistant General Manager, Executive Officer or the Director, Finance and Development Division of the Los Angeles Housing Department, and any other officer or employee of the City designated to perform a specified act, to sign a specified document or to act generally, on behalf of the City by a written certificate furnished to the Trustee, which certificate is signed by the Mayor, the General Manager, any Interim General Manager, any Acting General Manager, any Assistant General Manager, any Acting Assistant General Manager, or Interim Assistant General Manager, Executive Officer or the Director Finance and Development Division of the Los Angeles Housing Department and contains the specimen signature of such other officer or employee of the City.

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

The term "**Bond**" shall mean the City of Los Angeles Multifamily Housing Revenue Bond (The Quincy Apartments), Series 2021Y, issued and Outstanding hereunder.

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

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

The term "**Bond Proceeds Account**" shall mean the account by that name established pursuant to Section 3.03 hereof.

The term "**Bondowner Representative**" shall mean Banner Bank, a Washington corporation, and any successor entity that is the owner of the Bond or any entity selected by the owner of the Bond.

The term "**Bond Year**" shall mean the one-year period beginning on October 1 in each year and ending September 30 in the following year, except that the first Bond Year shall begin on the Closing Date and end on September 30, 2022.

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

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

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

The term "**City**" shall mean the City of Los Angeles, a municipal corporation and charter city of the State of California, duly organized and existing under its charter and the Constitution and laws of the State of California, the issuer of the Bond hereunder, and its successors and assigns.

The term "**Closing Date**" shall mean [October __], 2021, the date of initial delivery of the Bond and funding of the Initial Disbursement.

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

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

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

The term "**Conversion Date**" has the meaning ascribed to the term "Conversion Date" in the Note.

The term "**Costs of Issuance Fund**" shall mean the Costs of Issuance Fund created pursuant to Section 3.04

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

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

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

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

The term "**Equity Account**" shall mean the account by that name established pursuant to Section 3.03 hereof.

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

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

The term "**Fixed Rate**" has the meaning ascribed to the term "Fixed Rate" in the Note.

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

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

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

The term "**Interest Payment Date**" shall mean the first Business Day of each month, commencing November 1, 2021.

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

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

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

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

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

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

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

The term "**Issuance Costs**" shall mean all costs and expenses of issuance of the Bond, including, but not limited to: (a) underwriters' discount and fees; (b) counsel fees, including Bond Counsel and Owner's counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bond or the Loan; (c) the City's issuance fee (being 0.25% of the original authorized principal amount of the Bond) plus expenses incurred in connection with the issuance

of the Bond, including fees of any counsel or advisor to the City, and the City administrative fee for processing the request of the Owner to issue the Bond; (d) Bondowner Representative's fees and Bondowner Representative's counsel fees; (e) Trustee's fees and Trustee's counsel fees; (f) paying agent's and certifying and authenticating agent's fees related to issuance of the Bond; (g) accountant's fees related to issuance of the Bond; (h) fees and expenses of Lender's counsel; (i) publication costs associated with the financing proceedings; and (j) costs of engineering and feasibility studies necessary to the issuance of the Bond.

The term "**Law**" shall mean Section 248 of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as supplemented and amended to the Closing Date.

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

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

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

The term "**Maturity Date**" shall mean [_____].

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

The term "**Note**" shall mean the promissory note evidencing the obligation of the Owner to repay the Loan in the form required by the Loan Agreement, as amended or supplemented from time to time.

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

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

(a) Any portion of the Bond theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Any portion of the Bond for the payment or redemption of which moneys or securities in the necessary amount (as provided in Section 10.01) shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bond); and

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

The term "**Owner**" or "**Partnership**" shall mean Wakeland Quincy LP, a California limited partnership, and its respective successors and assigns under the applicable provisions of the Loan Agreement and the Regulatory Agreement.

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

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

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

The term "**Project**" means the multifamily rental housing facility to be acquired and constructed by the Owner with the proceeds of the Loan located at 2652 & 2662 West Pico Boulevard in the City of Los Angeles, California, including structures, buildings, fixtures or equipment, as it may at any time exist, and any structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities, and a fee interest in the land on which such housing is situated.

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

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

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

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

The term "**Rebate Fund**" shall mean the Rebate Fund created pursuant to Section 6.07 hereof.

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

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

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

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

The term **"Responsible Banking Ordinance"** means Ordinance No. 182138 of the City of Los Angeles amending Chapter 5.1 of the Los Angeles Administrative Code.

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

The term "**Revenues**" means payments of principal of and premium, if any, and interest on the Bond, consisting of any repayments of the Loan required or permitted to be made by the Owner pursuant to Sections 4(a) through (e) and (i) of the Loan Agreement; but such term shall not include payments to the United States, the City or the Bondowner Representative pursuant to Sections 4(g), 4(h), 5, 9(a)(vii), 9(a)(xii) 11(b), and 18(e) of the Loan Agreement, Sections 6.07 or 8.06 hereof or pursuant to the Regulatory Agreement.

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

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

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

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

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

Section 1.02. Rules of Construction.

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

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

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

ARTICLE II

THE BOND

Section 2.01. Authorization. There is hereby authorized to be issued a bond of the City designated as "City of Los Angeles Multifamily Housing Revenue Bond (The Quincy Apartments), Series 2021Y" in the initial aggregate principal amount of up to $16,844,884, subject to funding over time, as provided herein. No Bond may be issued hereunder except in accordance with this Article. The maximum aggregate principal amount of the Bond which may be issued and Outstanding under this Indenture shall not exceed the Authorized Amount.

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

The Bond shall be issuable only as a single fully registered Bond, without coupons in the principal amount equal to the aggregate of the purchase price of the Bond advanced from time to time by the owner of the Bond (which principal amount shall be, on the Closing Date, equal to the amount of the Initial Disbursement). Notwithstanding the foregoing, no purchase price of the Bond shall be funded after December 31, 2024 unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond. The Bond shall be dated

the Closing Date, shall mature and be payable in full on the Maturity Date, and shall be subject to redemption prior to maturity as provided in Article IV.

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

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

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

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

Section 2.04. Execution of Bond. The Bond shall be executed on behalf of the City by the manual or facsimile signature of the Mayor of the City of Los Angeles, and attested by the manual or facsimile signature of an Authorized Attesting Officer. Any facsimile signatures shall have the same force and effect as if said persons had manually signed said Bond. Any reproduction of the official seal of the City on the Bond shall have the same force and effect as if the official seal of the City had been impressed on the Bond. In case any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the

same as if he had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

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

Section 2.05. Transfer of Bond.

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

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

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

(ii) the Bond shall be transferred only in whole and only to an entity that qualifies as a Sophisticated Investor;

(iii) each transferee of the Bond shall deliver to the City and the Trustee an Investor Letter, wherein the transferee agrees, among other matters, not to sell participating interests in the Bond, without the prior written consent of the City, which consent shall not be unreasonably or arbitrarily withheld provided that the transferee complies with Section 2.05(d) herein;

(iv) if the transferee is a "Commercial Bank" or an "Investment Bank" as defined in the Responsible Banking Ordinance, upon delivery to the City of an executed Responsible Banking Ordinance Certificate; and

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

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

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

Nothing contained in this Section 2.05(d) shall be deemed to limit or otherwise restrict the sale by any owner of the Bond of any participation interest in the Bond, provided that: (i) such owner shall remain the owner of record in the register of the Trustee following the sale of any such participation interest; (ii) the purchaser of the participation interest is a Sophisticated Investor; (iii) any such participation shall be in a principal amount of at least $250,000 or, if less, then the outstanding principal amount of the Bond; and (iv) the purchaser of such participation interest shall provide an Investor Letter to the City and the Trustee substantially in the form of Exhibit B hereto.

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

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

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

ARTICLE III

ISSUANCE OF BOND; APPLICATION OF PROCEEDS

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

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

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

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

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

(v) one or more opinions of Bond Counsel and the City Attorney's Office with respect to the due execution and delivery of this Indenture, Loan Agreement and Bond and the exclusion from gross income of the Bondowner of interest on the Bond for federal income tax purposes; and

(vi) confirmation of filing pursuant to the Responsible Banking Ordinance.

Section 3.02. Application of Proceeds of Bond/Draw-Down Provisions. The Initial Disbursement and subsequent disbursements of the proceeds received from the sale of the Bond shall be made in accordance with Section 3.03 of this Indenture. The Bondowner Representative shall fund the purchase price of the Bond from time to time by funding advances under the Loan pursuant to the Loan Agreement. Amounts funded in such manner shall be deposited by the Bondowner Representative with the Trustee and shall be deposited into the Bond Proceeds Account of the Construction Fund in accordance with Section 3.03(a) of this Indenture. The Trustee shall note such amount in its records, and the Trustee's records, absent manifest error, shall be dispositive of the amount Outstanding. Such amounts shall constitute the Disbursed Amount, and shall begin to accrue interest, only upon disbursement by the Bondowner Representative to the Trustee for deposit in the Construction Fund. Notwithstanding anything herein to the contrary, the purchase price of the Bond funded by the Bondowner Representative may not exceed $16,844,884 (and the Trustee shall not record any advances which would cause the principal amount of the Bond to exceed such amount). In no event may additional amounts be funded after December 31, 2024 unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond.

Section 3.03. Disbursement of Bond Proceeds; Establishment of Construction Fund. There is hereby created and established with the Trustee a separate fund which shall be designated the "Construction Fund," which fund shall be applied only as provided in this Section. Within the Construction Fund there shall be created a Bond Proceeds Account and an Equity Account to be held by the Trustee. The Initial Disbursement on the Closing Date shall be disbursed by the Bondowner Representative pursuant to the Loan Agreement and deposited with the Trustee to the Bond Proceeds Account of the Construction Fund for payment to or upon the order of the Owner to pay Qualified Project Costs.

(a) The Bondowner Representative shall fund the Loan from time to time in accordance with the Loan Agreement. Each advance of the Loan shall be treated as a concurrent funding of Bondowner Representative's purchase of a further drawdown of the Bond. The Bondowner Representative shall deposit the proceeds of each drawdown on the Bond with the Trustee for deposit into the Bond Proceeds Account of the Construction Fund. The Trustee shall deposit moneys received from or on behalf of the Owner to the Equity Account of the Construction Fund. Funds on deposit in the Construction Fund, and any interest earnings thereon, shall be transferred by the Trustee to the Owner (or, at the direction of the Bondowner Representative, to such contractors or subcontractors as specified in writing to the Trustee by the Lender) (i) for the payment of Project Costs (as defined in the Regulatory Agreement) approved by the Bondowner

Representative and acknowledged by the City and (ii) in the case of funds held in the Equity Account, for such other purposes requested by the Owner.

(b) The City hereby authorizes and directs the disbursement by the Trustee of the amounts deposited in the Construction Fund in accordance with this Indenture to or upon the order of the Owner (or, at the direction of the Bondowner Representative, to such contractors or subcontractors as specified in writing to the Trustee by the Lender) from time to time upon receipt by the Trustee of a written request of the Owner, accompanied by a disbursement request in the form attached hereto as Exhibit C, and a determination of the Bondowner Representative that the conditions to disbursement contained in the Loan Agreement have been satisfied or waived. Except as provided in the last sentence of this Section 3.03(b), the City's acknowledgment of each disbursement shall be required. The City agrees, however, that if the City has not acknowledged any disbursement within five Business Days of receipt of a request for acknowledgment of such disbursement, the City shall be deemed to have acknowledged such disbursement. Notwithstanding the foregoing, prior to delivery of the Construction Completion Certificate, the Trustee shall disburse payments of interest on the Bond when due from the Construction Fund without the need for a completed disbursement request.

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

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

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

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

Section 3.04. Costs of Issuance Fund. There is hereby created and established with the Trustee a separate fund which shall be designated the "Costs of Issuance Fund," which fund shall be applied only as provided in this Section. On the Closing Date, the Owner shall, from its own funds, deposit with the Trustee the amount of $[_____], which amount the Trustee shall deposit in the Costs of Issuance Fund. Amounts in the Costs of Issuance Fund shall be paid by the Trustee on or after the Closing Date to: (a) the California Debt and Investment Advisory Commission ("CDIAC") in the amount up to $[4,695.71] upon delivery of an invoice to the Trustee from

CDIAC; (b) the Trustee the sum of $4,200 as its acceptance fee and fees of legal counsel; and (c) the Trustee the sum of $[_____] for the Bond Trustee Annual Fee (as defined in the Loan Agreement). Amounts remaining in the Costs of Issuance Fund 90 days after the Closing Date shall be returned to the Owner, and the Trustee shall close the Costs of Issuance Fund.

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

ARTICLE IV

REDEMPTION OF BOND

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

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

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

(c) The Bond shall be subject to mandatory redemption in whole on the "Term Loan Maturity Date" set forth in the Note.

(d) The Bond shall be subject to mandatory redemption (i) in part, at the direction of the Bondowner Representative on the "Conversion Date" (as defined in the Note) in the amount necessary to reduce the Outstanding principal amount of the Bond to the "Term Loan" as required under the Note, which amount shall not exceed $[_____] and (ii) in full, at the direction of the Bondowner Representative on the "Construction Loan Maturity Date" under the Note (as may be extended by the terms of the Note) in the event the "Conditions to Conversion" (as defined in the Note) are not satisfied on or before the "Interim Construction Loan Maturity Date" set forth in the Note (as may be extended by the terms of the Note).

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

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

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

Section 4.03. Effect of Redemption. If moneys for payment of the redemption price of the Bond are being held by the Trustee, the Bond shall, on the redemption date selected by the Owner or Bondowner Representative, as applicable, become due and payable at the redemption price specified herein, interest on the principal amount of the Bond so called for redemption shall cease to accrue, said principal amount of Bond shall cease to be entitled to any lien, benefit or security under this Indenture, and the holder of the Bond shall have no rights in respect thereof except to receive payment of the redemption price thereof and receive proceeds of exercise by the Trustee of rights and remedies under the Note, the Loan Agreement, the Deed of Trust and the other Loan Documents.

Section 4.04. Recycling Transactions. Notwithstanding any provision of this Indenture or the Bond to the contrary, the City shall be permitted to direct payments of the Note prepayments to be transferred to a custodian or trustee selected by the City, in lieu of application to prepay a like portion of the Bond, so long as the City simultaneously causes other funds to be applied to prepay such portion of the Bond. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code.

ARTICLE V

REVENUES

Section 5.01. Pledge of Revenues. All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bond. The City also hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the holder from

time to time of the Bond, all of its right, title and interest in (excluding the Reserved Rights) (a) the Revenues, but excluding any amounts calculated as excess investment earnings under Section 6.07 hereof, (b) all amounts on deposit in any fund or account created hereunder and held by the Trustee, but excluding any amounts calculated as excess investment earnings under Section 6.07 hereof, (c) the Loan Agreement (except for the Reserved Rights under Sections 4(g), 5, 9(a)(vii), 9(a)(xvii), 9(c), 18(e) and 24 of the Loan Agreement and amounts payable to the United States of America pursuant to Section 9(a)(xii) thereof), (d) the Note, and (e) any other amounts or agreements referenced in the Loan Agreement as security for the repayment of the Bond (collectively, the "Trust Estate"). The Note has been endorsed to the Trustee, and the Deed of Trust is delivered in favor of the City and assigned to the Trustee.

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

THE BOND IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER, OF THE CITY OF LOS ANGELES (THE "CITY"), THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY FROM THE PROJECT REVENUES AND PROPERTY PLEDGED THEREFOR IN THIS INDENTURE AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE CITY. NEITHER THE CITY, THE STATE NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BOND OR OTHER COSTS INCIDENT THERETO. THE BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

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

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

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

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

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

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

For the purpose of determining the amount in any fund or account, all Investment Securities credited to such fund or account shall be valued at the lower of cost or par (which shall be measured exclusive of accrued interest) after the first payment of interest following purchase.

Any interest, profit or loss on such investment of moneys in any fund or account shall be credited or charged to the respective funds or accounts from which such investments are made. Subject to the requirements of the Tax Certificate, the Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such sale or redemption.

The Trustee may make any and all investments permitted under this Section 5.03 through its own trust or banking department or any affiliate and may pay said department reasonable, customary fees for placing such investments. The Trustee and its affiliates may act as principal, agent, sponsor, advisor or depository with respect to Investment Securities under this Section 5.03.

The City (and the Owner by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City or the Owner the right to receive brokerage confirmations of security transactions as they occur, the City and the Owner will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Owner and the City (to the extent requested by it) periodic cash transaction statements which shall include detail for all investment transactions, if any, made by the Trustee hereunder.

Section 5.04. Enforcement of Obligations. Upon the occurrence of an Event of Default actually known to a Responsible Officer of the Bondowner Representative, the Bondowner Representative shall be entitled in its sole discretion to take all steps, actions and proceedings, or

to direct the Trustee to take all steps and proceedings: (a) to enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under, the Loan Agreement, the Regulatory Agreement and the Deed of Trust, and (b) to request compliance with all covenants, agreements and conditions on the part of the City contained in this Indenture with respect to the Revenues.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01. Payment of Principal and Interest. The City shall punctually pay, but only out of Revenues as herein provided, the principal and the interest (and premium, if any) to become due in respect of the Bond issued hereunder at the times and places and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. When and as paid in full, the Bond shall be delivered to the Trustee and shall forthwith be destroyed.

Section 6.02. Preservation of Revenues; Amendment of Documents. The City shall not take any action to interfere with or impair the pledge and assignment hereunder of Revenues and the assignment to the Trustee, of rights of the City under the Loan Agreement and the Deed of Trust and other collateral documents, or the Trustee's or the Bondowner Representative's enforcement of any rights hereunder or thereunder, shall not take any action to impair the validity or enforceability of the Loan Agreement or the Deed of Trust and other collateral documents, and shall not waive any of its rights under or any other provision of or permit any amendment of the Loan Agreement or the Deed of Trust and other collateral documents, without the prior written consent of the Bondowner Representative.

Section 6.03. Compliance with Indenture. The City shall not issue, or permit to be issued, any Bond secured or payable in any manner out of Revenues other than in accordance with the provisions of this Indenture; it being understood that the City reserves the right to issue obligations payable from and secured by sources other than the Revenues and the assets assigned herein. The City shall faithfully observe and perform all the covenants, conditions and requirements hereof. So long as the Bond is Outstanding, the City shall not create any pledge, lien or charge of any type whatsoever upon all or any part of the Revenues, other than the lien of this Indenture.

Section 6.04. Further Assurances. Whenever and so often as requested so to do by the Bondowner Representative, the City, at the expense of the Owner, shall promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Bondowner Representative and the Bondowner all of the rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture and to perfect and maintain as perfected such rights, interests, powers, benefits, privileges and advantages.

Section 6.05. No Arbitrage. The City shall not take, nor knowingly permit nor suffer to be taken by the Trustee or otherwise, any action with respect to the gross proceeds of the Bond which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148(a) of

the Code and Regulations promulgated thereunder. The City will, additionally, comply with its obligations under and pursuant to the Tax Certificate.

Section 6.06. Limitation of Expenditure of Proceeds. To the best knowledge of the City, and based upon the Owner's representations in the Borrower Cost Certificate dated the Closing Date, not less than 97% of the face amount of the Bond, plus premium (if any) paid on the purchase of the Bond by the original purchaser thereof from the City, less original issue discount, will be used for Qualified Project Costs and less than 25% of such amount will be used for acquisition of land or an interest in land.

Section 6.07. Rebate of Excess Investment Earnings to United States. The Rebate Fund shall be established by the Trustee and held and applied as provided in this Section. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Owner for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the United States Government, and neither the City, the Owner nor any Bondowner shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Certificate. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the City, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the City, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Bond Year and within 55 days of payment in full of the Bond, the Trustee shall request and the Owner shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage").

Within 55 days of the end of each fifth Bond Year and within 55 days of payment in full of the Bond, upon the written direction of the City, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Trustee from amounts provided by the Owner, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Trustee shall pay, as directed by the City, Bond Counsel or the Rebate Analyst, to the United States Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of (A) the fifth Bond Year, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(ii) Not later than 60 days after the payment of the Bond in full, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section shall be made to the Internal Revenue Service Center at the address provided in such direction on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Trustee.

Notwithstanding any provision of this Indenture to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States and to comply with all other requirements of this Section 6.07 and Sections 9(a)(xii), 9(c) and 17 of the Loan Agreement, the requirements of the Regulatory Agreement and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Bond.

Any funds remaining in the Rebate Fund after redemption and payment of all of the Bond and payment and satisfaction of any Rebate Requirement, or provision made therefor in accordance with the written direction of the City, the Rebate Analyst or Bond Counsel, shall be withdrawn and remitted to the Owner.

The Trustee shall keep such records of the computations made pursuant to this Section 6.07 as are required under Section 148(f) of the Code to the extent furnished to the Trustee. The Owner shall or shall cause the Rebate Analyst to provide to the City copies of all rebate computations made pursuant to this Section 6.07. The Trustee shall keep and make available to the Owner such records concerning the investments of the gross proceeds of the Bond and the investments of earnings from those investments made by the Trustee as may be requested by the Owner in order to enable the Owner to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage need not be made to the extent that neither the City nor the Owner will thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bond, a copy of which shall be provided to the Trustee, at the expense of the Owner.

Section 6.08. Limitation on Issuance Costs. To the best knowledge of the City, from the proceeds of the Bond received from the original purchaser thereof and investment earnings thereon, an amount not in excess of two percent of the face amount of the Bond will be used to pay for, or provide for the payment of, Issuance Costs.

Section 6.09. Federal Guarantee Prohibition. The City shall take no action if the result of the same would be to cause the Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 6.10. Prohibited Facilities. To the best knowledge of the City, no portion of the proceeds of the Bond will be used to provide any airplane, skybox or other private luxury box,

health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. To the best knowledge of the City, no portion of the proceeds of the Bond will be used for an office unless the office is located on the premises of the facilities constituting the Project and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

Section 6.11. Use Covenant. The City shall not use any proceeds of the Bond or any other funds of the City, directly or indirectly, in any manner, and shall not take any other action or actions, which would result in the Bond being treated as an obligation not described in Section 142(d) of the Code by reason of the Bond not meeting the requirements of Section 142(d) of the Code.

Section 6.12. Immunities and Limitations of Responsibility of City. The City shall be entitled to the advice of counsel (who, except as otherwise provided, may be counsel for the Bondowner), and the City shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. The City may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The City shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The City shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any person and shall be liable only for its active negligence or willful misconduct. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The City shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the City is furnished for any expense or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. The City shall be entitled to reimbursement from the Owner for its expenses reasonably incurred or advances reasonably made, with interest at the highest rate at which interest accrues from time to time on the Bond, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which the City may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power. The Owner has indemnified the City against certain acts and events as set forth in Sections 9(a)(vii), 9(a)(xii), 9(c), 17, 18(c), and 18(e) of the Loan Agreement and Section 9 of the Regulatory Agreement. Such indemnities shall survive payment of the Bond and discharge of this Indenture.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the City and the Trustee may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City, the Trustee or the Bondowner Representative as to the existence of any fact or state of affairs, (b) the City shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be

performed by the Trustee or by the Bondowner Representatives and (c) none of the provisions of this Indenture shall require the City or the Trustee to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

Section 6.13. No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in the Bond shall be had against any member, officer, commissioner, director or employee (past, present or future) of the City, either directly or through the City or its governing body or otherwise, for the payment for or to the City or any receiver thereof, or for or to the Holder of the Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the City or its governing body upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of the Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon the Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bond.

Section 6.14. Limitation of Liability of City and Its Officers, Employees and Agents. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in the Bond, or under any judgment obtained against the City, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the Mayor, the City Council or any of the members, officers, agents or employees of the City, as such, past, present or future of the City, either directly or through the City or otherwise, for the payment for or to the City or any receiver of the City, or for or to the owner of the Bond, or otherwise, of any sum that may be due and unpaid by the City upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the Mayor, the City Council or of any such member, officer, agent or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owners of the Bond or otherwise of any sum that may remain due and unpaid upon the Bond secured by this Indenture or any of them is, by the acceptance of the Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bond. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the City may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee, the Owner, the Bondowner Representative or any Bondowner as to the existence of any fact or state of affairs, (b) the City shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee, the Bondowner Representative or by any Bondowner and (c) none of the provisions of this Indenture shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on

the Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bond shall be had against the Mayor, the City Council or any officer, member, agent or employee of the City, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bond. No covenant, stipulation, obligation or agreement of the City contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the City or the Mayor or the City Council in other than that person's official capacity. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

It is recognized that notwithstanding any other provision of this Indenture, neither the Bondowner, the Trustee nor the Owner shall look to the City for damages suffered by the Bondowner, the Trustee or the Owner as a result of the failure of the City to perform any covenant, undertaking or obligation under this Indenture, the Loan Agreement, the Bond or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the City in any of such documents, nor for any other reason. Although this City recognizes that such documents shall not give rise to any pecuniary liability of the City, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the City) in any court or before any governmental body, agency or instrumentality or otherwise against the City or any of its officers or employees to enforce the provisions of any of such documents which the City is obligated to perform and the performance of which the City has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the City proceeding pursuant to this Section 6.14, the City shall have received satisfactory indemnification.

ARTICLE VII

DEFAULT

Section 7.01. Default Under Loan Agreement; Acceleration. No default by the Owner under the Loan Agreement shall constitute an event of default with respect to the Bond. The City's, Trustee's, Owner's and Bondowner Representative's remedies with respect to a default under the Loan Documents shall be as set forth under the Loan Documents. The Bondowner Representative may, upon the acceleration of the Owner's obligations under the Loan Documents, direct the Trustee to accelerate the maturity of the Bond and apply any funds available hereunder for such purpose as provided herein (after paying the fees and expenses of the Trustee and the City). Any Bond remaining outstanding shall be deemed paid upon transfer, to or at the direction of the Bondowner Representative, of the Loan Documents and all security therefor free and clear of the lien of this Indenture.

The City shall cooperate with the Bondowner Representative and the Trustee in exercising rights and remedies under the Loan Documents, but only upon being satisfactorily indemnified by the Owner for any fees or expenses relating thereto as provided in the Loan Agreement and Regulatory Agreement.

Section 7.02. Limitation of Liability to Revenues. Notwithstanding anything in this Indenture, the City shall not be required to advance any moneys derived from the proceeds of taxes collected by the City, by the State of California or by any political subdivision thereof or from any source of income of any of the foregoing other than the Revenues for any of the purposes mentioned in this Indenture, whether for the payment of the principal of or interest on the Bond or for any other purpose of this Indenture.

ARTICLE VIII

THE TRUSTEE AND AGENTS

Section 8.01. Duties, Immunities and Liabilities of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the City hereby agrees to employ the Trustee (at the expense of the Owner) to receive, hold, invest and disburse the moneys received pursuant to the Loan Agreement for credit to the various funds and accounts established by this Indenture; to authenticate, deliver and transfer the Bond; and to apply and disburse the payments received from the Owner pursuant to the Loan Agreement to the owner of the Bond; and to perform certain other functions; all as herein provided and subject to the terms and conditions of this Indenture. The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture and no additional covenants or duties of the Trustee shall be implied in this Indenture. The Trustee is authorized and directed to enter into the Loan Documents to which it is a party, solely in its capacity as Trustee.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that:

(a) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture;

(b) At all times (i) the Trustee shall not be liable for any act or omission unless the Trustee or its agent was negligent or engaged in willful misconduct; and (ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the City, accompanied by an opinion of Bond Counsel as provided herein, or in accordance with the directions of the Bondowner Representative or in accordance with the directions of the holder of the Bond relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture;

(c) The Trustee shall not be required to take notice or be deemed to have notice of (i) any default hereunder or under the Loan Agreement, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the City,

the Bondowner Representative or the owner of the Bond, or (ii) any default under the Regulatory Agreement unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the City;

(d) Before taking any action under the Regulatory Agreement, Article VII hereof or this Section at the request or direction of the Bondowner or the Bondowner Representative, the Trustee may require that a satisfactory indemnity be furnished by the Bondowner, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken;

(e) Upon any application or request by the City or the Bondowner Representative to the Trustee to take any action under any provision of this Indenture or the Regulatory Agreement, the City or Bondowner Representative, as applicable, shall furnish to the Trustee a certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished;

(f) The Trustee may execute any of the powers hereunder or perform any duties hereunder either directly or through agents or attorneys;

(g) Neither the City nor the Owner shall be deemed to be agents of the Trustee for any purpose, and the Trustee shall not be liable for any noncompliance of any of them in connection with their respective duties hereunder or in connection with the transactions contemplated hereby;

(h) The Trustee shall be entitled to rely upon telephonic notice for all purposes whatsoever so long as the Trustee reasonably believes such telephonic notice has been given by a person authorized to give such notice;

(i) The immunities extended to the Trustee also extend to its directors, officers and employees;

(j) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bond, it being the sole obligation of the Trustee to administer, for the benefit of the Bondowner, the various funds and accounts established hereunder;

(k) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy;

(l) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the holder of the Bond or the Bondowner Representative related to the exercise of any right, power or remedy available to the Trustee;

(m) The Trustee shall have no duty to review any financial statements or budgets filed with it by the Owner under the Loan Agreement;

(n) The Trustee acknowledges that the Owner has an obligation to pay certain fees to the City pursuant to Section 7 of the Regulatory Agreement. The Trustee further acknowledges that in order to preserve the tax-exempt status of interest on the Bond, the Owner must comply with requirements for rebate of excess investment earnings to the federal government to the extent applicable. The Trustee agrees to use commercially reasonable efforts to send the Owner a notification or reminder of: (i) its payment obligations under said Section 7(n) of the Regulatory Agreement 30 days preceding each semiannual payment date therefor, commencing with the payment date on April 1, 2022, and ending on the date set forth in the Regulatory Agreement; and (ii) the Owner's obligation to make payments to the Rebate Fund as provided herein; and

(o) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties as Trustee or in the exercise of any of its rights or powers as Trustee. Whether or not therein expressly so provided, every provision of this Indenture, the Loan Agreement, the Regulatory Agreement or any other document relating to the conduct, powers or duties of, or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Article VIII.

Section 8.02. Right of Trustee to Rely Upon Documents, Etc. Except as otherwise provided in Section 8.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, facsimile transmission, electronic mail, demand, direction, election, requisition, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties;

(b) Any consent, demand, direction, election, notice, order or request of the City mentioned herein shall be sufficiently evidenced by a Written Consent, Written Demand, Written Direction, Written Election, Written Notice, Written Order or Written

Request of the City, and any resolution of the City may be evidenced to the Trustee by a Certified Resolution;

(c) The Trustee may consult with counsel (who may be counsel for the City, counsel for the Trustee or Bond Counsel) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) Whenever in the administration of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the City or a certificate of the Bondowner Representative; and such Certificate of the City or a certificate of the Bondowner Representative shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof;

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit; and

(f) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (ii) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions and (iii) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 8.03. Trustee Not Responsible for Recitals. The recitals contained herein and in the Bond shall be taken as the statements of the City, and the Trustee assumes no responsibility for the correctness of the same or for the correctness of the recitals in the Loan Agreement or the Regulatory Agreement. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bond. The Trustee makes no representations as to the value or condition of any assets pledged or assigned as security for the Bond, or as to the right, title or interest of the City therein, or as to the security provided thereby or by this Indenture, the Loan Agreement or the Deed of Trust, or as to the compliance of the Project with the Act, or as to the tax-exempt status of the Bond, or as to the technical or financial feasibility of the Project, or as to the validity or sufficiency of this Indenture as an instrument of the City or of the Bond as an obligation of the City. The Trustee shall not be accountable for the use or application by the City of the Bond authenticated or delivered hereunder or of the use or application of the proceeds of such Bond by the City or the Owner or their agents.

Section 8.04. Intervention by Trustee. The Trustee may intervene on behalf of the owners of the Bond in any judicial proceeding to which the City or Bondowner Representative is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owner of the Bond and, subject to the provisions of Section 8.01(d), shall do so if requested in writing by the owner of the Bond or the Bondowner Representative.

Section 8.05. Moneys Received by Trustee to be Held in Trust. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or as otherwise provided herein. The Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the City to pay thereon.

Section 8.06. Compensation and Indemnification of Trustee, Bondowner Representative and Agents.

(a) The Bondowner Representative and the Trustee shall be entitled to receive compensation from the Owner for their services as Bondowner Representative and Trustee, respectively, as provided in Section 4(h) of the Loan Agreement, and shall be indemnified by the Owner as provided in Sections 18(e) of the Loan Agreement and Section 9 of the Regulatory Agreement. The Bondowner Representative and the Trustee each acknowledges and agrees that, unless otherwise agreed to in writing by the City, the City shall not be responsible for the fees and expenses of the Bondowner Representative and the Trustee, and is providing no indemnification to the Bondowner Representative and the Trustee.

(b) If any property, other than cash, shall at any time be held by the Bondowner Representative or the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bond, the Bondowner Representative or the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bond, shall be entitled to but not obligated to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The rights of the Bondowner Representative and the Trustee to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have and each of the Bondowner Representative and Trustee is hereby granted a lien and a security interest prior to the Bond in respect of all property and funds held or collected by the Bondowner Representative or the Trustee as such, except funds held in trust by the Bondowner Representative or the Trustee for the benefit of the holders of a particular principal amount of the Bond, which amounts shall be held solely for the benefit of the Bondowner and used only for the payment of principal of and premium, if any, and interest on the Bond. The Bondowner Representative's and the Trustee's rights to immunities, indemnities and protection from liability hereunder and their rights to payment of their fees and expenses shall survive such Bondowner Representative's and the Trustee's resignation or removal and final payment of the Bond.

Section 8.07. Qualifications of Trustee. There shall at all times be a trustee hereunder, which shall be a corporation, banking association or trust company, in each case having trust powers, doing business and having a corporate trust office in California and shall:

(a) either (i) have a combined capital and surplus of at least $50,000,000 and be subject to supervision or examination by federal or state authority or (ii) be a wholly-owned subsidiary of a bank, trust company or bank holding company meeting on an aggregate basis the tests set out in clause (i) and

(b) be able to comply with the terms and conditions of this Indenture, including, without limitation, Sections 8.10 through 8.13 hereof, and to comply with the terms of the Loan Agreement applicable thereto.

If such corporation, banking association, or trust company publishes reports of conditions at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such corporation, banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.08(b) below.

Section 8.08. Removal, Resignation and Appointment of Successor Trustee.

(a) ***Removal of Trustee.*** The City may remove the Trustee at any time unless an Event of Default occurs and is then continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the holder of the Bond (or its attorney duly authorized in writing) or the Bondowner Representative or if at any time the Trustee shall cease to be eligible in accordance with Section 8.07 hereof, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or any substantial portion thereof or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon the Owner shall appoint a successor Trustee by an instrument in writing. Any successor Trustee appointed by the Owner under this Section 8.08 shall be subject to the approval of the Bondowner Representative and the City, which approval shall not unreasonably be withheld or delayed.

(b) ***Resignation of Trustee.*** The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the City and to the Bondowner. Upon receiving such notice of resignation, the Owner shall appoint a successor Trustee by an instrument in writing with the written consent of the Bondowner Representative and the City. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(c) ***Appointment of Successor Trustee.*** Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon the

acceptance of appointment of the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (a) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or the Bondowner may at the expense of the Owner petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the City and its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the written request of the City or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance, including a quitclaim deed, and further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trust and conditions herein set forth. Upon request of the successor Trustee, the City shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the City shall mail or cause the successor Trustee to mail, by first class mail, postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Bondowner at the address shown on the registration books. If the City fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the City.

Section 8.09. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor Trustee shall be eligible under the provisions of the first sentence of Section 8.07.

Section 8.10. [Reserved].

Section 8.11. Compliance with Laws. The Trustee shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Indenture and must at all times comply with such

local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

Section 8.12. Drug-Free Workplace Policy. The Trustee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Trustee agrees that any violation of this prohibition by Trustee, its employees, agents or assigns will be deemed a material breach of this Indenture.

Section 8.13. Compliance with Americans with Disabilities Act. The Trustee shall be in full compliance with all federal and state laws, including those of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq., and its implementing regulations and the American Disabilities Act Amendments Act (ADAAA) Pub. L. 110-325 and all subsequent amendments (the "ADA"). Under the ADA, the Trustee shall provide for reasonable accommodations to allow qualified individuals access to and participation in their programs, services and activities in accordance with the ADA. In addition, the Trustee shall not discriminate against individuals with disabilities nor against persons due to their relationship or association with a person with a disability. Any subcontract entered into by the Trustee, relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this Section.

Section 8.14. Proprietary or Confidential Information of the City. The Trustee understands and agrees that, in the performance of the work or services under this Indenture or in contemplation thereof, the Trustee may have access to private or confidential information which may be owned or controlled by the City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City. The Trustee agrees that all information disclosed by the City to the Trustee shall be held in confidence and used only in performance of this Indenture. The Trustee shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

Section 8.15. Audit and Inspection of Records. The Trustee agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Indenture. The Trustee will permit the City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Indenture, whether funded in whole or in part under this Indenture. The Trustee shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Indenture or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Indenture shall have the same rights conferred upon the City by this Section.

Section 8.16. Subcontracting. The Trustee is prohibited from subcontracting this Indenture or any part of it unless such subcontracting is first approved by the City in writing. Neither party shall, on the basis of this Indenture, contract on behalf of or in the name of the other party. A contract made in violation of this provision shall confer no rights on any party and shall be null and void.

Section 8.17. Paying Agents. The Trustee, with the written approval of the City and the Bondowner Representative, may appoint and at all times have one or more paying agents in such place or places as the Trustee may designate, for the payment of the principal of, and the interest (and premium, if any) on, the Bond. It shall be the duty of the Trustee to make such arrangements with any such paying agent as may be necessary and feasible to assure, to the extent of the moneys held by the Trustee for such payment, the availability of funds for the prompt payment of the principal of and interest and premium, if any, on the Bond presented at either place of payment. The paying agent initially appointed hereunder is the Trustee.

Section 8.18. Business Tax Registration Certificate. Subject to any exemption available to it, the Trustee represents that it will obtain and hold the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Indenture, the Trustee shall maintain, or obtain as necessary, all such Business Tax Registration Certificates required of it, subject to any exemption available to it, under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

Section 8.19. Child Support Assignment Orders. This Indenture is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, the Trustee certifies that: (1) it will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) the principal owner(s) of the Trustee are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) it will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) it will maintain such compliance throughout the term of this Indenture. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of the Trustee to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Trustee to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Trustee under the terms of this Indenture, subjecting the Trustee to removal hereunder where such failure shall continue for more than 90 days after notice of such failure to the Trustee by the City. Any subcontract entered into by the Trustee relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Trustee to obtain compliance of its subcontractors shall constitute a default by the Trustee under the terms of this Indenture, subjecting the Trustee to removal hereunder where such failure shall continue for more than 90 days after notice of such failure to the Trustee by the City. The Trustee shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Trustee hereby affirms that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (b) of the Public Contract Code Section 7110.

Section 8.20. Nondiscrimination and Affirmative Action. The Trustee shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the

United States of America, the State of California, and the City. The Trustee shall not discriminate in its employment practices against any employee or applicant for employment or deny family and medical care leave, pregnancy disability leave or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. The Trustee shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60). The Trustee shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The affirmative action program of the Trustee shall include the mandatory contract provisions set forth in the Los Angeles Administrative Code Section 10.8.4, and said provisions are incorporated herein by this reference. The Trustee shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by the City. Any subcontract entered into by the Trustee relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this section. No person shall on the grounds of race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this Indenture. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in a situation as defined therein.

Section 8.21. Libor Cessation or Alternative Reference Rate. The Trustee shall not be under any obligation (i) to monitor, determine or verify the unavailability or cessation of the LIBOR Based Rate (as defined in the Note) (or other applicable alternative rate), or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any transition event or replacement date, (ii) to select, determine or designate any alternate rate of interest or benchmark replacement, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, or (iii) to select, determine or designate any alternate rate of interest, or other modifier to any replacement or successor index, or (iv) to determine whether or what conforming changes are necessary or advisable, if any, in connection with any of the foregoing.

Section 8.22. Limitation of Liability; Failure to Perform or Delay. The Trustee shall not be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Indenture as a result of the unavailability of the LIBOR Based Rate (as defined in the Note) (or other applicable alternative rate) and absence of a designated replacement alternate rate of interest, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Bondowner Representative, in providing any direction, instruction, notice or information required or contemplated by the terms of this Indenture and reasonably required for the performance of such duties.

ARTICLE IX

MODIFICATION OF INDENTURE

Section 9.01. Modification of Indenture. The City and the Trustee, with the prior written consent of the Bondowner Representative, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture. The Bondowner Representative may, if it so elects, direct the Trustee to join with the City in the execution of such supplemental indenture, unless such supplemental indenture affects the rights or obligations of the Owner or any general partner or limited partner of the Owner hereunder or under the Loan Agreement or any other document, in which case the City, Trustee and Bondowner Representative may enter into such supplemental indenture only if the Bondowner Representative has received the Owner's, or such general partner's or limited partner's, as applicable, written consent thereto.

Promptly after the execution by the City, the Trustee and the Bondowner Representative of any supplemental indenture pursuant to the provisions of this Section, if the Bondowner Representative is not the sole owner of the Bond then Outstanding, the Trustee shall give the Bondowner, by first class mail, a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the City, the Trustee, the Bondowner Representative and the holder of the Bond shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Opinion of Counsel as to Supplemental Indenture. Subject to the provisions of Section 8.01, the Trustee and the Bondowner Representative shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article IX is authorized and permitted by this Indenture.

Section 9.04. Notation of Modification on Bond; Preparation of New Bond. A Bond authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Bondowner Representative and the City as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, a new Bond, so modified as to conform, in the opinion of the Bondowner Representative and the City, to any modification of this Indenture contained in any such supplemental indenture, may be prepared and executed by the City and authenticated by the Trustee and delivered without cost to the holder of the Bond then Outstanding, upon surrender for cancellation of such Bond in equal aggregate principal amounts.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the entire indebtedness on the Bond Outstanding shall be paid and discharged in any one or more of the following ways:

(a) by the payment of the principal of (including redemption premium, if any) and interest on the Bond Outstanding; or

(b) by the delivery to the Trustee, for cancellation by it, of the Bond Outstanding;

and if all other sums payable hereunder by the City shall be paid and discharged, then and in that case this Indenture shall cease, terminate and become null and void, and the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging this Indenture. The fees, expenses and charges of the Trustee (including reasonable counsel fees) must be paid in order to affect such discharge. The satisfaction and discharge of this Indenture shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the Owner for any expenditures which it may thereafter incur in connection herewith.

The City or the Owner may at any time surrender to the Trustee for cancellation by it any Bond previously authenticated and delivered which the City or the Owner lawfully may have acquired in any manner whatsoever, and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.02. Payment of Bond after Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee or any paying agent in trust for the payment of the principal of, or interest or premium on, the Bond remaining unclaimed for two years after the principal of the Outstanding Bond has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be paid to the Owner, and the holder of such Bond shall thereafter be entitled to look only to the Owner for payment thereof, and only to the extent of the amount so paid to the Owner, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease. In the event of the payment of any such moneys to the Owner as aforesaid, the holder of the Bond in respect of which such moneys were deposited shall thereafter be deemed to be unsecured creditors of the Owner for amounts equivalent to the respective amounts deposited for the payment of the Bond and so paid to the Owner (without interest thereon).

ARTICLE XI

MISCELLANEOUS

Section 11.01. Successors of the City. All the covenants, stipulations, promises and agreements contained in this Indenture, by or on behalf of the City, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the City shall hereafter be transferred by any law of the State of California, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the City,

then the body or official who shall succeed to such powers or duties shall act and be obligated in the place and stead of the City as in this Indenture provided.

Section 11.02. Limitation of Rights to Parties and Bondowner. Nothing in this Indenture or in the Bond expressed or implied is intended or shall be construed to give to any person other than the City, the Trustee, the Bondowner Representative, the Owner and the holder of the Bond issued hereunder any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the City, the Trustee, the Bondowner Representative, the Owner and the holder of the Bond issued hereunder.

Section 11.03. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.04. Destruction of the Bond. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the City of the Bond, the Trustee may, in lieu of such cancellation and delivery, destroy the Bond and deliver a certificate of such destruction to the City.

Section 11.05. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Indenture or in the Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 11.06. Notices. It shall be sufficient service of any notice, request, demand or other paper on the City, the Trustee, the Bondowner Representative, or the Owner if the same shall, except as otherwise provided herein, be duly mailed by first class mail, postage prepaid, or given by telephone or telecopier and confirmed by such mail, and to the other parties and addressed as follows:

The City:

City of Los Angeles
Los Angeles Housing Department
8th Floor
1200 West 7th Street
Los Angeles, CA 90017
HIMS# 19-126550
Attention: Supervisor, Affordable Housing Bond Program
Facsimile: (213) 808-8918

with a copy to:	City of Los Angeles Los Angeles Housing Department P.O. Box 532729 Los Angeles, CA 90053-2729 HIMS# 19-126550 Attention: Supervisor, Affordable Housing Bond Program Facsimile: (213) 808-8606
The Bondowner Representative:	Banner Bank 5930 Granite Lake Drive Suite 170 Granite Bay, CA 95747 Attention: Andre Massey Loan No. 14014047
With a copy to:	Davis, Wright Tremaine, LLP 865 South Figueroa Street, Suite 2400 Los Angeles, CA 90017 Attention: Tiffany K. Switzer, Esq.
The Trustee:	U.S. Bank National Association 633 W. 5th Street, 24th Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Ref: LA MF (The Quincy 2021Y) Telephone: (213) 615-6024 Facsimile: (213) 615-6199
The Owner:	Wakeland Quincy LP c/o Wakeland Housing and Development Corporation 1230 Columbia Street, Suite 950 San Diego, CA 92101 Attention: Peter Armstrong Telephone: (617) 677-2300 Facsimile: (617) 235-5386
with a copy to:	Bocarsly Emden Cowen Esmail & Arndt LLP 633 West Fifth St., 64 Floor Los Angeles, CA 90071 Attention: Nicole Deddens Telephone: (213) 239-8029 Facsimile: (213) 239-0410

with a copy to: [_____]
c/o Hudson Housing Capital LLC
630 Fifth Avenue, 28th Floor
New York, NY 10111
Attention: General Counsel

with a copy to: Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, MA 02116
Attention: Dayna M. Hutchins, Esq.

The City, the Trustee, the Bondowner Representative and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.07. Authorized Representatives. Whenever under the provisions of this Indenture the approval of the City or the Owner is required for any action, and whenever the City or the Owner is required to deliver any notice or other writing, such approval or such notice or other writing shall be given, respectively, on behalf of the City by the Authorized City Representative or on behalf of the Owner by the Authorized Owner Representative, and the City, the Trustee, the Bondowner Representative and the Owner shall be authorized to act on any such approval or notice or other writing and neither party hereto nor the Owner shall have any complaint against the others as a result of any such action taken.

Section 11.08. Evidence of Rights of Bondowner. Any request, consent or other instrument required by this Indenture to be signed and executed by the Bondowner may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by the Bondowner in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the ownership of the Bond, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Bondowner Representative, the Trustee and of the City if made in the manner provided in this Section.

(a) The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

(b) The ownership of the Bond shall be proved by the Bond register maintained pursuant to Section 2.06 hereof. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of the Bond held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may

nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(c) Any request, consent or vote of the holder of the Bond shall bind every future holder of the Bond and the holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bondowner Representative, the Trustee or the City in pursuance of such request, consent or vote.

(d) [Reserved].

(e) In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting with the Bondowner upon such notice and in accordance with such rules and regulations as the Bondowner Representative considers fair and reasonable for the purpose of obtaining any such action.

Section 11.09. Waiver of Personal Liability. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in the Bond, or under any judgment obtained against the City, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the Mayor, the City Council or any of the members, officers, agents or employees of the City, as such, past, present or future of the City, either directly or through the City or otherwise, for the payment for or to the City or any receiver of the City, or for or to the owner of the Bond, or otherwise, of any sum that may be due and unpaid by the City upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the Mayor, the City Council or of any such member, officer, agent or employee, past, present or future, of the City, as such, by reason of any act or omission on his or her part or otherwise, for the payment for or to the owner of the Bond or otherwise of any sum that may remain due and unpaid upon the Bond secured by this Indenture or any of them is, by the acceptance of the Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bond.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the City may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the City by the Trustee, the Servicer or the Owner as to the existence of any fact or state of affairs, (b) the City shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Servicer and (c) none of the provisions of this Indenture shall require the City to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

No covenant, stipulation, obligation or agreement of the City contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the City or the Mayor or the City Council in other than that person's official capacity. No member, officer, agent or employee of the City shall be individually

or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

It is recognized that notwithstanding any other provision of this Indenture, neither the Owner, the Trustee nor the Bondholder shall look to the City for damages suffered by the Owner, the Trustee or the Bondholder as a result of the failure of the City to perform any covenant, undertaking or obligation under this Indenture, the Loan Agreement, the Bond or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the City in any of such documents, nor for any other reason. Although this Indenture recognizes that such documents shall not give rise to any pecuniary liability of the City, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the City) in any court or before any governmental body, agency or instrumentality or otherwise against the City or any of its officers or employees to enforce the provisions of any of such documents which the City is obligated to perform and the performance of which the City has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the City proceeding pursuant to this Section 11.09, the City shall have received satisfactory indemnification.

Section 11.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the date provided therefor in this Indenture and, in the case of any payment, no interest shall accrue for the period from and after such date.

Section 11.11. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

Section 11.12. Governing Law, Venue. The formation, interpretation and performance of this Indenture shall be governed by the laws of the State of California. Venue for all litigation arising from or in connection with the Bond or this Indenture shall be in Los Angeles, California.

Section 11.13. Successors. Whenever in this Indenture either the City, the Trustee or the Bondowner Representative is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City, the Trustee or the Bondowner Representative shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.14. Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

Section 11.15. Disclosure of Border Wall Contracting Ordinance. The Trustee shall comply with Los Angeles Administrative Code Section 10.50 et seq., "Disclosure of Border Wall Contracting". The City may declare a default under this Indenture if the City determines that the Trustee failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in Los Angeles Administrative Code Section 10.50.1.

Section 11.16. Responsible Banking Ordinance Filing. The Bondowner Representative shall file with the City Treasurer of the City by July 1 of each year an annual statement of community reinvestment activities as required of a commercial bank under the Responsible Banking Ordinance. The Bondowner Representative represents that it has, prior to the Closing Date, filed the report due by July 1, 2021 under the Responsible Banking Ordinance for calendar year 2020.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the CITY OF LOS ANGELES has caused this Indenture to be signed in its name and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, and the Bondowner Representative have each caused this Indenture to be signed in its name, all as of the day and year first above written.

CITY OF LOS ANGELES, as City

By: Los Angeles Housing Department

By _____
Name: Daniel Huynh
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER,
City Attorney

_____
Deputy/Assistant City Attorney

[City's Signature Page to ***The Quincy Apartments*** Indenture of Trust]

[Trustee's Signature Page to ***The Quincy Apartments*** Indenture of Trust]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: Julia Hommel
Title: Vice President

[Bondowner Representative's Signature Page to ***The Quincy Apartments*** Indenture of Trust]

BANNER BANK, as Bondowner Representative

By: _____
Name: Waheed Karim
Title: Vice President

EXHIBIT A

FORM OF BOND

THIS BOND MAY BE OWNED ONLY BY A SOPHISTICATED INVESTOR (DEFINED AS (A) BANNER BANK; (B) ANY AFFILIATE OF BANNER BANK; AND (C) A QUALIFIED INSTITUTIONAL BUYER (A "QIB") AS DEFINED IN RULE 144A AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED); AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, REPRESENTS THAT IT IS A SOPHISTICATED INVESTOR, AND ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS BOND IN WHOLE TO SOPHISTICATED INVESTORS OR A CUSTODIAL ARRANGEMENT IN ACCORDANCE WITH THE LIMITATIONS SET FORTH IN ARTICLE II OF THE INDENTURE HEREINAFTER DEFINED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF LOS ANGELES IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THIS BOND.

No. R-1

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF LOS ANGELES
MULTIFAMILY HOUSING REVENUE BOND
(THE QUINCY APARTMENTS)
SERIES 2021Y

REGISTERED OWNER:	BANNER BANK
PRINCIPAL SUM:	UP TO SIXTEEN MILLION EIGHT HUNDRED FORTY FOUR THOUSAND EIGHT HUNDRED EIGHTY EIGHT DOLLARS ($16,844,884)
ISSUE DATE:	[OCTOBER __], 2021

The City of Los Angeles, a municipal corporation and chartered city of the State of California, duly organized and existing under its charter and the laws of the State of California (herein called the "City"), for value received, hereby promises to pay (but only out of Revenues as hereinafter provided) to the Registered Owner identified above or registered assigns, on [_____] (subject to prior redemption as provided in the Indenture) the sum of up to SIXTEEN MILLION EIGHT HUNDRED FORTY FOUR THOUSAND EIGHT HUNDRED EIGHTY EIGHT DOLLARS ($16,844,884) in lawful money of the United States, with interest thereon from the date of disbursement until paid at the rates described below. The actual unpaid principal hereof shall be equal to the funds disbursed by the Bondowner Representative under the Indenture and the Loan Agreement to fund the Loan, less any portion of the principal hereof redeemed pursuant to the Indenture. Capitalized terms used in this Bond and not defined herein shall have the meanings given such terms in the Indenture referenced below, or in the Note (as

defined in the Indenture), made by Wakeland Quincy LP, a California limited partnership (the "Owner"), to the order of the City.

This Bond shall bear interest as set forth in the Note.

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

In the event the City fails to make the timely payment of any monthly payment, the City shall pay interest on the then Outstanding Balance at a default rate (the "Default Rate") as defined in the Indenture; provided, however, that such rate shall under no circumstances exceed the Maximum Rate.

This Bond is a duly authorized bond of the City designated as "City of Los Angeles Multifamily Housing Revenue Bond (The Quincy Apartments), Series 2021Y" (the "Bond"), in the initial maximum aggregate principal amount of up to $16,844,884. This Bond is issued pursuant to Section 248, as amended, of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of Los Angeles Administrative Code, as amended (the "Law"), and in accordance with Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") and a resolution of the City Council of the City (the "Resolution") and issued under and secured by an Indenture of Trust, dated as of October 1, 2021 (the "Indenture"), among the City, U.S. Bank National Association, as the Trustee and Banner Bank, as initial Bondowner Representative. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owner of the Bond, of the nature and extent of the security, of the rights, duties and immunities the Trustee and the Bondowner Representative, and of the rights and obligations of the City thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees. The proceeds of the Bond will be used to make a loan to the Owner pursuant to a Construction and Term Loan Agreement, dated as of October 1, 2021 (the "Loan Agreement") among the City, Banner Bank, as initial Bondowner Representative and Lender, and the Owner, to finance the acquisition and construction of a residential rental project located in the City of Los Angeles, California.

THIS BOND IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER, OF THE CITY OF LOS ANGELES (THE "CITY"), THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY FROM THE PROJECT REVENUES AND PROPERTY PLEDGED THEREFOR IN THE INDENTURE AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE CITY. NEITHER THE CITY, THE STATE NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE HEREON. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS

BOND OR OTHER COSTS INCIDENT THERETO. THIS BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, WARRANTY OR AGREEMENT CONTAINED IN THE INDENTURE OR IN THIS BOND, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE CITY, OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE INDENTURE, SHALL BE HAD AGAINST THE MAYOR, THE CITY COUNCIL OR ANY OF THE MEMBERS, OFFICERS, AGENTS OR EMPLOYEES OF THE CITY, AS SUCH, PAST, PRESENT OR FUTURE OF THE CITY, EITHER DIRECTLY OR THROUGH THE CITY OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE CITY OR ANY RECEIVER OF THE CITY, OR FOR OR TO THE OWNER OF THIS BOND, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE CITY UPON THIS BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY STATUTE OR BY CONSTITUTION OR OTHERWISE OF THE MAYOR, THE CITY COUNCIL OR OF ANY SUCH MEMBER, OFFICER, AGENT OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE CITY, AS SUCH, BY REASON OF ANY ACT OF OMISSION ON HIS OR HER PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE OWNER OF THIS BOND OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THIS BOND SECURED BY THE INDENTURE OR ANY OF THEM IS, BY THE ACCEPTANCE OF THIS BOND, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE INDENTURE AND THE ISSUANCE OF THIS BOND.

THIS BOND HAS BEEN ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT.

This Bond is a limited obligation of the City and, as and to the extent set forth in the Indenture, is payable solely from, and secured by a pledge of and lien on, the Revenues (as that term is defined in the Indenture), consisting primarily of amounts paid by the Owner pursuant to the Loan Agreement.

This Bond shall be subject to redemption prior to maturity, at a price and upon such terms as are provided in the Indenture. No notice of redemption of this Bond need be given to the registered owner of this Bond, and the owner of this Bond, by acceptance hereof, expressly waives any requirement for any notice of redemption.

Notwithstanding any provision of this Bond or the Indenture to the contrary, the City shall be permitted to direct Note prepayments to be transferred to a custodian or trustee selected by the City, in lieu of application to prepay a like portion of this Bond, so long as the City simultaneously causes other funds to be applied to prepay such portion of this Bond. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code.

The principal of this Bond may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

This Bond is transferable by the registered owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations (including those contained in Section 2.05(b) of the Indenture) and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond will be issued to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

The schedule of drawings attached as Exhibit A hereto shall be used by the Trustee to record the payment of the purchase price of this Bond from time to time (such purchase price to be paid from time to time by the Holder of this Bond as provided in the Indenture and the Loan Agreement), which shall evidence the principal amount of this Bond purchased by the Bondowner Representative from time to time. The Bondowner Representative shall credit any advanced funds toward the purchase price of this Bond on the schedule of drawings attached hereto as Exhibit A. The total amount outstanding under the Bond may not exceed $16,844,884 at any time and no portion of the purchase price therefor shall be funded after December 31, 2024, unless there is delivered to the Trustee an opinion of Bond Counsel to the effect that such funding will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bond.

The Indenture contains provisions permitting the City, the Trustee and the Bondowner Representative to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

The City hereby certifies that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California (including the Act).

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

In the event of any conflict between the terms of this Bond and the terms of the Indenture, the terms of the Indenture shall control.

[Remainder of Page Intentionally Left Blank]

The City has caused this Bond to be executed in its name by the facsimile signature of its Mayor under its official seal, or a facsimile, and attested by the facsimile signature of its City Treasurer all as of the date first written above.

(SEAL)

CITY OF LOS ANGELES

_____
City Treasurer

By _____
Mayor

[SEAL]

FORM OF CERTIFICATE OF AUTHENTICATION

This is the Bond described in the within-mentioned Indenture and has been authenticated and registered on _____.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Julia Hommel
Title: Vice President

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within Bond and do(es) hereby irrevocably constitute and appoint attorney,

_____

to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.	NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SCHEDULE OF DRAWINGS

Purchase Amount	Purchase Date	Outstanding Principal	Signature of Trustee

EXHIBIT B

FORM OF INVESTOR LETTER

[_____]

City of Los Angeles
Los Angeles, California

Kutak Rock LLP
Omaha, Nebraska

U.S. Bank National Association
Los Angeles, California

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

Ladies and Gentlemen:

The undersigned (the "Investor") hereby represents and warrants to you as follows:

1. The Investor proposes to purchase all of the aggregate principal amount of the above-captioned bond (the "Bond") issued pursuant to that certain Indenture of Trust dated as of October 1, 2021 (the "Indenture"), by and among the City of Los Angeles, California (the "City"), U.S. Bank National Association, as Trustee and Banner Bank, as initial Bondowner Representative (the "Bondowner Representative"). The Investor understands that the Bond is not rated by any securities rating agency and is secured only by The Quincy Apartments and the revenues therefrom, and will only be sold to the Investor with the above-addressed parties relying upon the representations and warranties of the Investor set forth herein. The Investor acknowledges that no offering document has been prepared in connection with the issuance and sale of the Bond. The Investor has requested and received all materials which the Investor has deemed relevant in connection with its purchase of the Bond (the "Offering Information"). The Investor has reviewed the documents executed in conjunction with the issuance of the Bond, including, without limitation, the Indenture and the Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

2. The Investor hereby waives the requirement of any "due diligence investigation or inquiry" by the City, by each official of the City, by each employee of the City, by each member of the governing board of the City, and by counsel to the City, the Trustee, counsel to the Trustee, the Bondowner Representative, counsel to the Bondowner Representative and Bond Counsel in connection with the authorization, execution and delivery of the Bond and Investor's purchase of

the Bond. The Investor recognizes and agrees that the City, by each official of the City, each employee of the City, each member of the governing board of the City, counsel to the City, the Trustee, counsel to the Trustee, the Bondowner Representative, counsel to the Bondowner Representative and Bond Counsel have made no representations or statements (expressed or implied) with respect to the accuracy or completeness of any of the materials reviewed by the Investor in connection with the Investor's purchase of the Bond. In making an investment decision, the Investor is relying upon its own examination of the City, the Owner, the Project and the terms of the offering.

3. The Investor has been provided an opportunity to ask questions of, and the Investor has received answers from, representatives of the City and the Owner regarding the terms and conditions of the Bond, and the Investor has obtained all additional information requested by it in connection with the Bond.

4. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bond in particular, and is capable of evaluating the merits and risks involved in an investment in the Bond. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bond.

5. The Investor is purchasing the Bond solely for its own account for investment purposes and has no present intention to resell or distribute the Bond, provided that the Investor reserves the right to transfer or dispose of the Bond, at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 6 through 8 of this Letter. The Investor hereby agrees that the Bond may only be transferred in whole and in accordance with the Indenture, including Article II thereof, to a single investor, which must execute and deliver to the parties addressed above a form of this Investor Letter.

6. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bond (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "1933 Act"), (ii) in accordance with any applicable state securities laws and (iii) in accordance with the transfer restrictions set forth in the Bond and the Indenture. The Investor acknowledges that written consent of the City is required in order to transfer the Bond. The Investor further agrees that the Bond will not be transferred to or held in a pool, trust or similar arrangement and that it will not sell any participating interests in the Bond, without the prior written consent of the City, except that the Bond may be transferred and participants may be granted as permitted by Section 2.05 of the Indenture.

7. The Investor is a Sophisticated Investor as defined in the Indenture and understand that the Bond may be offered, resold, pledged or transferred only in whole and only to a person who is a Sophisticated Investor.

8. If the Investor sells the Bond (or any legal or beneficial interest therein), the Investor or its agent will obtain for the benefit of each of you from any subsequent purchaser an Investor Letter in the form of this Letter or such other materials as are required by the Bond and the Indenture to effect such sale and purchase. The Investor understands and agrees that the

Trustee is not authorized to register any transfer of the Bond prior to receipt of such Investor Letter and the written consent of the City.

9. Neither the Bondowner Representative, the Trustee, Bond Counsel, counsel to the City, the City, its governing body, or any of its employees or agents will have any responsibility to the Investor for the accuracy or completeness of information obtained by the Investor from any source regarding the Project, the City, the Owner or their financial conditions or regarding the Bond, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Offering Information. The Investor acknowledges that, as between Investor and all of such parties: (a) the Investor has assumed responsibility for obtaining such information and making such review as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bond and (b) the Offering Information and any additional information specifically requested from the City or the Owner and provided to the Investor prior to closing constitute all the information and review, with the investigation made by Investor (including specifically the Investor's investigation of the City, the Project and the Owner) prior to its purchase of the Bond, that Investor has deemed necessary or desirable in connection with its decision to purchase the Bond.

10. The Investor understands that (a) the Bond has not been registered with any federal or state securities agency or commission, and (b) no credit rating has been sought or obtained with respect to the Bond, and the Investor acknowledges that the Bond is a speculative investment and that there is a high degree of risk in such investment.

11. The Investor acknowledges that the Bond is a limited obligation of the City, payable solely from the revenues or other amounts provided by or at the direction of the Owner, and is not an obligation payable from the general revenues or other funds of the City, the State of California or any political subdivision of the State of California. The Investor acknowledges that the City is issuing the Bond on a conduit, nonrecourse basis, and has no continuing obligations with respect thereto except as expressly set forth in the Indenture.

12. The Investor has the authority to purchase the Bond and to execute this letter and other documents and instruments required to be executed by the Investor in connection with its purchase of the Bond. The individual who is executing this letter on behalf of the undersigned is a duly appointed, qualified and acting officer of the Investor and authorized to cause the Investor to make the certifications, representations and warranties contained herein by the execution of this letter on behalf of the Investor.

13. The Investor agrees to indemnify and hold harmless the City, the City's officials, officers, directors, employees, agents, attorneys, accountants, advisors, consultants, servants and the members of the governing board of the City past, present and future with respect to any claim asserted against any of them that is based upon the Investor's sale, transfer or other disposition of its interests in the Bond in violation of the provisions hereof or of the Indenture or any inaccuracy in any statement made by the Investor in this letter.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

Very truly yours,

BANNER BANK, as Bond Purchaser

By: _____
Name: Waheed Karim
Title: Vice President

[Signature Page to Investor Letter]

EXHIBIT C

FORM OF CONSTRUCTION FUND DISBURSEMENT REQUEST

To: U.S. Bank National Association, as trustee (the "Trustee") under that certain Indenture of Trust, dated as of October 1, 2021 (the "Indenture"), among the Trustee, the City of Los Angeles and Banner Bank, as the initial Bondowner Representative.

1. You are requested to disburse funds from the Construction Fund pursuant to Section 3.03 of the Indenture as Draw number _____ in the aggregate amount of $_____ consisting of funds from the following accounts in the following amounts:

Bond Proceeds Account: $_____

Equity Account: $_____

for disbursement in the amount(s), to the person(s) and for the purpose(s) set forth on Schedule I attached hereto and incorporated herein by reference. Capitalized terms not defined herein have the meanings assigned thereto in the Indenture.

2. The undersigned certifies that:

(i) there has been received no notice (A) of any lien, right to lien or attachment upon, or claim affecting the right of the payee to receive payment of, any of the moneys payable under such requisition to any of the persons, firms or corporations named therein, and (B) that any materials, supplies or equipment covered by such requisition are subject to any lien or security interest, or if any notice of any such lien, attachment, claim or security interest has been received, such lien, attachment, claim or security interest has been released, discharged, insured or bonded over or will be released, discharged, insured or bonded over upon payment of the requisition;

(ii) such requisition contains no items representing payment on account of any percentage entitled to be retained at the date of the certificate;

(iii) the obligation stated on the requisition has been incurred in or about the acquisition, construction or equipping of the Project, each item is a proper charge against the Construction Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(iv) such requisition contains no items representing any Issuance Costs or any other amount constituting an issuance cost under Section 147(g) of the Code;

(v) not less than 95% of the sum of: (A) the amounts requisitioned by this Requisition to be funded with the proceeds of the Bond plus (B) all amounts allocated to the Bond previously disbursed from the Construction Fund, have been or will be applied by the Owner to pay Qualified Project Costs;

(vi) as of the date hereof no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Loan Agreement or, to our knowledge, a default under the Indenture; and

(vii) such requisition complies with all applicable requirements of the Regulatory Agreement including, without limitation, Section 7(j) thereof, as well as with all applicable requirements of the Loan Agreement and the Tax Certificate.

3. The Owner has obtained written consent of the Bondowner Representative and acknowledgment of the City to this disbursement, as evidenced by their signatures below.

Dated: _____

WAKELAND QUINCY LP, a California limited partnership

By: Wakeland Quincy LLC, a California limited liability company
Its: Sole/Managing General Partner

By: Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation
Its: Sole Member/Sole Manager

By: _____
Name: Rebecca Louie
Its: VP/Chief Operating Officer

[Signature Page to ***The Quincy*** Construction Fund Disbursement Request]

APPROVED:

BANNER BANK,
BONDOWNER REPRESENTATIVE

By: _____
Name: Waheed Karim
Title: Vice President

[Bondowner Representative's Signature Page to ***The Quincy*** Construction Fund Disbursement Request]

ACKNOWLEDGED:

For City acknowledgment requirements, see Section 3.03(b) of the Indenture.

CITY OF LOS ANGELES, as City

By: Los Angeles Housing Department

By: _____
Name: Daniel Huynh
Title: Assistant General Manager

[City's Signature Page to ***The Quincy*** Construction Fund Disbursement Request]

SCHEDULE I

EXHIBIT D

FORM OF RESPONSIBLE BANKING ORDINANCE CERTIFICATE

RESPONSIBLE BANKING ORDINANCE
REPRESENTATIONS AND COVENANTS OF BANK

[_____]

City of Los Angeles
Los Angeles, California

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

Ladies and Gentlemen:

The undersigned on behalf of [_____] (the "Bank") does hereby certify to the following as of the date of this certificate, relating to the Bank's purchase from the City of Los Angeles (the "City") of the City's $16,844,884 initial principal amount of Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y (the "Bond"):

(a) The Bank shall file with the City Treasurer of the City by July 1 of each year an annual statement of community reinvestment activities as required of a "commercial bank" or an "investment bank" under the City's Ordinance 182138 adopted May 25, 2012 (the "Responsible Banking Ordinance"); and

(b) The Bank represents that it has, prior to the date hereof, filed with the City Treasurer the report due by July 1, 20[___] under the Responsible Banking Ordinance for calendar year 20[___].

[Remainder of this page intentionally left blank.]

Very truly yours,

[BANK]

By: _____
Name: _____
Title: _____

[Signature Page to ***The Quincy Apartments*** Responsible Banking Ordinance Certificate]

CONSTRUCTION AND TERM LOAN AGREEMENT

Borrower:	WAKELAND QUINCY LP c/o Wakeland Housing and Development Corporation 1230 Columbia Street Suite 950 San Diego, California 92101 Attention: President and CEO	**Issuer**:	CITY OF LOS ANGELES Housing and Community Investment Department 1200 W. 7th Street 8th Floor Los Angeles, California 90017 Attention: Supervisor, Affordable Housing Bond Program
		Bondowner Representative:	BANNER BANK 5930 Granite Lake Drive Suite 170 Granite Bay, California 95747 Attention: Stacy Lunardi Loan No. 14014047

THIS CONSTRUCTION AND TERM LOAN AGREEMENT (this "**Agreement**"), dated as of October 1, 2021, is entered into by and among WAKELAND QUINCY LP, a California limited partnership ("**Borrower**"), CITY OF LOS ANGELES (the "**Issuer**"), and BANNER BANK, a Washington corporation, and its successors and assigns ("**Bondowner Representative**") on the terms and conditions set forth below. Borrower has applied to Issuer for a loan in the total principal amount of _____ and No/100th Dollars ($_____) in order to construct the Improvements on the Real Property described below. The interests of the Issuer in this Agreement and the Note, excluding the Reserved Rights, have been assigned to _____, as Bond Trustee (the "**Bond Trustee**"), pursuant to an Indenture of Trust dated as of October 1, 2021, among the Issuer, Bond Trustee and Banner Bank, as Initial Bondowner Representative. Issuer and Bondowner Representative are each executing this Agreement, and are willing to lend the loan amount to Borrower or purchase the Bond described below, respectively, solely under the terms and conditions specified in this Agreement and in the Loan Documents, to each of which Borrower agrees. Borrower understands and agrees that: (a) in granting, renewing, or extending the Loan, Issuer and Bondowner Representative are each relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement, and (b) the Loan shall be and remain subject to the following terms and conditions of this Agreement.

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation and charter city under the laws of the State of California (the "**State**"); and

WHEREAS, pursuant to Section 248 of its Charter and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code (the "**Law**"), and, to the extent applicable, in

accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "**Act**"), the Issuer is authorized and empowered to issue revenue bonds and apply the proceeds to make loans for the acquisition, construction and development of qualifying housing developments (defined in the Act to include buildings used to provide residential housing for four or more families); and

WHEREAS, Borrower has requested the Issuer to issue its Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y, in the original principal amount of $_____ (the "**Bond**") for the purpose of making a loan (the "**Loan**") to finance, in part, the construction of a multifamily rental housing project known as "The Quincy Apartments", located at 2652 and 2662 West Pico Boulevard in Los Angeles, California, which is more particularly described on Exhibit A (the "**Property**") (the "**Improvements**" or the "**Project**"). The Bond shall be issued pursuant to an Indenture of Trust of even date herewith by and among the Issuer, Bondowner Representative and Bond Trustee (as amended and supplemented from time to time, the "**Indenture**"); and

WHEREAS, the Issuer deems it desirable and in keeping with its governmental purpose to issue the Bond and lend the proceeds thereof to Borrower for the purposes described above under the terms and conditions contained in this Agreement; and

WHEREAS, to evidence the Loan, Borrower is executing, in favor of the Issuer, that certain Promissory Note payable to the order of Issuer in the aggregate original principal amount of $_____ (as amended or supplemented from time to time, the "**Note**") which Note provides for the repayment of the Loan in amounts sufficient to pay, when due, the principal of, premium, if any, and interest on the Bond, and which Note will be endorsed over to Bond Trustee.

WHEREAS, Borrower has executed or caused to be executed and delivered to Issuer the Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (as amended or supplemented from time to time, the "**Deed of Trust**") with respect to the Project to secure, among other things, the payments due under the Note and this Agreement, which Deed of Trust shall be assigned by the Issuer to the Bond Trustee pursuant to that certain Assignment of Deed of Trust and Loan Documents executed as of even date herewith (as amended or supplemented from time to time, the "**Assignment of Deed of Trust**"); and

WHEREAS, in order to secure additional financing for the Project, Borrower has obtained a loan made from the City of Los Angeles, a municipal corporation, acting through the Los Angeles Housing and Community Investment Department ("**HCID**"), in the amount of $3,550,000 (the "**HHH Loan**"). The HHH Loan is evidenced by that certain Loan Agreement dated on or about the Closing Date ("**HHH Loan Agreement**"), by and between Borrower and HCID and a Promissory Note dated on or about the Closing Date ("**HHH Note**"), made by Borrower to the order of HCID and secured by that certain Deed of Trust, Assignment of Rents and Security Agreement dated on or about the Closing Date (the "**HHH Deed of Trust**"), made by Borrower for the benefit of HCID, recorded in the Official Records concurrently with the Deed of Trust; and

WHEREAS, in connection with the HHH Loan, Borrower and HCID executed that certain regulatory agreement dated on or about the Closing Date (the "**HHH Regulatory Agreement**"), recording in the Official Records substantially concurrently with the Deed of Trust; and

WHEREAS, in order to secure additional financing for the Project, Borrower has obtained a loan made from the Los Angeles County Development Authority (the "**LACDA**"), in the amount of $9,544,044 (the "**NPLH Loan**"). The NPLH Loan is evidenced by that certain Loan Agreement dated on or about the Closing Date ("**NPLH Loan Agreement**"), by and between Borrower and LACDA and a Promissory Note dated on or about the Closing Date ("**NPLH Note**"), made by Borrower to the order of LACDA and secured by a deed of trust dated on or about the Closing Date ("**NPLH Deed of Trust**"), executed by Borrower for the benefit of LACDA, recorded in the Official Records concurrently with the Deed of Trust; and

WHEREAS, in connection with the NPLH Loan, Borrower and LACDA executed that certain regulatory agreement dated on or about the Closing Date (the "**NPLH Regulatory Agreement**"), recording in the Official Records substantially concurrently with the Deed of Trust; and

WHEREAS, in order to secure additional financing for the Project, Borrower has obtained a commitment from the State of California Department of Housing and Community Development ("**HCD**"), to make a grant to Wakeland Housing and Community Development ("**Sponsor**") in the amount of $3,550,352 (the "**IIG Grant**") pursuant to (i) that certain Standard Agreement dated as of _____ (the "**IIG Grant Standard Agreement**"), by and between Sponsor and HCD, and (ii) that certain Disbursement Agreement dated on or about the Closing Date (the "**IIG Disbursement Agreement**"), by and between Borrower, Sponsor and HCD;

WHEREAS, in connection with the IIG Grant, HCD is requiring Borrower enter into that certain Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing dated on or about the Closing Date (the "**IIG Regulatory Agreement**"), recording in the Official Records substantially concurrently with the Deed of Trust; and

WHEREAS, in order to secure additional financing for the Project, AHP Lender (defined below) has provided a loan to Sponsor (the "**AHP Sponsor Loan**") which is evidenced by that certain promissory note dated on or about the Closing Date from Sponsor to AHP Lender (the "**AHP Sponsor Note**"), and Borrower has obtained a loan from Sponsor utilizing the proceeds of the AHP Sponsor Loan in the amount of $530,000 (the "**AHP Borrower Loan**"; and together with the AHP Sponsor Loan, the "**AHP Loan**") which is evidenced by that certain promissory note dated on or about the Closing Date from Borrower to Sponsor ("**AHP Borrower Note**"), and is secured by a deed of trust dated on or about the Closing Date ("**AHP Deed of Trust**"), executed by Borrower for the benefit of Sponsor, recorded in the Official Records concurrently with the Deed of Trust;

WHEREAS, to secure the Sponsor's obligations under the AHP Sponsor Note, Sponsor has pledged and assigned all of its right, title and interest under the AHP Borrower Note and the

AHP Deed of Trust to AHP Lender pursuant to an assignment of deed of trust ("**AHP Assignment**") which is recording in the Official Records substantially concurrently with the Deed of Trust;

WHEREAS, additional funds shall be applied to the Project in the projected aggregate amount of $_____ (the "**ILP Capital Contributions**") from ///[_____]///, a Delaware limited partnership, in its capacity as investor limited partner in Borrower (together with its permitted successors and assigns, "**Investor Limited Partner**") and in accordance with the terms and conditions of Borrower's Partnership Agreement (defined below); and

WHEREAS, additional funds shall be applied to the Project in the projected aggregate amount of $100 (the "**GP Capital Contributions**"; and together with the ILP Capital Contributions, the "**Capital Contributions**") from General Partner (defined below), in its capacity as general partner and in accordance with the terms and conditions of Borrower's Partnership Agreement (defined below); and

AND WHEREAS, the execution and delivery of this Agreement and the issuance of the Bond has been duly and validly authorized by the Issuer; and

NOW, THEREFORE, the Issuer, Borrower and Bondowner Representative (as hereinafter defined), each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

1. TERM. This Agreement shall be effective as of October __, 2021 (the "**Closing Date**"), and shall continue thereafter until all Indebtedness has been paid in full and all other obligations of Borrower hereunder have been performed in full.

2. DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Indenture. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Act. The word "Act" has the meaning ascribed to such term in the second WHEREAS paragraph above.

Advance. The word "Advance" means all advances on the Loan (defined below).

Affiliate. The word "Affiliate" means, with respect to any Person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, (i) such Person or (ii) any general partner of such Person; (b) any other Person 5% or more of the equity interest of which is held beneficially or of record by (i) such Person or (ii) any general partner of such Person, and (c) any general partner of (i) such Person or (ii) any general partner of such Person. As used in the previous sentence, "control" means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities by contract, family relationship or otherwise.

Agreement. The word "Agreement" means this Construction and Term Loan Agreement, as this Construction and Term Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Construction and Term Loan Agreement from time to time.

AHAP Contract. The words "AHAP Contract" mean that certain Agreement to Enter Into a Housing Assistance Payment Contract effective as of October 19, 2020, by and between Borrower and Contract Administrator.

AHP Deed of Trust. The words "AHP Deed of Trust" shall have the meaning given such term in the fourteenth WHEREAS paragraph to this Agreement.

AHP Lender. The words "AHP Lender" shall mean _____.

AHP Loan. The words "AHP Loan" shall have the meaning given such term in the fourteenth WHEREAS paragraph to this Agreement.

AHP Loan Documents. The words "AHP Loan Documents" shall mean, collectively, the AHP Sponsor Note, the AHP Borrower Note, the AHP Deed of Trust, the AHP Assignment and any other document evidencing, securing, guaranteeing or otherwise relating to the AHP Loan.

AHP Subordination Agreement. The words "AHP Subordination Agreement" means that certain Subordination Agreement between Bond Trustee, AHP Lender, Bondowner Representative and Borrower, subordinating the AHP Deed of Trust to the lien and charge of the Deed of Trust.

Architect. The word "Architect" means _____.

Architecture Contract. The words "Architecture Contract" means that certain ///[AIA Standard Form of Agreement Between Owner and Architect for a Multi-Family Residential or Mixed Use Residential Project]/// dated as of _____, by and between Borrower and Architect.

Bond. The word "Bond" has the meaning set forth in the third WHEREAS paragraph above.

Bond Documents. The words "Bond Documents" mean, collectively, the Indenture, the Bond Regulatory Agreement, the Deed of Trust Assignment, the UCC-1 and UCC-2 Financing Statements and any other document (other than the Loan Documents) now or hereafter executed by Borrower, Issuer, Bond Trustee and/or Bondowner Representative in connection with the Bond.

Bondowner. The word "Bondowner" shall have the meaning set forth in the Indenture.

Bond Trustee. The words "Bond Trustee" mean _____, a national banking association, and its successors and assigns under the Indenture.

Bond Trustee Annual Fee. The words Bond Trustee Annual Fee mean the annual fee due and payable to Bond Trustee by Borrower equal to: prior to the Conversion Date ___% of the maximum principal amount of Bond issuable under the Indenture and following the Conversion Date, ___% of the outstanding principal amount of Bond under the Indenture, with an annual minimum of $_____.

Borrower. The word "Borrower" means Wakeland Quincy LP, a California limited partnership.

Budget. The word "Budget" shall mean that Project budget approved by Bondowner Representative and attached hereto as Exhibit B.

Business Day. The words "Business Day" mean a day other than a Saturday, a Sunday or a day on which lenders in the city in which the principal office of Bondowner Representative is located are authorized or obligated by law or executive order to close.

City. The word "City" means the City of Los Angeles, State of California.

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

Collateral. The word "Collateral" means and includes without limitation all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Completion Date. The words "Completion Date" have the meaning set forth for such term in Section 14(g) of this Agreement.

Compliance Period. The word "Compliance Period" shall mean the "compliance period" as defined in Internal Revenue Code Section 42(i)(1).

Conditions to Conversion. The words "Conditions to Conversion" has the meaning set forth in the Note.

Construction Contract. The words "Construction Contract" mean and include any contract between Borrower and the General Contractor for the Project, and any subcontracts with subcontractors, materialmen, laborers, or any other person or entity for performance of work on the Project or the delivery of materials to the Project.

Construction Disbursement Account. The words "Construction Disbursement Account" mean the account held by the Bondowner Representative into which the proceeds of the Loan or any Borrower's Funds will be deposited from time to time for the funding of a request for Advance, provided that Advances of the Loan or the Borrower's Funds will only be deposited into the Construction Disbursement Account once all of the applicable conditions to

the Advance of that portion of the Loan or the Borrower's Funds to be deposited have been satisfied.

Contract Administrator. The words "Contract Administrator" means the Housing Authority of the City of Los Angeles.

Conversion Date. The words "Conversion Date" shall have the meaning set forth in the Note.

Deed of Trust. The words "Deed of Trust" mean that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of even date herewith, executed by Borrower (as grantor) in favor of Issuer (as beneficiary), to be recorded in the Official Records.

Deed of Trust Assignment. The words "Deed of Trust Assignment" mean that certain Assignment of Deed of Trust and Loan Documents dated as of even date herewith, by Issuer, in favor of Bond Trustee.

Environmental Report. The words "Environmental Report" mean, collectively, the following: [TO FOLLOW].

Equity Capital Contributions. The words "Equity Capital Contributions" mean the projected capital contributions shown on the schedule attached to the Agreement as Exhibit D to be made in accordance with the terms and conditions of the Partnership Agreement.

Event of Default. The words "Event of Default" mean and include any of the Events of Default set forth below in Section 20.

Extended Use Agreement. The words "Extended Use Agreement" mean the regulatory agreement in favor of California Tax Credit Allocation Committee (*i.e.*, the "extended low income housing commitment" as defined in Section 42(h)(6)(b) of the Internal Revenue Code of 1986) to be recorded against the Property in connection with the Tax Credits.

Fiscal Year-End. The words "Fiscal Year-End" mean December 31 each year, unless and until Borrower changes its fiscal year, provided that any such change shall require Bondowner Representative's prior written consent.

General Contractor. The words "General Contractor" mean _____.

General Partner. The words "General Partner" mean, collectively, Wakeland Quincy LLC, a California limited liability company, and any other person or entity that the partners of Borrower, with the express prior written consent of Bondowner Representative, select to be a general partner of Borrower.

Governmental Agency. The words "Governmental Agency" mean any governmental or quasi-governmental agency, board, bureau, commission, department, court, administrative tribunal or other instrumentality or authority, and any public utility.

Grantor. The word "Grantor" means Borrower and any other person or entity granting a Security Interest in any Collateral for the Indebtedness.

Guarantor. The word "Guarantor" means, collectively, Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation, or any other person or entity which may hereafter become a guarantor of any of the Borrower's obligations under the Loan.

HAP Contract. The words "HAP Contract" shall have the meaning given such term in Section ///[20(w)]/// below.

HCD. The word "HCD" shall have the meaning given such term in the tenth WHEREAS paragraph to this Agreement.

HCD Subordination Agreement. The words "HCD Subordination Agreement" mean that certain Subordination Agreement between Bond Trustee, HCD, Bondowner Representative and Borrower, subordinating the HHH Deed of Trust and HHH Regulatory Agreement to the lien and charge of the Deed of Trust.

HCID. The word "HCID" shall have the meaning given such term in the eighth WHEREAS paragraph to this Agreement.

HCID Subordination Agreement. The words "HCID Subordination Agreement" means that certain Subordination Agreement between Bond Trustee, HCID, Bondowner Representative and Borrower, subordinating the HHH Deed of Trust and HHH Regulatory Agreement to the lien and charge of the Deed of Trust.

HHH Deed of Trust. The words "HHH Deed of Trust" shall have the meaning given such term in the seventh WHEREAS paragraph to this Agreement.

HHH Loan. The words "HHH Loan" shall have the meaning given such term in the seventh WHEREAS paragraph to this Agreement.

HHH Loan Agreement. The words "HHH Loan Agreement" shall have the meaning given such term in the seventh WHEREAS paragraph to this Agreement.

HHH Loan Documents. The words "HHH Loan Documents" shall mean, collectively, the HHH Loan Agreement, the HHH Note, the HHH Deed of Trust, the HHH Regulatory Agreement, and any other document evidencing, securing, guaranteeing or otherwise relating to the HHH Loan.

HHH Regulatory Agreement. The words "HHH Regulatory Agreement" shall have the meaning given such term in the eighth WHEREAS paragraph to this Agreement.

HHH Subordination Agreement. The words "HHH Subordination Agreement" mean that certain Subordination Agreement by and among Borrower, Bond Trustee, Bondowner Representative and HCID.

IIG Disbursement Agreement. The words "IIG Disbursement Agreement" shall have the meaning given such term in the eleventh WHEREAS paragraph to this Agreement.

IIG Grant. The words "IIG Grant" shall have the meaning given such term in the eleventh WHEREAS paragraph to this Agreement.

IIG Grant Documents. The words "IIG Grant Documents" mean the IIG Standard Agreement, the IIG Disbursement Agreement, the IIG Regulatory Agreement and any loan agreement, note, deed of trust, mortgage, security instrument, regulatory agreement, guaranty, assignment or other document executed in connection with the IIG Grant which shall in each instance have been approved in advance by Bondowner Representative, in it is sole and absolute discretion.

IIG Regulatory Agreement. The words "IIG Regulatory Agreement" shall have the meaning given such term in the twelfth WHEREAS paragraph to this Agreement.

IIG Standard Agreement. The words "IIG Standard Agreement" shall have the meaning given such term in the eleventh WHEREAS paragraph to this Agreement.

Improvements. The word "Improvements" means and includes without limitation all existing and future buildings, structures, facilities, fixtures, additions, and similar construction on the Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Bondowner Representative to discharge obligations of Borrower or Grantor or expenses incurred by Bondowner Representative to enforce obligations of Borrower or Grantor under this Agreement or any of the Loan Documents, together with interest on such amounts as provided in the Note.

Indemnity Agreement. The words "Indemnity Agreement" means that certain Hazardous Waste Warranty and Indemnification Agreement dated as of even date herewith, from Borrower and Guarantor to Issuer, Bond Trustee, and Bondowner Representative.

Indenture. The word "Indenture" shall have the meaning set forth in the third WHEREAS paragraph in the recitals above.

Interim Construction Loan Maturity Date. The words "Interim Construction Loan Maturity Date" shall have the meaning set forth in the Note.

Investor Limited Partner. The words "Investor Limited Partner" shall have the meaning set forth in the sixteenth WHEREAS paragraph in the recitals above.

Issuer. The word Issuer means the City of Los Angeles, California, a municipal corporation and charter city under the laws of the State of California.

LACDA. The word "LACDA" shall have the meaning given such term in the ninth WHEREAS paragraph to this Agreement.

LACDA Subordination Agreement. The words "LACDA Subordination Agreement" means, collectively, that certain Subordination Agreement among Bond Trustee, LACDA, Bondowner Representative and Borrower, subordinating the NPLH Deed of Trust to the lien and charge of the Deed of Trust, and that certain ///[Subordination Agreement Quincy Apartments NPLH Project #_____ (Banner Bank)]/// among Bond Trustee, LACDA, Bondowner Representative and Borrower, subordinating the Deed of Trust to the NPLH Regulatory Agreement.

Law. The word "Law" shall have the meaning set forth in the second WHEREAS paragraph in the recitals above.

Limited Partners. The words "Limited Partners" mean, collectively, the Investor Limited Partner, Special Limited Partner, and any other Person that now or hereafter owns a limited partnership interest in Borrower.

Loan. The word "Loan" means the loan to Borrower by Issuer not to exceed _____ and No/100th Dollars ($_____) made under this Agreement and the Loan Documents as described below.

Loan Documents. The word "Loan Documents" means, collectively, this Agreement, the Note, the Deed of Trust, the Deed of Trust Assignment, all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust and all other agreements, documents and instruments whether now or hereafter existing executed by Borrower, General Partner or Guarantor in connection with the Indebtedness. The Loan Documents include, but are not limited to, the documents listed on Exhibit E attached hereto.

Loan Fee. The words "Loan Fee" means, collectively, $_____, which represents the aggregate of (i) a loan fee payable to Bondowner Representative for the Loan in the amount of $_____ relating to the construction phase of the Loan, and (ii) the loan fee payable to Bondowner Representative for the Loan $_____ relating to the permanent phase of the Loan.

Loan Funds. The words "Loan Funds" mean the undisbursed proceeds of the Loan under this Agreement together with any equity funds or other deposits required from Borrower under this Agreement.

Note. The word "Note" means the Promissory Note dated the date of this Agreement, in the principal amount of _____ and No/100th Dollars ($_____) from Borrower to Issuer, and endorsed by the Issuer to the Bond Trustee, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for that promissory note (as assigned to Bond Trustee).

NPLH Deed of Trust. The words "NPLH Deed of Trust" shall have the meaning given such term in the ninth WHEREAS paragraph to this Agreement.

NPLH Flexible Operating Reserve. The words "NPLH Flexible Operating Reserve" shall mean the "NPLH Flexible Operating Reserve described in the NPLH Regulatory Agreement held by LACDA.

NPLH Loan. The words "NPLH Loan" shall have the meaning given such term in the ninth WHEREAS paragraph to this Agreement.

NPLH Loan Agreement. The words "NPLH Loan Agreement" shall have the meaning given such term in the ninth WHEREAS paragraph to this Agreement.

NPLH Loan Documents. The words "NPLH Loan Documents" shall mean, collectively, the NPLH Loan Agreement, the NPLH Note, the NPLH Deed of Trust, the NPLH Regulatory Agreement, and any other document evidencing, securing, guaranteeing or otherwise relating to the NPLH Loan.

NPLH Regulatory Agreement. The words "NPLH Regulatory Agreement" shall have the meaning given such term in the tenth WHEREAS paragraph to this Agreement.

NPLH Transition Reserve. The words "NPLH Transition Reserve" shall mean the "NPLH Transition Reserve" described in the NPLH Regulatory Agreement and held by County.

Official Records. The words "Official Records" mean the Official Records of the County of Los Angeles, State of California.

Partnership Agreement. The words "Partnership Agreement" mean that certain Amended and Restated Agreement of Limited Partnership of Borrower dated as of the October __, 2021, among General Partner, Investor Limited Partner, Special Limited Partner, and Sponsor, as withdrawing limited partner and any amendments approved by Lender or otherwise permitted without Lender's consent under the Loan Documents.

Permitted Transfer. The words "Permitted Transfer" shall mean, collectively, the following to the extent such transfer complies with all requirements in the Bond Regulatory Agreement:

(i) Issuance of limited partner interests in Borrower as contemplated in the Partnership Agreement;

(ii) the transfer by the Investor Limited Partner of its ownership interests in Borrower to any other entity which is an Affiliate of the Investor Limited Partner or which is controlled directly or indirectly by Hudson Housing Capital, LLC; provided Bondowner Representative receives prior written notice of such transfer which notice shall include the name of the transferee;

(iii) After all Equity Capital Contributions have be made by Investor Limited Partner, Bondowner Representative shall not unreasonably withhold its consent to the transfer by Investor Limited Partner of its ownership interests in Borrower to any other entity; and

(iv) The removal of a General Partner, in accordance with the Partnership Agreement, of Borrower as a result of any default by such General Partner under the Partnership Agreement and the substitution of the Special Limited Partner or an Affiliate thereof which is controlled directly or indirectly by Hudson Housing Capital, LLC ("**Substitute General Partner**"), as a general partner of Borrower (in place of the removed General Partner), but only so long as, within ninety (90) days (or such longer period of time granted by Lender in its sole and absolute discretion) after the removal of General Partner, the Substitute General Partner transfers its general partnership interest to a new General Partner approved by Lender in Lender's sole and absolute discretion.

Person. The word "Person" means any entity, whether an individual, trustee, corporation, partnership, limited liability company, trust, unincorporated organization, Governmental Agency or otherwise.

Plans and Specifications. The words "Plans and Specifications" mean the scope of work for the Project which has been approved and initialed by Bondowner Representative, together with such changes and additions as may be approved by Bondowner Representative in writing.

Project. The word "Project" means the construction of the Improvements on the Property, including, without limitation, installation of equipment and fixtures, landscaping, and all other work necessary to make the Property usable and complete for the intended purposes. The Project includes the following work: the construction of a 54-unit apartment project (which includes one manager's unit) located on the Real Property, all in accordance with the Plans and Specifications approved by Bondowner Representative.

Project Documents. The words "Project Documents" mean the Plans and Specifications, all studies, data and drawings relating to the Project, whether prepared by or for Borrower, the Construction Contract, and all other contracts and agreements relating to the Project or the construction of the Improvements.

Property. The word "Property" means the Real Property together with all Improvements, all equipment, fixtures, and other articles of personal property now or subsequently attached or affixed to the real property, together with all accessions, parts, and additions to, all replacements of, and all substitutions for any of such property, and all proceeds (including insurance proceeds and refunds of premiums) from any sale or other disposition of such property.

Real Property. The words "Real Property" mean the real property located in in County of Los Angeles, State of California, and legally described as:

See Exhibit A attached hereto and by this reference incorporated herein.

Recourse Indebtedness. The words "Recourse Indebtedness" shall have the meaning set forth in Section 22 of this Agreement.

Regulatory Agreements. The words "Regulatory Agreements" mean, collectively: (i) that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____ among Issuer, Bond Trustee and Borrower ("**Bond Regulatory Agreement**"); (ii) the subordinated HHH Regulatory Agreement, (iii) that certain Land Use Covenant ("**Land Use Covenant**") executed by Borrower in favor of the City of Los Angeles and recorded in the Official Records substantially concurrently with the Closing Date, (iv) the NPLH Regulatory Agreement; and (v) the IIG Regulatory Agreement.

Reservation Letter. The words "Reservation Letter" mean that certain reservation letter issued by the California Tax Credit Allocation Committee with respect to the Project dated as of _____, as amended.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Documents. The words "Security Documents" means, collectively, the Deed of Trust, any other Security Agreement, the Replacement Reserve Agreement, any UCC-1 or UCC-2 Financing Statement filed by Issuer, Bond Trustee or Bondowner Representative, and any other mortgage, deed of trust, security agreement or assignment now, heretofore or hereafter executed to secure the obligations of Borrower or any Guarantor to Issuer, Bond Trustee or Bondowner Representative under any Loan Document.

Security Interest. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device for this Loan.

Special Limited Partner. The words "Special Limited Partner" mean Hudson SLP LLC and its permitted successors and assigns.

Sponsor. The word "Sponsor" shall have the meaning given such term in the thirteenth WHEREAS paragraph to this Agreement.

Subordinate Financing. The words "Subordinate Financing" mean the HHH Loan, the NPLH Loan, the IIG Grant, and the AHP Loan.

Subordinate Lenders. The words "Subordinate Lenders" mean HCID, LACDA, HCD, AHP Lender and Sponsor.

Subordinate Loan Documents. The words "Subordinate Loan Documents" mean the HHH Loan Documents, NPLH Loan Documents and the IIG Grant Documents.

Subordinate Loans. The words "Subordinate Loans" mean the HHH Loan, the NPLH Loan, and the AHP Loan.

Tax Certificate. The words "Tax Certificate" mean that certain Tax Certificate as to Arbitrage and the provisions of Section 103 and 141-150 of the Internal Revenue Code of 1986 dated as of the Closing Date, between Issuer and Borrower, relating to the Bond.

Tax Credits. The words "Tax Credits" means all federal and state low-income housing tax credits for the Property, allocated to the Project by the State of California, acting through its Tax Credit Allocation Committee ("**TCAC**") under Section 42 of the Internal Revenue Code (the "**Code**").

Term Loan. The words "Term Loan" shall have the meaning set forth in the Note.

Term Loan Maturity Date. The words "Term Loan Maturity Date" shall have the meaning set forth in the Note.

Title Policy. The words "Title Policy" mean the ALTA lender's policy of title insurance required pursuant to this Agreement.

UCC. The words UCC mean the California Uniform Commercial Code.

3. LOAN. The Loan shall be in the principal sum of _____ and No/100th Dollars ($_____) and shall bear interest on so much of the principal sum as shall be advanced pursuant to the terms of this Agreement, the Loan Documents and the Indenture. The Loan shall bear interest on each Advance from the date of the Advance in accordance with the terms of the Note. Borrower shall use the proceeds of the Loan solely for the payment of (a) the costs of acquiring and constructing the Improvements and equipping the Project in accordance with the Plans and Specifications and the Budget; (b) other costs and expenses incurred or to be incurred in connection with the construction of the Improvements as Bondowner Representative in its sole discretion shall approve; and (c) if permitted by Bondowner Representative, interest due under the Note during construction. The obligation of Borrower to repay the Loan shall be evidenced by the Note. Contemporaneously with the issuance of the Bond, the Issuer will endorse the Note without recourse to the order of the Bond Trustee, as the assignee of the Issuer. Borrower will repay the Loan in accordance with the provisions of the Note and this Agreement.

4. LOAN REPAYMENT AND PAYMENT OF OTHER AMOUNTS. Borrower hereby acknowledges its indebtedness to the Issuer and covenants to repay the Loan, and to pay interest on the amount of the Loan outstanding from time to time in accordance with the following:

(a) Subject to any limitation set forth in the Note and the paying to Bondowner Representative of any applicable "Prepayment Premium" described herein,

Borrower may, at its option, prepay principal on the Note, in whole or in part, in order to effect a full or partial redemption of the Bond pursuant to Section 4.01 of the Indenture by paying to Bond Trustee an amount equal to the principal amount of the Bond to be redeemed, together with all accrued and unpaid interest through the date of full or partial redemption of the Bond on the portion of principal prepaid. Borrower shall give Bondowner Representative not less than fifteen (15) days' advance written notice of its intention to make a prepayment pursuant to this Section 4. The Borrower shall provide no less than thirty (30) days' written notice to California Debt Limit Allocation Committee and to the Issuer prior to the redemption of the Bond, in whole or in part, on the Conversion Date.

(b) Following the occurrence of an Event of Default under this Agreement and demand by Bondowner Representative for full redemption of the Bond pursuant to Section 4.01(b) of the Indenture, Borrower shall promptly pay to Bond Trustee the full amount of outstanding principal of the Note, together with all accrued and unpaid interest thereon through the date of redemption of the Bond.

(c) For so long as any principal of the Loan is outstanding, Borrower shall pay to Bond Trustee on or before the first Business Day of each month, an amount equal to the interest accrued on the Loan during the previous month as determined pursuant to the paragraph entitled "Payment" set forth in the Note, subject to Section 5(c) hereof.

(d) In the event of damage to or destruction or condemnation of the Project or any part thereof, Borrower shall pay to Bondowner Representative, for full or partial redemption of the Bond pursuant to Section 4.01(e) of the Indenture, such portion of the Loan as is required to be paid pursuant to the paragraph entitle "Property Damage Insurance" set forth in the Deed of Trust, plus accrued and unpaid interest through the date of redemption of the Bond, without premium.

(e) Following an Event of Default whether or not such event has thereafter been cured, Borrower agrees to pay to Bondowner Representative, at the same time as the monthly payments pursuant to the section entitled "Payment" set forth in the Note, one-twelfth (1/12th) of the amount budgeted by Borrower for annual premiums for insurance required to be maintained pursuant to this Agreement and for real estate taxes or other charges for governmental service for the current year (except for utility charges) which shall be disbursed by Bondowner Representative from time to time.

(f) Borrower agrees to make such other payments to Bond Trustee, in the amounts and at the times necessary to enable the Bond Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bond when due, whether as principal of, premium, or interest on, or otherwise, and whether at maturity or by redemption (including mandatory sinking fund redemption) or acceleration or otherwise.

(g) Borrower also agrees to pay, (i) all taxes and assessments of any type or character charged to the Issuer or to the Bondowner Representative affecting the amount available to the Issuer or the Bondowner Representative from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes

and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bondowner Representative and taxes based upon or measured by the net income of the Bondowner Representative; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Bondowner Representative, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Bondowner Representative; (ii) all reasonable fees, charges and expenses of the Bondowner Representative for services rendered under the Indenture, as and when the same become due and payable; (iii) the fees of the Issuer, payable as set forth in Section 7 of the Bond Regulatory Agreement, all other fees required to be paid to the Issuer under the Bond Regulatory Agreement, this Agreement or any other agreement between the Issuer and Borrower, or any ordinance or regulation applicable to Borrower or the Project, any fees imposed by the Issuer in connection with any consents, waivers or amendments requested by Borrower, and the reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, consultants selected by the Issuer to act on its behalf in connection with this Agreement, the Bond Regulatory Agreement, the Loan Documents, the Bond or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bond or in connection with any litigation which may at any time be instituted involving this Agreement, the Regulatory Agreements, the Agreement, the Loan Documents, the Bond or the Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing; and (iv) these obligations and those in Section 5 and 25(k), below, shall remain valid and in effect notwithstanding repayment of the loan hereunder or termination of this Agreement or the Indenture.

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

compensation for all services rendered by it, and (iv) to pay to the Bond Trustee any rebatable arbitrage required to be paid to the federal government.

(i) Borrower agrees to pay on the Maturity Date, (a) to Bond Trustee, the full amount of outstanding principal of the Note, together with all accrued and unpaid interest thereon through the Maturity Date and, (b) to Bond Trustee, Bondowner Representative or the Issuer, as applicable, all other amounts due to the Bond Trustee, the Bondowner Representative or the Issuer (solely in its capacity as Issuer under the Bond Documents and Loan Documents) under the Loan Documents or the Bond Documents.

5. ADDITIONAL CHARGES. Borrower agrees to pay each and all of the following (collectively, the "**Additional Charges**"):

(a) upon the occurrence of a default under the Indenture or an Event of Default under this Agreement, to or upon the order of the Issuer or Bondowner Representative, when due, all reasonable fees of the Issuer, Bondowner Representative or the Bond Trustee for services rendered under the Indenture and any other amounts due under Section 4 and ////[25(k)]//// hereof which are not included in Ordinary Fees and Expenses, and all reasonable fees and charges of any registrars, legal counsel, accountants, engineers, public agencies and others incurred in the performance, on request of the Issuer, of services required under the Indenture or this Agreement for which such persons are entitled to payment or reimbursement, provided that Borrower may, upon notice to the Issuer and without creating an Event of Default hereunder, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than Ordinary Fees and Expenses, but the Issuer's final decision shall control;

(b) (i) all indemnity payments required to be made under this Agreement and the Bond Regulatory Agreement (such indemnity payments being due to the Issuer or Indemnified Party upon written demand therefor and accruing interest at the Default Rate sixty (60) days after notice of demand therefor); (ii) all reasonable expenses (including reasonable legal fees and expenses) incurred by the Issuer in exercising its rights under this Agreement or the Bond Regulatory Agreement following an Event of Default; and (iii) all other reasonable expenses incurred by the Issuer in relation to the Project or the Bond which are not otherwise required to be paid by Borrower under the terms of this Agreement or any separate fee agreement, including costs incurred as a result of a request by Borrower; and

(c) interest, at the Default Rate, on all payments not made by Borrower under Section 4, this Section 5(c) and Section 25(k) when due, to the parties entitled thereto.

6. MATURITY DATE. The maturity date of the Loan (the "**Maturity Date**") shall be the Interim Construction Loan Maturity Date (as defined in the Note), at which time all sums due and owing under this Agreement, the other Loan Documents and the Bond Documents shall be repaid in full, subject to the right to extend the Interim Construction Loan Maturity Date as provided in the Note. Notwithstanding the foregoing, if all of the "Conditions to Conversion" (as defined in the Note) are satisfied prior to the Interim Construction Loan Maturity Date, and the Loan converts, in accordance with the terms and conditions set forth in the Note, from an Interim Construction Loan to a Term Loan, then the Maturity Date shall be

extended to the "Term Loan Maturity Date" (as defined in the Note). All payments due to Bond Trustee, Bondowner Representative and Issuer (solely in its capacity as Issuer under the Loan Documents and Bond Documents), as applicable, under this Agreement, whether at the Maturity Date or otherwise, shall be paid in immediately available funds.

7. FEES AND EXPENSES. Whether or not the Loan shall be consummated, Borrower shall assume and pay upon demand all out-of-pocket expenses incurred by Issuer, Bond Trustee and Bondowner Representative in connection with the preparation of loan documents and the making of the Loan, including without limitation the following: (a) all closing costs, fees, and disbursements; (b) all expenses of legal counsel to Issuer, Bond Trustee and Bondowner Representative; and (c) all title examination fees, title insurance premiums, appraisal fees, survey costs, required fees, and filing and recording fees.

8. RECORDING OF DEED OF TRUST. No Loan Funds shall be disbursed hereunder until: (a) Borrower has signed the Loan Documents to which Borrower is a party; (b) the Deed of Trust has been duly recorded and perfected and any other Security Documents perfected (or, as to the recording of the Deed of Trust, Bondowner Representative has agreed in writing, in its sole discretion, to a "gap closing" for the Loan, in which case the title company issuing the Title Policy has committed without reservation to (i) issue all policies as if recording had occurred as of such gap closing date regardless of the actual recording date of the Deed of Trust, and (ii) to record the Deed of Trust as soon as reasonably possible in the Official Records); and (c) Bondowner Representative has been provided evidence, satisfactory to Bondowner Representative, that Borrower has obtained all insurance required under this Agreement or any Loan Agreement and that Issuer's liens on the Property and Improvements are valid perfected first liens, subject only to such exceptions, if any, acceptable to Bondowner Representative. In the event of a "gap closing" described above, Borrower shall cause the Title Company to record (and deliver to Bondowner Representative evidence thereof) the Deed of Trust no later than one (1) business day following such "gap closing".

9. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Issuer, Bond Trustee and Bondowner Representative as of the date of this Agreement and as of the date of each disbursement of Loan proceeds:

(a) General.

(i) Access. The Property is contiguous to publicly dedicated streets, roads, or highways providing access to the Property.

(ii) Assessment of Property. The Property is and will continue to be assessed and taxed as an independent parcel by all governmental authorities.

(iii) Authorization. The execution, delivery, and performance of this Agreement by Borrower, to the extent to be executed, delivered or performed by Borrower, (i) have been duly authorized by all necessary action by Borrower; (ii) do not require the consent or approval of any other person, regulatory authority or governmental body; and (iii) do not conflict with, result in a violation of, or constitute a default under (a) any provision of its

articles of incorporation or organization, or bylaws, or any agreement or other instrument binding upon Borrower or (b) any law, governmental regulation, court decree, or order applicable to Borrower.

(iv) Binding Effect. This Agreement, the Note and all other Loan Documents to which Borrower is a party (i) have been duly executed and delivered by Borrower, and (ii) are valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

(v) Compliance with Governing Authorities. Borrower has examined and is familiar with all the easements, covenants, conditions, restrictions, reservations, laws, rules, regulations, zoning ordinances, and federal, state, and local requirements applicable to the Project. The Project will at all times and in all respects conform to and comply with the requirements of all such easements, covenants, conditions, restrictions, reservations, laws, rules, regulations, zoning ordinances, and federal, state, and local requirements.

(vi) Financial Information. Each financial statement of Borrower delivered by Borrower or its general partners, agents or representatives to Bondowner Representative prior to the date hereof truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement so delivered to Bondowner Representative. Borrower has no material contingent obligations except as disclosed in such financial statements.

(vii) Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Agreement, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("**CERCLA**"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99 499 ("**SARA**"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, *et seq*., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq., the Hazardous Waste Control Law, California Health and Safety Code Section 25100, et seq., the Medical Waste management Act, California Health and Safety Code Section 25015, et seq., and the Porter-Cologne Water Quality Control Act, California Health and Safety Code Section 13000, et seq., all regulations pertaining thereto, and all other statutes, laws and ordinances of the United States and of any state, county or municipality in which the Property or any portion thereof is located, or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing (collectively, the "Environmental Laws"). As used herein, the term "Hazardous Substance" shall mean any hazardous waste or hazardous substance. Except as disclosed in the Environmental Reports or otherwise disclosed to and acknowledged by Bondowner Representative in writing and except for those Hazardous Substances normally used in the construction and operation of a multifamily residential apartment project (which shall at all times be used and stored in compliance with all applicable Environmental Laws), Borrower represents and warrants to

Bondowner Representative that: (a) during the period of Borrower's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any Person on, under, or about any of the Property; (b) Borrower has no actual knowledge of, or reason to believe that there has been, (i) other than those substances typically used in the construction and operation of a multifamily residential apartment project, any use or storage of any Hazardous Substance by any prior owners or occupants of any of the Property, (ii) any generation, manufacture, treatment, disposal, release, or threatened release of any Hazardous Substance by any prior owners or occupants of any of the Property, or (iii) any actual or threatened litigation or claims of any kind by any Person relating to such matters; and (c) (i) neither Borrower nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any Hazardous Substance on, under, or about the Property (except Hazardous Substances normally used in the construction and operation of a multifamily residential apartment project (which shall at all times be used and stored in compliance with all applicable Environmental Laws)) and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Borrower authorizes Bondowner Representative and its agents, subject to the rights of tenants, to enter upon the Property to make such inspections and tests as Bondowner Representative may deem appropriate to determine compliance of the Property with this section of the Agreement. Any inspections or tests made by Bondowner Representative shall be for Bondowner Representative purposes only and shall not be construed to create any responsibility or liability on the part of Bondowner Representative to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Property for Hazardous Substances. Borrower hereby (a) releases and waives any future claims against Issuer, Bond Trustee and Bondowner Representative for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Bondowner Representative against any and all claims, losses, liabilities, damages, penalties, and expenses which Issuer, Bond Trustee or Bondowner Representative may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Borrower's ownership or interest in the Property, whether or not the same was or should have been known to Borrower, except to the extent to which Issuer, Bond Trustee or Bondowner Representative itself, as applicable, released any Hazardous Substance in, on or under the Property. The provisions of this section of the Agreement, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of the Deed of Trust and shall not be affected by acquisition by Issuer, Bond Trustee or Bondowner Representative of any interest in the Property, whether by foreclosure or otherwise.

(viii) Information. All information heretofore or contemporaneously herewith furnished by Borrower to Issuer, Bond Trustee or Bondowner Representative for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Borrower to Issuer, Bond Trustee or Bondowner Representative for the purposes of or in connection with this Agreement or any transactions contemplated hereby will be, true and accurate in every material respect on the

date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

(ix) Lien Priority. Except for the NPLH Regulatory Agreement and the Land Use Covenant, or as otherwise previously disclosed to Bondowner Representative in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Issuer's Security Interests and rights in and to such Collateral.

(x) Litigation and Claims. No litigation or claim (including those for unpaid taxes) against Borrower is pending or, to Borrower's actual knowledge, threatened which, if adversely determined, would materially and adversely affect Borrower's financial condition or properties, and no other event has occurred which is reasonably likely to materially and adversely affect Borrower's financial condition or properties, other than litigation, claims or other events, if any, that, prior to the date of this Agreement, have been disclosed to and acknowledged by Bondowner Representative in writing.

(xi) Organization. Borrower is a limited partnership that is, and at all times shall be, duly formed and validly existing under and by virtue of the laws of the State of California. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 1230 Columbia Street, Suite 950, San Diego, California 92101. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Bondowner Representative of any change in the location of Borrower's principal office. Borrower shall do all things necessary to preserve and to keep in full force and affect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

(xii) Preservation of Tax Exemption. Borrower covenants that Borrower will take all actions within its control (or the control of its affiliates) necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes (excluding any period during which the Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code), and Borrower will neither take (nor allow any affiliate to take) any action, nor make or permit (nor allow any affiliate to make or permit) any use of proceeds of the Bond or other funds of Borrower treated as proceeds of the Bond at any time during the term of the Bond which would cause interest on the Bond to be included in gross income for federal income tax purposes. Borrower also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, Borrower will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond, including the calculation and payment of any penalties that Borrower has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section

148 of the Code to prevent interest on the Bond from being included in gross income for federal income tax purposes.

(xiii) Project Costs. To Borrower's best knowledge, after investigation, the project costs set forth in the Budget are all of the costs and expenses necessary to complete the Improvements in a good and workmanlike manner, free of liens, and according to the Plans and Specifications approved by Bondowner Representative.

(xiv) Utility Services. All utility services appropriate to the use of the Project after completion of construction are available at the boundaries of the Property.

(xv) Title to Property. Borrower has, or on the date of first disbursement of Loan proceeds will have, good and marketable title to the fee estate in the Property free and clear of all defects, liens, and encumbrances, excepting only (i) liens for taxes, assessments or governmental charges or levies not yet delinquent, (ii) (A) the Subordinate Loan Documents, which must at all times be subordinate to the Deed of Trust, (B) the Land Use Covenant, (C) the NPLH Regulatory Agreement, and (D) following its recordation, the Extended Use Agreement, and (iii) any other liens or encumbrances set forth on Schedule B, Part I of the Title Policy as approved by Bondowner Representative prior to the date of this Agreement.

(xvi) Nondiscrimination and Affirmative Action. Borrower shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State and the Issuer. Borrower shall not discriminate in its employment practices against any employee or applicant for employment or deny family and medical care leave, pregnancy disability leave, or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. Borrower shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60). Borrower shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The affirmative action program of Borrower shall include the mandatory contract provisions set forth in the Los Angeles Administrative Code Section 10.8.4, and said provisions are incorporated herein by this reference. Borrower shall also comply with all rules, regulations, and policies of the Issuer's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by the Issuer. Any subcontract entered into by Borrower relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section. No person shall on the grounds of race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under, this Agreement. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and

Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in a situation as defined therein.

(xvii) No Representation or Warranty by Issuer. Borrower agrees that, because the components of the Project have been and are to be designated and selected by it, THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, OR CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

(b) Bond-Related Representations.

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

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

(iii) Borrower has reviewed and approved the provisions of the Indenture.

(iv) To the best of Borrower's knowledge, no member of the governing body of the Issuer or any other officer of the Issuer has any significant or conflicting

interest, financial, employment or otherwise, in Borrower, the Project or the transactions contemplated hereby.

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

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

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

(viii) Borrower has no material financial obligation under any Indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower is a party or by which Borrower or the Project are otherwise bound, other than (a) obligations under this Agreement and the other Loan Documents to which Borrower is a party; (b) the Subordinate Loan Documents; (c) the existing deed of trust in favor of Low Income Investment Fund which will be paid in full and released of record prior to or upon the closing of the Loan; and (d) obligations which may be incurred by Borrower from time to time in the ordinary course of business.

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

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

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

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

would materially adversely affect the business, operations or conditions (financial or otherwise) of Borrower.

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

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

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

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

(c) Representations and Warranties of Borrower Related to Certain Tax Matters. Borrower further represents and warrants that:

(i) as of the Closing Date, Borrower is in compliance with all requirements of the Tax Certificate, and the representations set forth in the Tax Certificate pertaining to Borrower and the Project are true and accurate;

(ii) the Bond is not "federally guaranteed" as defined in Section 149(b) of the Code;

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

(iv) neither Borrower nor, to the best knowledge of Borrower, any "related person" to Borrower (within the meaning of Section 147(a)(2) of the Code), will purchase the Bond pursuant to any arrangement, formal or informal;

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

(vi) the construction of the Project was not commenced prior to the thirtieth (30th) day preceding the Issuer's expression of intent with respect to the Project on November 7, 2019, and no obligation for which reimbursement will be sought from proceeds of the Bond relating to the construction or equipping of the Project was paid or incurred prior to sixty (60) days prior to such date;

(vii) the Project is, as of the Closing Date, in compliance with all requirements of the Bond Regulatory Agreement, including all applicable requirements of the Law, the Act, and the Code, to the extent such requirements are applicable on the Closing Date and the representations and warranties of Borrower in ///[Sections 1, 3, 4 and 5]/// of the Bond Regulatory Agreement are true and correct;

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

(ix) no money on deposit in any fund or account in connection with the Bond, whether or not such money was derived from other sources, will be used by or under the direction of Borrower in a manner which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code; and

(x) Borrower agrees it will not discriminate in the rental of units or in its employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, age (except for rental of units to tenant 55 years of age and older), sexual orientation, gender identity/expression, transgender status, disability (except to give priority to persons with disabilities for the occupancy of "Accessible Housing Units" as defined in the Bond Regulatory Agreement), marital status, domestic partner status or medical condition. All contracts entered into by Borrower which relate to the Project shall contain a like provision. Borrower shall comply with the provisions of Sections 10.8.2 and 10.8.4 of the Administrative Code of the Issuer, the provisions of which are hereby incorporated by reference.

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

(d) Survival of Representation and Warranties. Borrower understands and agrees that the Issuer and Bondowner Representative are relying upon the above representations and warranties in making the above referenced Loan to Borrower, and the Loan would not have been made but for such representations and warranties. Borrower further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as Borrower's Loan and Note shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

10. TAX EXEMPTION; BOND REGULATORY AGREEMENT. Borrower (and with respect to Section 10(a), (b) and (c), the Issuer) hereby covenants, represents and agrees as follows:

(a) not to knowingly take or omit to take any action with respect to this Agreement (with respect to the Issuer) and not to take or omit to take any action with respect to this Agreement or the Project (solely with respect to Borrower) that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bond (so long as the Bond is not owned by a person or entity which is a "substantial user" of the Property);

(b) to take such action or actions, including amendment of the Bond Regulatory Agreement, to the extent deemed necessary in the opinion of Bond Counsel, to preserve or perfect the exclusion of interest on the Bond from gross income for federal income tax purposes;

(c) at the expense of Borrower, to file of record such documents and take such other steps as are necessary in order to insure that the requirements and restrictions of the Bond Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of the Bond Regulatory Agreement in the real property records of Los Angeles County, California;

(d) to notify any subsequent owner of the Project of the requirements and restrictions contained in the Bond Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of such restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of the Bond Regulatory Agreement; and

(e) to provide to the Issuer notice of any action (other than actions in its ordinary course of business) which impacts the Issuer's rights hereunder or under the Bond Regulatory Agreement.

11. CONDITIONS PRECEDENT TO ISSUANCE OF BOND, CLOSING OF THE LOAN AND THE INITIAL ADVANCE. Issuer's obligation to issue the Bond, Bondowner Representative's and Issuer's obligation to enter into this Agreement, the Bond Documents, and the Loan Documents and Bondowner Representative's obligation to consent to the initial Advance not to exceed $_____ (the "**Initial Disbursement**") and each

subsequent Advance under this Agreement shall be subject to the fulfillment as determined by Bondowner Representative, in its sole and absolute discretion, of all of each of the conditions set forth in this Agreement and the following conditions precedent:

(a) Approval of General Contract. Bondowner Representative shall have approved the contract with the General Contractor ("**General Contract**"), and Borrower shall have assigned all rights in this contract to Issuer pursuant to the document listed as item 7 on Exhibit E. Bondowner Representative shall have the right to communicate with any person to verify the facts disclosed by any application for any Advance, or for any other purpose.

(b) Loan Fee and Other Fees and Expenses. Borrower shall have paid to Bondowner Representative, in immediately available funds, (i) the Loan Fee, and (ii) all costs and expenses incurred by Issuer, Bond Trustee and Bondowner Representative in connection with the issuance of the Bond, the making of the Loan and the negotiation and closing of the Loan Documents and Bond Documents, including but not limited to, all costs and expenses described in Section 25(k).

(c) Equity Infusion. Investor Limited Partner shall have made its first installment of Equity Capital Contributions shown on Exhibit D into the Project in the amount of $_____, which amount shall be evidenced by the combination of prepaid development costs approved by Bondowner Representative and cash, which sum shall be deposited with Bond Trustee into the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture) or disbursed through escrow at Loan closing to pay Project Costs as set forth on the Budget. General Partner shall have made its first capital contribution to the Borrower in the amount of $100 which amount shall be evidenced by a combination of prepaid development costs approved by Bondowner Representative and cash, which sum shall be deposited with Bond Trustee in the Equity Account (as defined in the Indenture) of the Construction Fund (as defined in the Indenture) or disbursed through escrow at Loan closing to pay Project costs set forth on the Budget.

(d) Approval of Contractors, Subcontractors, and Materialmen. Bondowner Representative shall have approved the General Contractor and a list of all contractors employed in connection with the construction of the Improvements, showing the name, address, and telephone number of each contractor, a general description of the nature of the work to be done, and labor and materials to be supplied, the names of materialmen, if known, and the approximate dollar value of the labor, work, or materials with respect to each contractor or materialmen. Bondowner Representative shall have the right to communicate with any person to verify the facts disclosed by the list or by any application for any Advance, or for any other purpose.

(e) Payment and Performance Bond. Borrower shall have provided to Bondowner Representative the General Contractor's payment and performance bond in form acceptable to Bondowner Representative, issued by a surety acceptable to Bondowner Representative, for the full amount of the General Contract and which shall name Bond Trustee and Bondowner Representative each as dual obligees.

(f) Opinion of Counsel. At Closing, Issuer and Bondowner Representative shall have received an opinion of one or more counsel selected by Borrower and reasonably satisfactory to Issuer and Bondowner Representative to the effect that (i) Borrower has the power and authority to execute and deliver the Note, Deed of Trust, this Agreement, and the Loan Documents; (ii) upon execution by the parties thereto and upon such recording or filing thereof as may be specified in the opinion, the Note, Deed of Trust, this Agreement, and the Loan Documents will be legal, valid and binding instruments, enforceable against the makers thereof in accordance with their respective terms; (iii) the Deed of Trust creates the lien it purports to create on the Property, and effectively assigns the leases purported to be assigned thereby, and stating the manner of recording or filing to be effected in order to establish, preserve and protect the Issuer's interest therein, and whether there is any necessity for the re-recording or re-filing of such instruments and setting forth such re-recording or re-filing requirements, if any; (iv) in the event of the foreclosure or other method of enforcement of the remedies provided for in the Deed of Trust, any leases of the Property will, at Bondowner Representative's option, remain in full force and effect between the lessees thereunder and the Bond Trustee or any purchaser of the Property pursuant to such remedial action; and (v) as to such other matters incident to the transactions contemplated hereby, as Bondowner Representative may require. At Closing, Bondowner Representative shall have received an opinion of "Bond Counsel" and/or "Issuer Counsel", opining as to (A) the due formation, qualification and good standing of the Issuer, (B) the due execution delivery and performance by the Issuer of the Indenture, (C) the enforceability of the Indenture and (D) interest accruing on the Bond being excluded from federal income tax pursuant to Section 103 of the Code (provided that such exclusion is not available with respect to interest on the Bond for any period during which the Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code);

(g) Plans, Specifications, and Permits. Bondowner Representative shall have received and accepted a complete set of Plans and Specifications setting forth all construction of the Improvements for the Project, and Borrower shall have furnished to Bondowner Representative copies of all grading or demolition permits and requisite approvals of any governmental body necessary for the construction and use of the Project (or a permit ready letter for such grading and demolition permits indicating that all conditions have been satisfied other than the payment of fees).

(h) Subordination Agreements. Borrower shall have provided to Bondowner Representative the HCID Subordination Agreement, the LACDA Subordination Agreement, the AHP Subordination Agreement, and the HCD Subordination Agreement and any other executed priority and subordination agreements as required and approved by Bondowner Representative.

(i) Budget and Schedule of Estimated Advances. Bondowner Representative shall have approved detailed budget and cash flow projections of total Project costs and a schedule of the estimated amount and time of disbursements of each Advance. This budget and schedule (the "**Budget**" and "**Schedule of Estimated Advances**") are attached hereto as Exhibit B and by this reference incorporated herein. Bondowner Representative shall

have determined to Bondowner Representative's reasonable satisfaction that the Project can be constructed, operating and leased for a total cost not in excess of the final approved Budget.

(j) Borrower's Authorization. Borrower shall have provided (and shall cause General Partner and Guarantor to provide, as applicable), in form and substance satisfactory to Bondowner Representative properly certified resolutions, duly authorizing the execution and delivery of the Loan Documents to which Borrower, General Partners and/or Guarantor are a party, and the consummation of the Project, and such other authorizations and other documents as Bondowner Representative in its sole discretion may require.

(k) Zoning. Borrower shall have furnished evidence satisfactory to Bondowner Representative that the Real Property is duly and validly zoned for the construction, maintenance, and operation of the Project.

(l) Soils Test. If required by Bondowner Representative, Borrower shall have provided Bondowner Representative with test of the Property's soil. This report, prepared by an engineering firm acceptable to Bondowner Representative must indicate that the soil conditions of the Property are sufficient to support the Project.

(m) Hazardous Substance Report. Borrower shall have provided Bondowner Representative with a report showing that the Property is free from hazardous substances. This report must be prepared by an environmental services company acceptable to Bondowner Representative ("**Environmental Consultant**"). The report should detail a site reconnaissance, research into appropriate environmental agency files, and a summary of findings and recommendations. Environmental Consultant shall issue reliance letters in favor of Bondowner Representative with respect to the Environmental Report in form and substance satisfactory to Bondowner Representative. A 50-year history of Property title and uses will also be provided.

(n) Title Insurance. Borrower shall have provided to Bondowner Representative an "LP-10" ALTA Lender's extended coverage policy of title insurance (2006) with such endorsements as Bondowner Representative may require, issued by a title insurance company acceptable to Bondowner Representative and in a form, amount, and content satisfactory to Bondowner Representative, insuring or agreeing to insure that the Deed of Trust on the Property is or will be upon recordation a valid first lien on the Property free and clear of all defects, liens, encumbrances, and exceptions except those as specifically accepted by Bondowner Representative in writing, including those described in the HCID Subordination Agreement (the "**Title Policy**").

(o) Insurance. Unless waived by Bondowner Representative in writing, Borrower shall have delivered to Bondowner Representative the following insurance policies or evidence thereof: (a) an all risks course of construction and liability insurance policies covering the Improvements issued in an amount and by a company acceptable to Bondowner Representative, containing a loss payable or other endorsement satisfactory to Bondowner Representative insuring Bond Trustee as mortgagee, together with such other endorsements as may be required by Bondowner Representative, including stipulations that coverages will not

be cancelled or diminished without at least thirty (30) days' prior written notice to Bondowner Representative; (b) flood insurance if required by Bondowner Representative or applicable law; (c) property damage insurance on all of Borrower's inventory, equipment and assets for its replacement value, with Bondowner Representative designated as loss payee; (d) 6-month rent loss insurance (provided, however, such coverage shall not be required until the Improvements are complete); (e) fire and other risk insurance in the minimum sum of the full replacement cost of damaged or destroyed property; (f) public liability insurance in the minimum sum of $1,000,000 per occurrence and $2,000,000 in the aggregate; and (g) such other insurance as Bondowner Representative may require with respect to Borrower's Property and operations; all of the foregoing in form, amounts, coverages and with insurance companies reasonably acceptable to Bondowner Representative. Borrower, upon request of Bondowner Representative, will deliver to Bondowner Representative from time to time the policies or certificates of insurance in form satisfactory to Bondowner Representative, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' days prior written notice to Bondowner Representative. In connection with all policies covering assets in which Bondowner Representative holds or is offered a security interest for the Loan, Borrower will provide Bondowner Representative with such loss payable or other endorsements as Bondowner Representative may require.

WARNING

UNLESS BORROWER PROVIDES BONDOWNER REPRESENTATIVE WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED HEREIN, BONDOWNER REPRESENTATIVE MAY PURCHASE INSURANCE AT BORROWER'S EXPENSE TO PROTECT BONDOWNER REPRESENTATIVE'S INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT BORROWER'S INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE BONDOWNER REPRESENTATIVE PURCHASES MAY NOT PAY ANY CLAIM BORROWER MAKES OR ANY CLAIM MADE AGAINST BORROWER. BORROWER MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED PROPERTY COVERAGE ELSEWHERE.

BORROWER IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY BONDOWNER REPRESENTATIVE. THE COST OF THIS INSURANCE MAY BE ADDED TO THE INDEBTEDNESS. IF THE COST IS ADDED TO THE NOTE BALANCE, THE INTEREST RATE ON THE NOTE WILL APPLY TO THIS ADDED AMOUNT. THE CLOSING DATE OF COVERAGE MAY BE THE DATE BORROWER'S PRIOR COVERAGE LAPSED OR THE DATE BORROWER FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE BONDOWNER REPRESENTATIVE PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE BORROWER CAN OBTAIN ON BORROWER'S OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

(p) This Agreement, the Loan Documents and the Bond Documents. This Agreement, each Loan Document and the Bond Documents shall have each been duly executed, acknowledged (where applicable) and delivered by Borrower and/or the applicable parties thereto to Issuer and Bond Trustee, each in a form and substance approved by Bondowner Representative.

(q) Recordable Documents. The Bond Regulatory Agreement, the NPLH Regulatory Agreement, the Deed of Trust, the Deed of Trust Assignment, any HHH Regulatory Agreement or restrictive covenant, the HHH Deed of Trust, the HCID Subordination Agreement, the NPLH Deed of Trust, the IIG Regulatory Agreement, the HCD Subordination Agreement, the AHP Deed of Trust, the AHP Assignment, and the AHP Subordination Agreement shall have each recorded in the Official Records, IN THAT ORDER. All UCC-1 Financing Statements required by Bondowner Representative in connection with the Loan shall have been filed with the Secretary of State of the State of California.

(r) Survey. Borrower shall, at its sole expense, have delivered to Bondowner Representative, in form and substance reasonably satisfactory to Bondowner Representative:

(i) an ALTA survey ("**Survey**") which (i) shows all "setbacks" and other restrictions applicable to the Property pursuant to requirements of Governmental Agencies and applicable covenants, conditions and other private restrictions, (ii) shows all easements, licenses and other rights of way, (iii) shows no encroachments onto the Property or from the Property onto adjoining property, and (iv) certifies the legal description of the Property as insured in the Title Policy; and

(ii) a certificate (the "**Surveyor's Certificate**") pursuant to which the person who prepared the ALTA survey certifies to Bondowner Representative and the applicable title insurer that the survey was made on the ground and in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys as adopted by the American Land Title Association and the American Congress on Surveying and Mapping, and is correct and complete; that access to the Property, and utilities shown on the survey, are sufficient and in accordance with applicable requirements; that the Property does not fall within a designated flood hazard area; and as to such other matters as Bondowner Representative reasonably requires.

(s) Financial Information. Bondowner Representative shall have received and approved such financial statements, tax returns and other financial information as it may require regarding the financial condition of Borrower, each general partner of Borrower, each Guarantor and/or the Property.

(t) Material Project Agreements. Bondowner Representative shall have received and approved in writing (i) the Architecture Agreement, (ii) any engineering contracts relating to the Project, and (iii) all other Project agreements with a contract price in excess of $10,000.

(u) Appraisal. Bondowner Representative shall have received, reviewed and approved in writing, an appraisal of the Property prepared by and appraiser selected by Bondowner Representative.

(v) Payment of Fees and Expenses. Borrower shall have paid to Bondowner Representative (i) the Loan Fee and (ii) all expenses specified in this Agreement as are then due and payable.

(w) Subordinate Loans. Bondowner Representative shall have received fully executed copies of all HHH Loan Documents, all NPLH Loan Documents, and all AHP Loan Documents, each in a form and substance approved by Bondowner Representative. The HHH Loan Documents may ***not*** include any provision providing that the HHH Loan proceeds are subject to the sufficiency of funding to HCID or otherwise subject to availability (relating to the on-going litigation subjecting the City and County of Los Angeles to make certain escrow deposits or the benefit of the homeless population or otherwise).

(x) IIG Grant. Bondowner Representative shall have received fully executed copies of the Standard Agreement, the IIG Disbursement Agreement, and the IIG Regulatory Agreement, each in a form and substance approved by Bondowner Representative.

(y) Permits. Borrower has delivered to Bondowner Representative a copy of the building permit (or a permit ready letter setting forth that the only remaining condition for issuance of the building permit is the payment of fees) for all Improvements in the Project.

(z) AHAP Contract. Borrower shall have delivered to Bondowner Representative a fully-executed AHAP Contract, in a form approved by Bondowner Representative in its sole and absolute discretion, pursuant to which Contract Administrator commits to enter into a Housing Assistance Payments Contract covering 53 units in the Project, and with a term of no less than twenty (20) years and (ii) Borrower shall have executed that certain Assignment of Agreement to Enter Into a Housing Assistance Payment Contract dated as of even date herewith, executed by Borrower for the benefit of Bondowner Representative ("**Assignment of AHAP Contract**"), and Contract Administrator shall have executed and delivered to Bondowner Representative a written consent to the Assignment of AHAP Contract, in a form approved by Bondowner Representative in its sole and absolute discretion ("**Consent to Assignment of AHAP Contract**").

(aa) Accounts. Borrower shall have established the Operating Account and the Construction Disbursement Account with Bondowner Representative.

12. CONDITIONS PRECEDENT TO EACH ADVANCE. Bondowner Representative's obligation to consent to the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment as determined by Bondowner Representative, in its sole, but reasonable, discretion, of each of the conditions set forth in this Agreement and the following conditions precedent:

(a) Satisfaction of the Initial Conditions. All conditions precedent set forth in Section 11, above, shall have been satisfied on the Closing Date and shall continue to be satisfied as of the date of the Advance.

(b) Satisfactory Construction. Bondowner Representative shall have determined, based upon its own inspections or the inspections of Bondowner Representative's Project Inspector or other evidence satisfactory to it, including a Property inspection report from Bondowner Representative's project inspector, that the Project is being constructed in a good and workmanlike manner and all materials and fixtures usually furnished and installed at that stage of construction shall have been furnished and installed, all in compliance with the Plans and Specifications in all material respects.

(c) Supporting Documentation for Advances. Borrower shall at its expense have obtained and attached to each application for an Advance (including AIA Application and Certificate for Payment (Document G702-1992) and Continuation Sheet (Document G703-1992) or a detailed equivalent) along with copies of applicable change orders in an acceptable form, including the Advance to cover final payment to any contractor, and an affidavit from any contractor that Borrower has paid all sums due for all work, labor, equipment, material done, supplied, performed, or furnished prior to such application for an Advance and that no party having lien rights filed any such liens, in form and substance satisfactory to Bondowner Representative, and otherwise satisfied the requirements for an Advance below in Section 13. The application must be accompanied with an itemized payee list including a summary and, as to soft costs, copies of all invoices, included in the application, together with any supplemental items required by Bondowner Representative, in its reasonable discretion. Any request for Advance for the payment of deposits, Bondowner Representative must receive a copy of the contract or proposal showing the gross amount of the contract to Bondowner Representative can make a determination as to the percentage of such deposit which is being requested. Any request for Advance for the payment of costs to install any elevator in the Project will also require the final inspection sign off by the proper inspecting authority.

(d) Lien Waivers. Bondowner Representative shall have received a conditional waiver of mechanic's lien and/or materialman's lien, executed by the General Contractor in the amount of the lienable costs of the Project payable from the requested advance, together with unconditional waivers of mechanic's lien and/or materialman's lien executed by the General Contractor and each subcontractor or materialmen to which any portion of the immediately preceding advance has been paid.

(e) Stored Materials. To the extent an Advance is requested for Stored Materials not yet installed or incorporated into the Project, Bondowner Representative shall not consent to any such advance unless, in addition to the satisfaction of the other conditions set forth in this Agreement, (a) Borrower provides Bondowner Representative and the Project Inspector with (i) copies of related bills of sale, receipts, invoices and bills of lading demonstrating that Borrower has good title to the Stored Materials free of any encumbrances, (ii) satisfactory evidence that (a) the place of storage for the Stored Materials is on the Land or in a secure or bonded warehouse located in the jurisdiction in which the Land is situated and is readily accessible, and (b) the owner of such facility has received written instruction from

Borrower such that the Bondowner Representative shall have access and the right to remove the Stored Materials, (iii) satisfactory evidence that the materials are adequately secured and insured, with Banner Bank, ISAOA, identified as an additional insured and loss payee, and (iv) photographs of the Stored Materials; (a) to the extent requested by Bondowner Representative, Borrower shall also provide copies of UCC searches against Borrower, the materials vendor, the General Contractor, and the warehouseman, if applicable, indicating no liens or claims which may affect the Stored Materials; (b) all Stored Materials shall be clearly tagged with the Borrower's name and stored separately to avoid commingling, and Bondowner Representative shall be provided with photos evidencing the same; and (c) Borrower shall provide Bondowner Representative, the Project Inspector and any applicable governmental agency or testing authority having jurisdiction over the Project with access to inspect, test or otherwise examine the Stored Materials. As used herein, "Stored Materials" means all materials, equipment, fixtures or articles of personal property purchased by Borrower to be placed or affixed in, on or to the Land or Improvements in connection with the construction of the Project which have not yet been incorporated in the Project.

(f) Lack of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement.

(g) Representations and Warranties. The representations and warranties in Section 9 and in the other Loan Documents shall be true and correct in all material respects as of the date of the Advance as though made as of that date, and, if required by Bondowner Representative, Bondowner Representative shall have received a certificate to that effect signed by Borrower.

(h) Date Down Endorsement. The title company that issued the Title Policy shall be prepared to issue a date down endorsement to the Title Policy insuring that the lien of the Deed of Trust is a first, prior and paramount lien against the Property and the Project securing all previous disbursements and the disbursement then being requested, and that nothing has intervened to affect the validity or priority of the Deed of Trust. If requested by Bondowner Representative, prior to Bondowner Representative's consent to the first Advance following the completion of each foundation for the Improvements, Bondowner Representative shall receive from the title company that issued the Title Policy, at Borrower's expense, a foundation endorsement to the Title Policy, showing no encroachments (and Borrower shall cause all conditions to the title company's issuance of the endorsement to be satisfied).

(i) No Stop Notice. No stop notice (whether bonded or not) shall have been served upon or otherwise delivered to Bondowner Representative in connection with the development of the Project or otherwise in connection with the Loan, unless Borrower shall have (a) paid and discharged the same, or (b) effected the release thereof by delivering to Bondowner Representative a surety bond complying with the requirements of applicable laws for such release.

(j) No Mechanics Liens. No claim of lien, notice and claim of mechanic's lien or other similar document or instrument shall have been recorded against the Property or any portion thereof, unless Borrower shall have (a) paid and discharged the same, or (b)

effected the release thereof by delivering to Bondowner Representative a surety bond complying with the requirements of applicable laws for such release.

(k) Projected Cost Overruns. As of the date immediately prior to any requested Advance and after giving effect to the requested Advance, the Loan will be In-Balance under Section 15(o) and in Bondowner Representative's judgment Borrower should be able to finish the Project and pay for it without obtaining additional funds (other than any Capital Contributions designated as "Construction Sources" on Exhibit D).

(l) Advances for Developer Fee. Notwithstanding anything herein to the contrary, Bondowner Representative shall not be obligated to consent to Bond Trustee's advance of any proceeds of the Loan (or make any disbursement of any amounts on deposit in the Borrower's Funds Account) for payment of or reimbursement for any portion of the developer fee payable to Borrower as shown on the Budget, so long as any default or Event of Default has occurred and remains uncured. In addition, payments for developer fee shall not be made from any source, exceed the amounts, or be made at any time except as set forth on Exhibit F attached hereto (the "**Permitted Developer Fee Payments**"). In addition, prior to the Conversion Date, no distribution of net operating income for the Project shall be made to Borrower, Guarantor, or any partner or affiliate of Borrower or Guarantor for any purpose, other than (i) Permitted Developer Fee Payments in strict accordance with the Budget, (ii) asset management fees due to any limited partner under the Partnership Agreement, or (iii) management fees made in accordance with the terms and conditions set forth in the Assignment of Management Agreement and the Partnership Agreement ("**Permitted Management Fees**"). After the Conversion Date, no distributions of net operating income from the Project shall be made to Guarantor, or any partner or affiliate of Borrower or Guarantor during any period when the Debt Service Coverage Ratio (as defined in the Note) for the Project is less than 1.00 to 1.00. In the event the Debt Service Coverage Ratio is at least 1.00 to 1.00 for any calendar year period, distributions of net operating income from the Project (after payment of debt service and provided that all required reserves are fully funded) shall be permitted, but only to the extent that, on a pro forma basis, the Debt Service Coverage Ratio (as defined in the Note) for the calendar year period would have not been less than 1.00 to 1.00 had the amount of the then proposed distribution been treated as a reduction in the amount of operating income generated by the Project for purposes of determining net operating income for the same period.

(m) Borrower's Funds Account Deposits. Borrower shall have made all deposits into the Borrower's Funds Account required under Section 11(z) below or otherwise in this Agreement.

13. DISBURSEMENT OF LOAN PROCEEDS. The following provisions relate to the disbursement of funds from the Loan Funds:

(a) Loan Disbursements. The proceeds of the Bond shall be disbursed by Bond Trustee only in accordance with a written requisition of Borrower in the form attached to the Indenture, (i) acknowledged in writing by the Issuer (provided, however, if Issuer has not acknowledged any disbursement within five (5) Business Days of receipt of a request for

acknowledgment of such disbursement, the Issuer shall be deemed to have acknowledged such disbursement), and (ii) approved in writing by Bondowner Representative, which approval shall be granted by Bondowner Representative upon satisfaction or waiver by Bondowner Representative of the conditions set forth in Sections 11, 12 and 13 of this Agreement. No proceeds of the Bond shall be disbursed after the initial Interim Construction Loan Maturity Date, unless an opinion of Bond Counsel is delivered, which opinion states that such disbursement will not adversely affect the exclusion of interest on the Bond from the gross income of the holders of the Bond.

(b) Application for Advances. Each requisition shall be executed by Borrower and supported by such evidence as Bondowner Representative shall reasonably require. Borrower shall apply only for disbursement with respect to work actually done in accordance with the Budget and for materials and equipment actually incorporated into the Project. Each requisition shall be deemed a certification of Borrower that as of the date of such requisition, all representations and warranties contained in the Agreement are true and correct, and that Borrower is in compliance with all of the provisions of this Agreement. Only one Loan draw will be allowed each month unless otherwise agreed by Bondowner Representative.

(c) Payments. The proceeds of the Bond and Borrower's Funds, when qualified for disbursement, shall be disbursed to or for the benefit or account of Borrower under the terms of this Agreement and the Indenture. At the sole option of Bondowner Representative, disbursements may be paid to the Borrower or in the joint names of Borrower and the contractor(s), subcontractor(s) or supplier(s) in payment of sums due under the Construction Contracts. At its sole option, Bondowner Representative may direct Bond Trustee to directly pay any contractor and any subcontractors or other parties the sums due under the Construction Contracts. Borrower appoints Bond Trustee, at the sole direction of Bondowner Representative, as its attorney-in-fact to make such payments. This power shall be deemed to be coupled with an interest, shall be irrevocable, and shall survive an Event of Default under this Agreement.

(d) Retainage. Notwithstanding any other provision of this Agreement to the contrary, Bondowner Representative may consent to the disbursement of up to ninety percent (90.00%) of all Advances to be paid with the disbursement of the remaining ten percent (10.00%) retention to be consented to by Bondowner Representative as the final payment to any contractor upon satisfaction of the conditions set forth for the final payment below in subsection (e). Notwithstanding the foregoing, Bondholder Representative shall not require retainage to be held on the following line items in the Budget: [Please let us know if there are any early release trades for this Project].

(e) Final Payment. Upon completion of the Project and fulfillment of the Construction Contracts, to the satisfaction of Bondowner Representative, and provided sufficient Loan Funds are available, Bondowner Representative shall consent to an Advance of Loan to cover the final payment due upon delivery to Bondowner Representative of endorsements to the ALTA title insurance policy following the posting of the completion notice, as provided under applicable law. Construction shall not be deemed complete for

purposes of final disbursement unless and until Bondowner Representative shall have received all of the following:

(i) Evidence satisfactory to Bondowner Representative that all work under the Plans and Specifications requiring inspection by any governmental authority with jurisdiction has been duly inspected and approved by such authority, a notice of completion has been duly recorded in the Official Records of the County of Los Angeles, State of California, a final certificate of occupancy has been issued, and that all parties performing work have been paid, or will be paid from the proceeds of such final disbursement), for such work;

(ii) A Certificate of Substantial Completion on Form AIA G704 or such other form as Bondowner Representative may reasonably require confirming that the Improvements have been completed in accordance with the Plans and Specifications in all material respects and in conformance with all applicable statutes, ordinances, codes, regulations, and similar requirements, that direct connection has been made to all utilities set forth in the Plans and Specifications, and that the Project is ready for occupancy;

(iii) Receipt by Bondowner Representative of a written report from the Project Inspector stating that it has conducted inspections of the Project and that all work has been fully completed in a good workmanlike manner and substantially in accordance with the Plans and the requirements of all Governmental Agencies in all material respects;

(iv) Evidence that the period for filing mechanic's liens has expired without the filing of any lien (or, if any such lien has been filed, evidence that such lien has been fully released of record);

(v) The title company which issued the Title Policy shall have delivered to Bondowner Representative for attachment to the Title Policy, as CLTA Form No. 101.2 Endorsement, in a form and substance reasonably satisfactory to Bondowner Representative;

(vi) Evidence of full payment for personal property in which Bond Trustee has a security interest; and

(vii) Form AIA G706/706A with final lien waivers attached or such other form reasonably required by Bondowner Representative or Title Company and written lien waivers releases from General Contractor and all suppliers of labor and materials to the Project.

(f) Construction Default. If an Event of Default occurs hereunder, Bondowner Representative, at its option, may refuse to consent to further Advances, may instruct Bond Trustee to accelerate the Indebtedness under the terms of the Note, and without thereby impairing any of its rights, powers, or privileges, may enter into possession of the construction site and perform or cause to be performed any and all work and labor necessary to complete the Improvements, substantially in accordance with the Plans and Specifications.

(g) Damage or Destruction; Condemnation. Borrower shall give prompt notice to Bondowner Representative of any casualty or condemnation to any portion of the Property, and shall provide Bondowner Representative with copies of all documents in Borrower's possession which pertain to any such casualty or condemnation. If any of the Property or Improvements is damaged or destroyed by casualty of any nature, within one hundred twenty (120) days thereafter Borrower shall restore the Property and Improvements to the condition in which they were before such damage or destruction with funds other than those in the Project Fund. Bondowner Representative shall not be obligated to make disbursements under this Agreement until such restoration has been accomplished. In the event that, notwithstanding the "lender's loss payable endorsement" requirement set forth above, the proceeds of any casualty insurance policy described herein are paid to Borrower, Borrower shall deliver such proceeds to Bondowner Representative promptly upon receipt. Borrower hereby assigns to Bondowner Representative, as security for all obligations to Issuer secured by a lien on the Property, all amounts payable to Borrower in connection with any condemnation, and any proceeds of any related settlement (collectively, "**Compensation**"). Borrower shall deliver all Compensation to Bondowner Representative promptly upon receipt. The Compensation shall be applied in accordance with the terms of the Deed of Trust.

(h) Protection of Security. If Borrower fails to make any payment or to do any act as and in the manner provided in this Agreement or any of the other Loan Documents, Bondowner Representative, in its sole discretion, but without obligation so to do, without further notice or demand, and without releasing Borrower from any obligation, may make or do the same in such manner and to such extent as Bondowner Representative may reasonably deem necessary to protect the security of the Deed of Trust and the other Loan Documents. In connection therewith (without limiting its general powers), Bondowner Representative shall have the right, but not the obligation: (i) to enter upon and take possession of the Property; (ii) to make additions, alterations, repairs and improvements to the Property which in the judgment of Bondowner Representative may be necessary or proper to keep the Property in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security of the Deed of Trust or the other Loan Documents or the rights or powers of Bondowner Representative; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect or appears to affect the security of the Deed of Trust or the other Loan Documents or to be or to appear to be prior or superior hereto; and (v) in exercising such powers, to pay all costs and expenses and employ necessary or desirable consultants. In the event of any Event of Default or default hereunder or under any of the other Loan Documents, or in the event Bondowner Representative reasonably believes that any material adverse change has or may have occurred in the financial or other condition of Borrower or in the condition or operation of the Property, Bondowner Representative may, at Borrower's sole cost and expense, reappraise (or have reappraised) the Property. Any such reappraisal may, at Bondowner Representative's option, be prepared by an employee of Bondowner Representative or by a third-party appraiser. The selection of such appraiser shall be made by Bondowner Representative in the exercise of its sole and absolute discretion. Such appraiser shall have the right to enter upon and inspect the Property at all reasonable times and to inspect, copy and make abstracts of all of Borrower's books and records relating to the Property. Borrower shall cooperate with such appraiser in order to permit such appraiser to prepare such appraisal. Neither Issuer, nor Bondowner

Representative shall be liable for any act or omission of any such appraiser. Borrower shall reimburse Bondowner Representative promptly upon written demand for all costs and expenses incurred by Bondowner Representative (including, but not limited to, the reasonable fees and expenses of attorneys) in connection with the foregoing, including, without limitation, the following: (a) Bondowner Representative's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Loan Document, (b) all amounts expended by Bondowner Representative to continue or complete construction of any improvements now or hereafter located upon the Property, (c) all amounts expended by Bondowner Representative to protect and preserve the Property (or any part thereof) and the liens created under the Loan Documents, including, but not limited to, amounts expended by Bondowner Representative to pay or discharge liens or encumbrances (including, but not limited to tax liens and, mechanic liens and judgement liens), regardless of whether the same are or are not superior to the lien of the Deed of Trust, and (d) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which Bondowner Representative is indemnified under the Loan Documents. Such reimbursement obligations shall bear interest following written demand at the Default Rate, and shall be secured by the Deed of Trust and the other Loan Documents. Such reimbursement obligations shall survive the cancellation of the Note and the release and reconveyance of the Deed of Trust and the other Loan Documents.

14. LIMITATION OF RESPONSIBILITY. The making of any Advance or other disbursement by Bondowner Representative shall not constitute or be interpreted as either (a) an approval or acceptance by Bondowner Representative of the work done through the date of the Advance or other disbursement, or (b) a representation or indemnity by Bondowner Representative to any party against any deficiency or defect in the work or against any breach of any contract. Inspections and approvals of the Plans and Specifications, the Improvements, the workmanship and materials used in the Improvements, and the exercise of any other right of inspection, approval, or inquiry granted to Bondowner Representative in this Agreement are acknowledged to be solely for the protection of Bondowner Representative's and Issuer's interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on Bondowner Representative to any party. Neither Borrower, nor any contractor, subcontractor, materialman, laborer, nor any other person shall rely, or have any right to rely, upon Bondowner Representative's determination of the appropriateness of any Advance. No disbursement or approval by Bondowner Representative shall constitute a representation by Bondowner Representative as to the nature of the Project, its construction, or its intended use for Borrower or for any other person, nor shall it constitute an indemnity by Bondowner Representative to Borrower or to any other person against any deficiency or defects in the Project or against any breach of any contract.

15. AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Issuer, Bond Trustee and Bondowner Representative that, while this Agreement is in effect, Borrower will:

(a) Accounts and Records. Maintain a standard modern system of accounting administered in accordance with generally accepted accounting principles. Bondowner Representative shall have the right to examine the books of account of Borrower to

the extent that they pertain to this Agreement and the Property, and to discuss the affairs, finances, and accounts of Borrower to such extent, all at such reasonable times upon advance written notice and intervals as Bondowner Representative may desire. Borrower will furnish to Bondowner Representative the following:

Reporting Party	Report/Document	Required Delivery Date
1. Borrower	Annual audited financial statements prepared in accordance with GAAP (prepared and certified by an accounting firm reasonably acceptable to Bondowner Representative)	Within 180 days of fiscal year end commencing with fiscal year ending December 31, 2021 for the term of the Loan
2. Borrower	Monthly in-house prepared operating statement (including all revenues and expenses of project and a calculation of the net operating income of the Project), leasing progress report and rent roll for Project (including each tenant's name, lease expiration date, monthly rent, description of any rent concessions or allowances and the amounts of any deposits or prepaid rent Borrower is holding), all in a form acceptable to Bondowner Representative and certified to be true and correct in all material respects by Borrower	Within 30 days of the end of each month, commencing with the month in which the temporary certificate of occupancy for the Project is received and thereafter each month through the Conversion Date
3. Borrower	Quarterly in-house prepared operating statement (including all revenues and expenses of project and a calculation of the net operating income of the Project), leasing progress report and rent roll for Project (including each tenant's name, lease expiration date, monthly rent, description of any rent concessions or allowances and the amounts of any deposits or prepaid rent Borrower is holding), all in a form acceptable to Bondowner Representative and certified to be true and correct in all material respects by Borrower	Within 30 days of the end of each calendar quarter, following the Conversion Date and through the end of the Loan term

4. Borrower	If requested by Bondowner Representative, copies of annual tax returns and related statements	Within 30 days of filing but no later than November 15 of each calendar year

Additionally, Borrower shall furnish to Bondowner Representative from time to time and within twenty (20) days following Bondowner Representative's request therefor, all such financial information as may be necessary or appropriate for Bondowner Representative's determination of Borrower's net operating income and debt service with all such financial information being prepared and certified as accurate by Borrower. If Borrower fails to provide the foregoing reports and financial statements within twenty (20) days of a request from Bondowner Representative, Bondowner Representative may have Borrower's books and records audited at Borrower's expense. Borrower shall cause Guarantor to deliver all financial reports required under the Guaranty.

(b) Additional Assurances. Make, execute, and deliver to Bondowner Representative such Security Agreements, instruments, documents, and other agreements reasonably necessary to document and secure the Loan and to perfect Issuer's Security Interests in the Property and Improvements; provided, however, that no such instruments, agreements and documents or actions shall increase Borrower's or Guarantor's obligations or liabilities under the Loan Documents.

(c) Additional Information. Furnish such additional information and statements, lists of assets and liabilities, aging of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Bondowner Representative may reasonably request from time to time.

(d) Compliance with Bond Documents. Fully and timely comply in all material respects with all covenants, agreements, and terms of the Bond Documents.

(e) Compliance with Regulatory Agreements. Fully and timely comply in all material respects with all covenants, agreements, and terms of the Regulatory Agreements and to not cause a default thereunder which is not cured within any applicable cure period expressly set forth therein. Borrower shall at all times during the Loan term rent the apartment units in the Project to tenants in accordance with the unit rental covenants set forth in the Regulatory Agreements and all existing and future amendments thereto. Borrower shall submit annual documentation to Bondowner Representative in the forms required by the applicable regulating agency that the Project meets or exceeds the affordability standards established in accordance with unit rental covenants set forth in the Regulatory Agreements.

(f) Compliance with Subordinate Financings. Fully and timely comply in all material respects with all covenants, agreements, and terms of the Subordinate Financings.

(g) Construction of the Project. Commence construction (which shall include commencement of grading or demolition) of the Project no later than thirty (30) days

after closing of the Loan, and cause the Improvements to be fully constructed in a diligent and orderly manner and in strict accordance with the Plans and Specifications approved by Bondowner Representative, the Budget, and all applicable laws, ordinances, codes, regulations, and rights of adjoining or concurrent property owners, and be completed to the satisfaction of Bondowner Representative no later than _____ (the "**Completion Date**"). Borrower agrees that construction work on the Project shall not commence until the final Plans and Specifications, the Budget, and the contract with the General Contractor have been reviewed and approved by a third party reviewer/inspector acceptable to Bondowner Representative, and accepted by Bondowner Representative.

(h) Defects. Upon demand of Bondowner Representative, promptly correct any defect in the Improvements or any departure from the Plans and Specifications not approved by Bondowner Representative before further work shall be done upon the portion of the Improvements affected.

(i) Guaranties. Prior to disbursement of any Loan proceeds, furnish the executed Guaranty of the Loan executed by Guarantor in favor of Issuer in the form and substance required by Bondowner Representative in its sole discretion.

(j) Litigation. Promptly inform Bondowner Representative in writing of (a) all material adverse changes in Borrower's or Guarantor's financial condition, and (b) all litigation and claims and all threatened litigation and claims affecting Borrower, any Guarantor or the Property which could materially affect the financial condition of Borrower, any Guarantor or the Property.

(k) Loan Proceeds. Use the Loan Funds solely for payment or reimbursement of bills and expenses directly related to the Project.

(l) Management of the Project. If requested by Bondowner Representative as a result of an Event of Default, contract with a Property manager acceptable to Bondowner Representative to provide professional management services for the Project on terms acceptable to Bondowner Representative. All such Property managers shall consent to the assignment of rights under the contract to Bondowner Representative and will not terminate or amend the same without Bondowner Representative's consent.

(m) Manager Replacement. If, in Bondowner Representative's reasonable opinion, the Project is being mismanaged, Borrower shall, at Bondowner Representative's request, enter within thirty (30) days into a new management contract (in a form acceptable to Bondowner Representative) with a professional management firm (which may be Borrower) for the maintenance and repair of the Property, the collection of rents, the payment of Property expenses, and such other provisions as Bondowner Representative may require, including a minimum cancellation notice to Borrower of sixty (60) days and a consent to assignment from the new manager to Bondowner Representative on terms acceptable to Bondowner Representative.

(n) Operating Accounts. Borrower shall at all times while any portion of the Note remains unpaid, maintain all of the Project's operating accounts (the "**Operating Account**"), tenant deposit accounts ("**Security Deposit Account**"), and following the Conversion Date, the Replacement Reserve Account, the Operating Reserve Account and the Transition Reserve Account, in each case with Bondowner Representative, unless the same is contrary to federal or state law or regulation.

(o) Loan "In-Balance".

(i) Notwithstanding anything in this Agreement or the Loan Documents to the contrary, Borrower shall at all times prior to the Conversion Date cause the Loan to be In Balance, and Bondowner Representative shall have no obligation to consent to any Advance of Loan Funds or perform any other act unless and until the Loan is In Balance. The Loan shall be deemed to be "In Balance" only when the maximum principal amount of the Loan, less the sum of the funded Advances, plus the undisbursed amount on deposit in the Project Fund (if any) plus the sum of the undisbursed portion of the Capital Contributions if and to the extent they are indicated as "Construction Source" on Exhibit D, shall equal or exceed the amount reasonably estimated by Bondowner Representative to pay for all work done or to be done and all materials furnished and to be furnished for the completion of the Project in each category of cost referred to in the Budget and to pay interest on the Loan and all other costs to be paid by Borrower in connection with the Project.

(ii) If at any time and for any reason the Loan is not In Balance in accordance with this Section, Borrower shall, within five (5) days of receiving written or verbal notice from Bondowner Representative, do one or more of the following:

(a) provide satisfactory evidence to Bondowner Representative that Borrower has previously paid any excess or additional costs for the Project (collectively, the "**Excess Costs**") or otherwise provided for the insufficiency with funds from a source other than the Loan, Subordinate Loans, or Capital Contributions; or

(b) reallocate, subject to Bondowner Representative's approval, sufficient funds to pay the Excess Costs from funds allocated to "Contingency" in the Budget; or

(c) deposit an amount equal to the Excess Costs in an interest-bearing deposit account (the "**Borrower's Funds Account**") with Bondowner Representative. Borrower shall have no right to make withdrawals from the Borrower's Funds Account. Bondowner Representative's disbursement of funds from the Borrower's Funds Account shall be granted (or withheld) subject to the same conditions precedent and other terms applicable to disbursements of Loan proceeds.

Bondowner Representative shall have no obligation to consent to further Advances until Borrower has paid or otherwise provided for the Excess Costs as required above. Amounts deposited by Borrower in the Borrower's Funds Account for any line item shall be disbursed by

Bondowner Representative in accordance with subsection (q), below. As additional security for all of Borrower's obligations under the Loan Documents, Borrower hereby pledges to Bondowner Representative, and grants to Bondowner Representative a security interest in, the Borrower's Funds Account, all amounts now or hereafter on deposit in the Borrower's Funds Account, all interest and other earnings on the Borrower's Funds Account, if any, all additions, increases, modifications, renewals, rollovers, substitutions and replacements to and/or for the foregoing collateral, and all proceeds and products of the foregoing collateral, whether voluntary or involuntary. Funds on deposit from time to time in the Borrower's Funds Account are sometimes referred to in this Agreement as "Borrower's Funds."

(p) Operating Reserve. On or before the Conversion Date, Borrower shall have established and funded an operating reserve (the "**Operating Reserve**") in the minimum amount of the greater of $_____ or any such greater amount required pursuant to the terms of any Subordinate Loan Document, NPLH Regulatory Agreement or the Partnership Agreement, which shall be additional collateral for the Loan during the entire term of the Loan, as follows:

(i) The Operating Reserve shall be maintained by Bondowner Representative in one or more interest-bearing account(s) in Borrower's name with Bondowner Representative ("**Operating Reserve Account(s)**"). Any interest earned on the Operating Reserve shall be added to and shall become a part of the Operating Reserve. Banner shall not be required to limit the amount deposited with any single institution to the FDIC insurance limits in effect from time to time.

(ii) Borrower shall be entitled to use the Operating Reserve funds only to meet operating deficits for below break-even operations in connection with the management and/or maintenance of the Property. If Borrower shall at any time draw upon the Operating Reserve to pay such operating deficits, then Borrower shall replenish the Operating Reserve to the amount of the balance of the Operating Reserve at the time of Borrower's draw from available cash flow from the Property, annually, prior to June 30 of each year, and the replenishment of the Operating Reserve shall be paid prior to the payment of any partnership or developer fees (excluding asset management fees or tax credit shortfall payments from cash flow due to Investor Limited Partner under the terms of the Partnership Agreement which may be paid prior to replenishment).

(iii) All of Borrower's interest in the Operating Reserve and Operating Reserve Account(s), any interest accrued or accruing thereon, and the Operating Reserve Account(s) in which those funds are held, are hereby pledged to Bondowner Representative as collateral or security for the Loan. During any time that the Operating Reserve Account(s) is being held and maintained by Borrower, such account(s) shall provide expressly that Borrower shall make no withdrawals therefrom without Bondowner Representative's prior written consent. Borrower shall execute any documents required to perfect or maintain Bondowner Representative's security interest in the Operating Reserve and Operating Reserve Account(s). If an Event of Default shall occur and be continuing, Bondowner Representative shall be entitled to draw upon and utilize all or any portion of the

Operating Reserve and Operating Reserve Account(s) as otherwise provided in the Loan Documents.

(iv) Initially, the Operating Reserve shall be audited by Bondowner Representative or its delegee six (6) months following the Conversion Date, and the Operating Reserve shall be audited by Banner or its delegee annually thereafter in order to confirm, among other things, that (i) Borrower has used Operating Reserve funds only for appropriate purposes, and (ii) the Operating Reserve contains no less than $_____ (or the Borrower has otherwise complied with the replenishment requirements set forth in (ii) above). Borrower shall cooperate with Bondowner Representative's audits of the Operating Reserve.

(v) To the extent that the Partnership Agreement, the NPLH Regulatory Agreement, or Subordinate Loan Documents require the prior consent of Investor Limited Partner, Special Limited Partner or HCID, respectively, to any withdrawal from the Operating Reserve Account(s), Borrower shall obtain Investor Limited Partner's, Special Limited Partner's and/or Subordinate Lender's consent thereto and shall have delivered evidence of such consent to Bondowner Representative prior to any withdrawal from the Operating Reserve Account(s).

(vi) As to any expenses relating to the units restricted under the NPLH Regulatory Agreement, Borrower shall have first used all available funds on deposit in the NPLH Flexible Operating Reserve to pay such expenses before requesting a disbursement from the Operating Reserve for the same.

The Operating Reserve (and the requirements set forth above to maintain the same) is separate and independent from the NPLH Flexible Operating Reserve held by LACDA described in the NPLH Regulatory Agreement (and the requirements to maintain the same under the NPLH Regulatory Agreement). In addition to satisfying the requirements set forth above, Borrower shall satisfy all requirements relating to the NPLH Flexible Operating Reserve set forth in the NPLH Regulatory Agreement.

(q) Transition Reserve. On or before the Conversion Date, in addition to the Replacement Reserve and Operating Reserve required to be established by Borrower under this Agreement and the Replacement Reserve Agreement, Borrower shall have established and funded a transition reserve (the "**Transition Reserve**") in an initial minimum amount equal to $_____, which shall be additional collateral for the Loan from and after the Conversion Date and shall be subject to the following terms and conditions:

(i) The Transition Reserve shall be maintained by Borrower in one or more interest bearing account(s) with Bondowner Representative (the "**Transition Reserve Account(s)**"). Any interest earned on funds on deposit in the Transition Reserve Account shall be added to, and become a part of, the Transition Reserve and shall be used in accordance with the terms and conditions of this Section 15(q). Bondowner Representative shall not be required to limit the amount deposited with any single institution to the FDIC insurance limits in effect from time to time. So long as no default or Event of Default exists under this Agreement or the other Loan Documents, Bondowner Representative, upon Borrower's request from Borrower,

shall pay to Borrower the interest (if any) earned on the Transition Reserve Account(s) once each year. Neither Lender nor Bondowner Representative shall be responsible for obtaining any specific level or percentage of earnings on the Transition Reserve.

(ii) Borrower shall be entitled to use the Transition Reserve funds only to cover any operating deficit which specifically results from the loss or reduction of Section 8 payments under the HAP Contract in connection with the Project. Lender shall have no obligation to disburse any such amounts to Borrower unless Lender shall have received evidence to show that there currently is, or potentially will be, such an operating deficit.

(iii) All of Borrower's interest in the Transition Reserve and Transition Reserve Account(s), any interest accrued or accruing thereon, and the Transition Reserve Account(s) in which those funds are hereby pledged to Bondowner Representative as collateral or security for the Loan. Such account(s) shall provide expressly that Borrower shall make no withdrawals therefrom. Rather, Bondowner Representative or a designated representative of Bondowner Representative shall have the sole right to make withdrawals from the Transition Reserve Account(s). Borrower shall execute any other documents required to facilitate Bondowner Representative's withdrawal of funds or to perfect or maintain Bondowner Representative's security interest in the Transition Reserve and Transition Reserve Account(s). If an Event of Default shall occur and be continuing, Bondowner Representative shall be entitled to draw upon and utilize all or any portion of the Transition Reserve and Transition Reserve Account(s) as otherwise provided in the Loan Documents.

(iv) To the extent that the Partnership Agreement, the NPLH Regulatory Agreement or Subordinate Loan Document requires the prior consent of Investor Limited Partner, Special Limited Partner or HCID, respectively, to any withdrawal from the Transition Reserve, Borrower shall obtain Investor Limited Partner's, Special Limited Partner's and/or Subordinate Lender's consent thereto and shall have delivered evidence of such consent to Bondowner Representative concurrently with its request for disbursements from the Transition Reserve.

(v) As to any expenses relating to the units restricted under the NPLH Regulatory Agreement, Borrower shall have first used all available funds on deposit in the NPLH Transition Reserve to pay such expenses before requesting a disbursement from the Transition Reserve for the same.

The Transition Reserve (and the requirements set forth above to maintain the same) is separate and independent from the NPLH Transition Reserve held by LACDA described in the NPLH Regulatory Agreement (and the requirements to maintain the same under the NPLH Regulatory Agreement). In addition to satisfying the requirements set forth above, Borrower shall satisfy all requirements relating to the NPLH Transition Reserve set forth in the NPLH Regulatory Agreement.

(r) Borrower's Funds Account. Borrower shall deposit into the Borrower's Funds Account (a) all amounts required to be deposited into the Borrower's Funds Account pursuant to subsection (o), above, (b) the Second Installment and Third Installment of

Equity Capital Contributions from Investor Limited Partner described on Exhibit D, and any capital contributions from Investor Limited Partner in excess of the amounts of the Equity Capital Contributions from Investor Limited Partner described on Exhibit D. All amounts deposited in the Borrower's Funds Account shall be disbursed by Bondowner Representative solely to pay Project costs on the same terms, and subject to the same conditions, that are required for Advances of Loan proceeds. In addition, all amounts deposited into the Borrower's Funds Account shall be disbursed by Bondowner Representative prior to the disbursement of Loan proceeds. The funds on deposit in the Borrower's Funds Account are referred to herein as "Borrower's Funds". Borrower shall execute and deliver to Bondholder Representative a pledge and security agreement relating to the Borrower's Funds Account in a form reasonably required by Bondholder Representative upon the opening of the Borrower's Funds Account.

(s) Construction Disbursement Account. Borrower shall maintain with Bondowner Representative the Construction Disbursement Account for deposit by Bond Trustee of proceeds of the Loan and disbursement by Bondowner Representative of Borrower's Funds as required to fund a pending request for Advance.

(t) Payment of Claims and Removal of Liens. (a) Cause all claims for labor done and materials and services furnished in connection with the Improvements to be fully paid and discharged in a timely manner, (b) diligently file or procure the filing of a valid notice of completion of the Improvements, or such comparable document as may be permitted under applicable lien laws, (c) diligently file or procure the filing of a notice of cessation, or such comparable document as may be permitted under applicable lien laws, upon the happening of cessation of labor on the Improvements for a continuous period of thirty (30) days or more, and (d) take all reasonable steps necessary to remove all claims of liens against the Property, the Improvements or any part of the Property or Improvements, or any rights or interests appurtenant to the Property or Improvements. Borrower shall, within ten (10) business days after the filing of any claim of lien that is disputed or contested by Borrower, provide Bondowner Representative with a surety bond issued by a surety acceptable to Bondowner Representative sufficient to release the claim of lien or deposit with Bondowner Representative an amount satisfactory to Bondowner Representative for the possibility that the contest will be unsuccessful. If Borrower fails to remove any lien on the Property or Improvements or provide a bond or deposit pursuant to this provision, Bondowner Representative may pay such lien, or may contest the validity of the lien, and Borrower shall pay all costs and expenses of such contest, including Bondowner Representative's reasonable attorneys' fees.

(u) Performance. Perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements related to the Project between Borrower and Bondowner Representative, and in all other loan agreements related to the Project now or hereafter existing between Borrower and any other party. Borrower shall notify Bondowner Representative promptly in writing of any default in connection with any agreement.

(v) Project Claims and Litigation. Promptly inform Bondowner Representative, but only to the extent the Borrower has actual knowledge and only prior to the

satisfaction of all conditions to the final Advance, of (a) all material adverse changes in the financial condition of the General Contractor; (b) any litigation and claims, actual or threatened, affecting the Project or any contractor, which could materially affect the successful completion of the Project or the ability of any contractor to complete the Project as agreed; and (c) any condition or event which constitutes a breach or default under any of the Loan Documents or any contract related to the Project.

(w) Replacement Reserve. Following the Conversion Date, and commencing on each date that a regularly scheduled payment of principal and interest is due under the Note, Borrower shall deposit into an account held by Bondowner Representative (the "**Replacement Reserve Account**") a monthly deposit of at least $_____ (each, a "**Monthly Deposit**"), which shall be governed by the Replacement Reserve and Security Agreement ("**Reserve Agreement**") executed in connection herewith.

(x) Tax Credits. Borrower hereby agrees:

(i) To observe and perform all obligations imposed on Borrower in connection with the Tax Credits and to operate the residential units of the Project or to use Borrower's best efforts to cause the appropriate parties to operate the same in accordance with all statutes and regulations governing the Tax Credits;

(ii) Not to release, forego, alter, amend or modify its rights to the Tax Credits (excluding decreases in the Tax Credits resulting from a reduction in the eligible basis for the Project as a result of cost savings on the Project) without Bondowner Representative's prior written consent, which Bondowner Representative may give or withhold in Bondowner Representative's reasonable discretion; provided however, no consent of Bondowner Representative shall be required in connection with an increase in the Tax Credits;

(iii) Not to execute any residential lease of all or any portion of the Project Assets not complying fully with all requirements and regulations governing the Tax Credits, except with Bondowner Representative's prior written consent, which Bondowner Representative may give or withhold in its sole and absolute discretion;

(iv) To cause to be kept all records, and cause to be made all elections and certifications, pertaining to the number and size of apartment units, occupancy thereof by tenants, income level of tenants, set-asides for low-income tenants, and any other matters now or hereafter required to qualify for and maintain the Tax Credits in connection with the low-income occupancy of the Project;

(v) To comply with the appropriate minimum low-income set-aside requirements under the Code, or applicable federal regulations ("**Federal Laws**"), TCAC and all California laws and regulations ("**State Laws**") applicable to the creation, maintenance and continued availability of the Tax Credits;

(vi) To certify compliance with the set-aside requirement and report the dollar amount of qualified basis and maximum applicable percentage, date of placement in

service and any other information required for the Tax Credits at such time periods as required by Federal Laws, TCAC or State Laws for such Tax Credits;

(vii) To set aside the appropriate number of units for households with incomes meeting the required standards of Los Angeles County, California median income to qualify for the Tax Credits (as determined pursuant to Section 42 of the Code, and/or State Laws), adjusted for family size, and to operate and maintain all such units as "low-income units" qualifying for the Tax Credits under Section 42(i)(3) of the Code, and/or State Laws;

(viii) To exercise good faith in all activities relating to the operation and maintenance of the Project in accordance with the requirement of Federal Laws and State Laws; and

(ix) To promptly deliver to Bondowner Representative, the Issuer and the Bond Trustee true and correct copies of all notices or other documents or communications received or given by Borrower with regard to or relating in any way to the partnership interests of Borrower and/or the Tax Credits. Promptly upon receipt thereof, Borrower must deliver to Bondowner Representative, the Issuer and the Bond Trustee the following: (i) a copy of the final reservation of Tax Credits for the Project Assets; (ii) the basis audit (as required by Section 42 of the Code) for the Property (including a certificate of Borrower's accountant or attorneys if requested by Bondowner Representative); (iii) the first annual income certification for all tenants of the Property showing that the tenants are qualified for purposes of Borrower's obtaining Tax Credits; and (iv) the fully-completed Form 8609 (required by the Code) issued for the Project Assets. Borrower must deliver promptly to Bondowner Representative, the Issuer and the Bond Trustee such other certificates, income certificates, reports, and information as each may request.

(y) Taxes and Claims. Pay and discharge, prior to delinquency, when due all of Borrower's indebtedness, obligations, and claims that, if unpaid, might become a lien or charge upon the Property or Improvements; provided, however, that Borrower shall not be required to pay and discharge any such indebtedness, obligation, or claim so long as (a) its legality shall be contested in good faith by appropriate proceedings, (b) the indebtedness, obligation, or claim does not become a lien or charge upon the Property or Improvements, and (c) Borrower shall have established on its books adequate reserves with respect to the amount contested in accordance with generally accepted accounting practices. If the indebtedness, obligation, or claim does become a lien or charge upon the Property or Improvements, Borrower shall remove the lien or charge as provided in the preceding paragraph.

(z) Workers' Compensation Coverage. Provide to Bondowner Representative proof of compliance with all applicable workers' compensation laws and regulations with regard to all work performed on the Project.

(aa) Covenant for the Benefit of the Bondowner. Borrower recognizes the authority of the Issuer to assign its interest in and pledge moneys receivable under this Agreement to the Bond Trustee as security for the payment of the principal of and interest and redemption premiums, if any, on the Bond, and the payment of all other amounts as set forth in

Section 4, 5 and 25(k) of this Agreement. Borrower hereby (i) agrees to be bound by the Issuer's grant of such assignment and pledge, (ii) grants to the Bond Trustee a security interest in any right and interest Borrower may have in sums held in the Funds described in Article V of the Indenture, to secure the obligations of Borrower under this Agreement and the other Loan Documents and (iii) agrees that the Bond Trustee shall have all of the rights of a secured party under the California Uniform Commercial Code in connection with such security interest. Each of the terms and provisions of this Agreement is a covenant for the use and benefit of the Bondowner and Bondowner Representative, so long as the Bond shall remain Outstanding; but upon payment in full of the Bond in accordance with the Indenture and of all fees and charges requested under Sections 4, 5 and 25(k) of this Agreement, all references in this Agreement to Bondowner Representative, the Bond, the Bond Trustee and the Bondowner shall be ineffective, and the Bondowner, the Bond Trustee and Bondowner Representative shall thereafter have no rights hereunder, save and except those that shall have theretofore vested or that arise from provisions hereunder which survive termination of this Agreement. All rights and benefits provided to Bondowner Representative pursuant to this Agreement are provided to Bondowner Representative in both its capacity as owner of the Bond and its capacity as "Bondowner Representative" (*i.e.*, representative of the Bondowner) as that capacity is established and defined pursuant to the Indenture, and shall extend to each successive Bondowner and "Bondowner Representative" under the Indenture.

(bb) AHAP Contract. Borrower shall promptly notify Bondowner Representative of the occurrence of any default that remains uncured beyond any applicable notice and cure period by Borrower or any other party under the AHAP Contract or any HAP Contract, or the receipt by Borrower of any notice of default, termination or reduction of subsidy amount under the AHAP Contract or any HAP Contract.

(cc) AHP Loan Proceeds. Borrower shall cause one hundred percent (100%) of AHP Loan proceeds to be disbursed to the Borrower's Funds Account and all such AHP Loan proceeds shall have been disbursed to pay Project costs on the Budget on or before the ////[Completion Date]////.

(dd) HHH Funds. Borrower shall deliver evidence to Bondowner Representative that __% of the proceeds of the HHH Loan (*i.e.*, at least $_____) have been disbursed to Borrower and applied to pay Project costs on the Budget on or before the Completion Date. The remaining __% of the proceeds of the HHH Loan (*i.e.*, $_____) shall be disbursed on or before the Interim Construction Loan Maturity Date directly to Lender (or an escrow at the Title Company established for the purpose of the conversion of the Loan) to be applied to reduce the principal balance of the Loan.

(ee) NPLH Funds. Borrower shall deliver evidence to Bondowner Representative that at least $8,589,640 of the proceeds of the NPLH Loan have been disbursed to Borrower and applied to pay Project costs on the Budget on or before the Completion Date. The remaining $954,404 of the proceeds of the NPLH Loan shall be disbursed on or before the Interim Construction Loan Maturity Date directly to Lender (or an escrow at the Title Company established for the purpose of the conversion of the Loan) to be applied to reduce the principal balance of the Loan. Borrower shall within two (2) Business Days notify Lender if it receives

any notice from LACDA asserting that any proceeds from any reserve held by LACDA has been misappropriated by Borrower and not disbursed in accordance with terms of the NPLH Loan Documents.

(ff) Indemnity

(i) The Borrower releases the Issuer, the Bond Trustee, the Bondowner Representative, and their respective officers, directors, agents, officials, employees, counsel, attorneys and agents, past, present and future (and as to the Issuer, members of its governing body) and any person who controls the Issuer, the Bond Trustee or the Bondowner Representative within the meaning of the Securities Act, from, and covenants and agrees, without limiting the indemnity provided in the Regulatory Agreements, to indemnify, hold harmless and defend the Issuer, the Bond Trustee, the Bondowner Representative and their respective officers, members, supervisors, directors, officials and employees, counsel, attorneys and agents, past present and future of each of them and any person who controls such party within the meaning of the Securities Act and employees and each of them (each an "**Indemnified Party**" and collectively the "**Indemnified Parties**") from and against, any and all losses, claims, damages, demands, liabilities and expenses (including reasonable attorney's fees and expenses), taxes (other than income taxes payable by any party as a result of any fees payable to such parties in connection with the transaction contemplated hereby), causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

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

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

(c) the issuance and sale of the Bond or any certifications or representations made by any person other than the party seeking indemnification;

(d) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Indenture, the Loan Documents or any other documents relating to the Project or the Bond or in connection with any federal or state tax audit or any questions or other matters arising under such documents (however in no case shall payment of the Note be a recourse obligation);

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

(f) the Bond Trustee's acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture or under this Agreement, the Regulatory Agreements or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Indenture or the Loan Documents except for claims arising from the Bond Trustee's administration where such is a result of actions contrary to the Bond Trustee's duties and obligations;

(g) any and all claims arising in connection with the issuance and sale of the Bond or any certifications or representations made by any person other than the Indemnified Party seeking indemnification, including, without limitation, any statement or information made by the Borrower with respect to the Borrower or the Project in any offering document or materials regarding the initial offering of the Bond (in connection with their issuance under the Indenture), the Project or the Borrower or the Tax Certificate executed by the Borrower or any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect and any untrue statement or alleged untrue statement of a material fact by the Borrower relating to the Borrower or the Project contained in any offering material relating to the initial offering of the Bond, as from time to time amended or supplemented with information provided by the Borrower, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, or failure to properly register or otherwise qualify the sale of the Bond or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bond could be sold and the carrying out by the Borrower of any of the transactions contemplated by the Indenture or the Loan Documents;

(h) the Borrower's failure to comply with any requirement of this Agreement or the Regulatory Agreements (however in no case shall payment of the Note be a recourse obligation);

(i) any act or omission of the Borrower or any of its agents, servants, employees or licensees in connection with the Loan or the Project, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it (however in no case shall payment of the Note be a recourse obligation);

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

(k) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project; and

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

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought with respect to such claim, except:

(i) in the case of the foregoing indemnification of the Bond Trustee or the Bondowner Representative or any of their respective related Indemnified Parties to the extent such damages are caused by the negligence or willful misconduct of such Person; and

(ii) in the case of the foregoing indemnification of the Issuer or any of its related Indemnified Parties, to the extent such damages are caused by the active negligence or willful misconduct of the Issuer.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under this Agreement, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense of the action or proceeding, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion, provided that the Issuer, and the Bond Trustee, as appropriate, shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding, and the Borrower shall be obligated to pay the reasonable fees and expenses of such separate counsel if (A) the Indemnified Party, upon the advice of counsel, determines that a conflict of interest exists between the interests of the Indemnified Party and the interests of the Borrower or (B) such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

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

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

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

16. NEGATIVE COVENANTS. Borrower covenants and agrees with Issuer, Bond Trustee and Bondowner Representative that while this Agreement is in effect, Borrower shall not, without the prior written consent of Bondowner Representative:

(a) Continuity of Operations. Cease operations with regard to the Property.

(b) Indebtedness and Liens. Except for the Subordinate Financing and the Regulatory Agreements, sell, transfer, mortgage, assign, pledge, grant a security interest in, or encumber the Property.

(c) Modification of Regulatory Agreements. Make or permit to be made any modification of the Regulatory Agreements, except to the extent necessary to comply with rules and regulations under the Code.

(d) Modification or Termination of AHAP Contract or HAP Contract. Make or permit to be made any amendment, modification, supplement or termination of the AHAP Contract, or any HAP Contract.

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

(a) Borrower will not use the proceeds of the Bond, or any other funds which may be deemed to be proceeds of the Bond pursuant to Section 148 of the Code, in the manner which will cause the Bond to be an "arbitrage bond" within the meaning of such section, and will comply with the requirements of such Section throughout the term of the Bond;

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

(c) Borrower will pay to the United States any amount required to be paid by the Issuer or Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts

and at the places required in order to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, and Borrower shall compute, or cause to be computed, such amounts annually so long as required by the Code.

(d) not less than ninety seven percent (97%) of the net proceeds of the Bond (within the meaning of Section 142(a) of the Code) shall be used to pay Qualified Project Costs;

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

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

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

(h) the full amount of each disbursement from the Loan will be applied to pay or to reimburse Borrower for the payment of Project Costs and, after taking into account any proposed disbursement, (i) at least ninety seven percent (97%) of the net proceeds of the Bond (as defined in Section 150 of the Code) will be used to pay Qualified Project Costs to provide a qualified residential rental project (as defined in Section 142(d) of the Code), (ii) less than twenty-five percent (25%) of the net proceeds of the Bond will have been disbursed to pay or to reimburse Borrower for the cost of acquiring land, (iii) not more than two percent (2%) of the proceeds of the Bond will have been used for Costs of Issuance (as defined in the Bond Regulatory Agreement), and (iv) none of the proceeds of the Bond (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(i) Borrower will cause all of the residential units (other than the manager's unit) in the Project first occupied after the Closing Date and to be rented or available for rental on a basis which satisfies the requirements of the Law, the Act, the Code and the Bond Regulatory Agreement;

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

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

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

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

18. GENERAL PROJECT PROVISIONS. The following provisions relate to the construction and completion of the Project:

(a) Change Orders. All requests for changes in the Plans and Specifications or change orders to the Construction Contract, other than minor changes involving costs of not more than $25,000 for any individual change order and not more than $75,000 for all changes orders in the aggregate, must be in writing, signed by Borrower, and delivered to Bondowner Representative for its approval. Borrower will not permit the performance of any work pursuant to any change order or modification of the Construction Contract or any subcontract without the written approval of Bondowner Representative (except for such items noted above as not needing Bondowner Representative's approval). To the extent required by the applicable governmental authorities having jurisdiction, Borrower will obtain any required permits or authorizations from governmental authorities having jurisdiction before approving or requesting a new change order.

(b) Purchase of Materials; Conditional Sales Contracts. No materials, equipment, fixtures, or articles of personal property placed in or incorporated into the Project shall be purchased or installed under any Security Agreement or other agreement whereby the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider such items as personal property after their incorporation into the Project, unless otherwise authorized by Bondowner Representative in writing.

(c) Bondowner Representative's and Issuer's Right of Entry and Inspection. Subject to the rights of tenants under their respective leases and upon reasonable advance notice, the Issuer, Bondowner Representative and their agents shall have at all times the right of entry and free access to the Property and the right to inspect all work done, labor performed, and materials furnished with respect to the Project. Bondowner Representative and the Issuer shall have unrestricted access to and the right to copy all records, accounting books, contracts, subcontracts, bills, statements, vouchers, and supporting documents of Borrower relating in any way to the Project. Borrower agrees to pay on demand all of the Issuer's and Bondowner Representative's out-of-pocket expenses for periodic inspections, reviews, or reports that the Issuer and Bondowner Representative, each in its sole discretion, deems necessary and appropriate for disbursement of the Loan Fund.

(d) Bondowner Representative's Right to Stop Work. If Bondowner Representative in good faith determines that any work or materials do not conform to the approved Plans and Specifications or sound building practices, or otherwise depart from any of the requirements of this Agreement, Bondowner Representative may require the work to be stopped and withhold disbursements until the matter is corrected. In such event, Borrower will promptly correct the work to Bondowner Representative's satisfaction. No such action by Bondowner Representative will affect Borrower's obligation to complete the Improvements on or before the Completion Date. Bondowner Representative is under no duty to supervise or inspect the construction or examine any books and records. Any inspection or examination by Bondowner Representative is for the sole purpose of protecting Bondowner Representative's security and preserving Bondowner Representative's rights under this Agreement. No default of Borrower will be waived by any inspection by Bondowner Representative. In no event will any inspection by Bondowner Representative be a representation that there has been or will be compliance with the Plans and Specifications or that the construction is free from defective materials or workmanship.

(e) Publicity. Bondowner Representative may display a sign at the construction site subject to applicable zoning and similar ordinances informing the public that Bondowner Representative is the construction lender for the Project. During construction, any sign placed on the Property describing sources of funding for the Project will specify Bondowner Representative as providing construction financing. Bondowner Representative may obtain other publicity in connection with the Project through press releases, including a description of the Property, Project, occupancy and rentals, and participation in ground-breaking and opening ceremonies and similar events, provided that Bondowner Representative shall not use any photographs or videos of any residents without prior written authorization from the resident.

(f) Actions. Bondowner Representative, Bond Trustee, and the Issuer shall have the right to commence, appear in, or defend any action or proceeding purporting to affect the rights, duties, or liabilities of the parties to this Agreement, the Bond Regulatory Agreement, the Indenture, the Note, or the Advance of Loan proceeds or disburse funds from the Borrower's Funds Account. In connection with this right, Bondowner Representative, Bond Trustee and/or the Issuer may incur and pay reasonable costs and expenses, including, but not limited to, attorneys' fees, for both trial and appellate proceedings. Borrower covenants to pay to Bondowner Representative, Bond Trustee and/or the Issuer on demand all such expenses, together with interest from the date Bondowner Representative incurs the expense at the rate specified in the Note, and Bondowner Representative is authorized to disburse funds from the Loan Fund for such purposes.

(g) Permits. To the extent not delivered to Bondowner Representative at Closing, prior to any construction work on or use of the Project and prior to any disbursement for hard costs, Borrower shall have furnished to Bondowner Representative copies of all permits and requisite approvals of any governmental body necessary for such construction and/or use, as applicable, of the Project.

(h) Environmental Remediation. Borrower acknowledges that the Property may contain ///[_____]/// as disclosed by the Environmental Report. Borrower must, at Borrower's sole cost and expense, remove and dispose of all _____ in accordance with the ///[Removal Action Plan]/// from the _____ dated _____ ("**Removal Action Plan**") and all applicable laws and regulations and promptly upon completion of such remediation, but in any event prior to the commencement of construction of the Project, shall deliver to Lender documentation of _____ on the Property in accordance with the Removal Action Plan and all applicable laws and regulations and shall deliver a certificate executed by _____ (or another environmental consultant approved by Bondowner Representative), confirming the same following the completion of such remediation.

19. RIGHT OF SETOFF. Borrower grants to Bondowner Representative a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Bondowner Representative all Borrower's right, title and interest in and to, Borrower's accounts with Bondowner Representative (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all Keogh, and trust accounts. Borrower authorizes Bondowner Representative, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

20. EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

(a) Default on Indebtedness. (i) Borrower fails to make any payment of principal and/or interest under the Note which is due on the Interim Construction Maturity Date or the Term Loan Maturity Date on such due date, or (ii) Borrower fails to make any other payment of principal and/or interest under the Note within ten (10) days after due.

(b) Other Monetary Default. Borrower fails to perform any other obligation for the payment of money under this Agreement or any other Loan Document executed by Borrower within ten (10) days after Bondowner Representative gives Borrower written notice that such obligation was not performed.

(c) Default under Regulatory Agreements. Failure of Borrower to comply with or perform when due any term, obligation, covenant, or condition contained in the Regulatory Agreements and failure to cure the same within any cure period specified therein.

(d) Default under Subordinate Loan Documents. Failure of Borrower to comply with or perform when due any term, obligation, covenant, or condition contained in the Subordinate Loan Documents and failure to cure the same within any cure period specified therein or the Subordinate Loan Documents are amended, modified or supplemented or terminated without Bondowner Representative's express prior written consent.

(e) Loss of Tax-Exempt Status of the Bond. Failure of the interest accruing on the Bond at any time and for any reason to be excluded from federal income tax pursuant to Section 103 of the IRS Code (excluding any period during which the Bond is held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code).

(f) Compliance Default. Failure of Borrower or Guarantor to comply with any other term, obligation, covenant or condition contained in this Agreement, the Note or in any of the Loan Documents or the failure of Borrower to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Bondowner Representative and Borrower within the cure period expressly set forth in the applicable document. If such a non-payment default is curable and if Borrower or Guarantor, as applicable, has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred if Borrower), after Bondowner Representative sends written notice demanding cure of such failure: (a) cures the failure within thirty (30) days; or (b) if the cure requires more than thirty (30) days, promptly initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance within ninety (90) days after notice is sent.

(g) Breaches. Any warranty, representation, or statement made or furnished to Bondowner Representative by or on behalf of Borrower, any Grantor, or any Guarantor under this Agreement or the is, or at the time made or furnished was, false in any material respect.

(h) Insolvency. The insolvency of Borrower or General Partner or, prior to the Conversion Date, Investor Limited Partner or any Guarantor; appointment of a receiver for any part of Borrower's or General Partner's or, prior to the Conversion Date, Investor Limited Partner's or any Guarantor's property; any assignment for the benefit of creditors; the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or General Partner or, prior to the Conversion Date, Investor Limited Partner or any Guarantor; provided, however, that Borrower shall have ninety (90) days in which to obtain a dismissal of any such proceedings; or the dissolution or termination of Borrower's or General Partner's or, prior to the Conversion Date, Investor Limited Partner's or Guarantor's existence as a going business.

(i) Creditor Proceedings. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or any creditor of any Grantor against any collateral securing the Indebtedness. This includes a garnishment, attachment, or levy on or of any of Borrower's deposit accounts with Bondowner Representative. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor, as the case may be, as to the validity or reasonableness of the claim which is the basis of the creditor proceeding, and if Borrower or Grantor gives Bondowner Representative written notice of the creditor proceeding and furnishes reserves or a surety bond for the creditor proceeding satisfactory to Bondowner Representative.

(j) Defective Collateralization. This Agreement, the Deed of Trust, the Security Documents, Bond or any of the Loan Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason and the Agreement is not reinstated (or the security interest or lien is not perfected) within ten (10) days of notice thereof by Bondowner Representative to Borrower.

(k) Events Affecting Guarantor. Prior to the Conversion Date, any Guarantor seeks, claims, or otherwise attempts to limit, modify, or revoke the Guaranty.

(l) Adverse Change. A material adverse change occurs in Borrower's financial condition which reasonably causes Bondowner Representative to believe the prospect of payment or performance of the Indebtedness is impaired or, prior to the Conversion Date, a material adverse change occurs in Guarantor's financial condition which reasonably causes Bondowner Representative to believe Guarantor's ability to perform under the Guaranty is impaired.

(m) Non-Conformance with Plans and Specifications. The Improvements are not constructed in accordance with the Plans and Specifications in all material respects.

(n) Cessation of Construction. Prior to the completion of construction of the Improvements and equipping of the Project, the construction of the Improvements or the equipping of the Project is abandoned or work thereon ceases for a period of more than thirty (30) consecutive days for any reason other than governmental orders, decrees and regulations, acts of God, strikes or other causes beyond Borrower's reasonable control, provided the same do not, in the aggregate and in Bondowner Representative's reasonable judgment threaten to delay the completion of the Project beyond the required Completion Date set forth in this Agreement, or the Improvements are not completed for purposes of final payment prior to the Completion Date, regardless of the reason for the delay.

(o) Transfer of Property. Except for a Permitted Transfer, the sale, transfer, hypothecation, assignment, or conveyance of the Property or the Improvements or any portion thereof or interest therein by Borrower or any Grantor without the Issuer's and Bondowner Representative's prior written consent.

(p) Condemnation. All or any material portion of the Property is condemned, seized, or appropriated without compensation, and Borrower does not within thirty (30) days after such condemnation, seizure, or appropriation, initiate and diligently prosecute appropriate action to contest in good faith the validity of such condemnation, seizure, or appropriation.

(q) Casualty. The Property is materially damaged or destroyed by fire or other casualty unless Borrower restores the Property in accordance with Section 13(g) of this Agreement and the terms and conditions set forth in the Deed of Trust.

(r) Injunction. Borrower is enjoined or otherwise prohibited by any governmental agency from construction and/or occupying the Improvements and such injunction or prohibition continues unstayed for thirty (30) days or more for any reason.

(s) Amendments or Defaults. (i) Any Bond Document, any Subordinate Loan Document or the Partnership Agreement is amended, modified or terminated without Bondowner Representative's prior written consent (except, as to the Partnership Agreement only, (x) as expressly permitted under the Security Agreement (Assignment of Partnership Interests and Capital Obligations) by Borrower and General Partners in favor of Issuer); or (y) any amendment or modification that does not materially impact the ability of the Borrower to repay the Loan (but in no event shall there be any alteration, amendment, modification or supplement to the Partnership of any of the following without Lender's express prior written consent: (a) any condition, timing or amount of any capital contribution (other than pursuant to the adjustments set forth in the Partnership Agreement on the Closing Date), or (b) to increase any required reserve amount); (ii) a default occurs under any Bond Document or Subordinate Loan Document, which default is not cured (or waived by Investor Limited Partner) within any applicable cure period expressly set forth therein; (iii) prior to the Conversion Date, any default occurs under the Partnership Agreement (which is not waived in writing by Investor Limited Partner); or (iv) an event occurs that triggers a right to require repurchase by Investor Limited Partner under the Partnership Agreement (which is not waived in writing by Investor Limited Partner).

(t) Equity Capital Contributions. The First Installment, Second Installment or Third Installment of Equity Capital Contributions from Investor Limited Partner shown on Exhibit D, or any GP Capital Contribution shown on Exhibit D, is not made on the date such Equity Capital Contribution is scheduled to be made as shown on Exhibit D.

(u) Borrower's Funds Account Deposit. Borrower fails to make any required deposit into the Borrower's Funds Account on the date such deposit is due under the terms of this Agreement.

(v) LACDA Misappropriation Notice. (i) Borrower or Lender receives any "LACDA Misappropriation Notice" under any LACDA Subordination Agreement and Borrower has failed to replenish any withdrawals to the applicable reserve held by LACDA that is the subject of such notice within fifteen (15) Business Days (unless LACDA has expressly revoked such LACDA Misappropriation Notice in writing delivered to Lender prior to such date); or (ii) Borrower does not repay to Lender within one (1) Business Day any amount Lender is required to deliver to LACDA under any "LACDA Misappropriation Notice" (along with interest calculated by Lender which would have accrued through the date such payment is restored to Lender by Borrower).

(w) HAP Contract and HAP Payments. The AHAP Contract or any HAP Contract are materially modified, amended or terminated without the written consent of Bondowner Representative, except for modification or amendments which only have the effect of extending the term of the AHAP Contract or any HAP Contract.

(x) Other Default. Any "Event of Default" occurs under any Loan Document.

21. EFFECT OF AN EVENT OF DEFAULT; REMEDIES. Upon the occurrence of any Event of Default and at any time thereafter, Bondowner Representative may, at its option, but without any obligation to do so, and in addition to any other right Issuer, Bond Trustee or Bondowner Representative may have, do any one or more of the following without notice to Borrower: (a) cancel this Agreement; (b) institute appropriate proceedings to enforce the performance of this Agreement; (c) withhold its consent to further Advance of Loan funds; (d) expend funds necessary to remedy the default; (e) take possession of the Property and continue construction of the Project; (f) direct Bond Trustee to accelerate maturity of the Note and/or Indebtedness and demand payment of all sums due under the Note and/or Indebtedness; (g) bring an action on the Note and/or Indebtedness (or direct Bond Trustee to do so); (h) foreclose the Deed of Trust on the Property in any manner available under law (or direct Bond Trustee to do so); and (i) exercise any other right or remedy which it has under the Note or , or which is otherwise available at law or in equity or by statute.

22. NONRECOURSE AFTER CONVERSION DATE. Notwithstanding the foregoing or anything else in the Loan Documents to the contrary, except as otherwise expressly provided below, from and after the Conversion Date, Borrower's obligations under this Agreement and the other Loan Documents shall be secured solely by the real and personal property pledged or encumbered under the Deed of Trust and the other Loan Documents, and, subject to the recourse provisions of the Note and the recourse provisions of the Guaranty, no recourse under the Loan Documents shall be had against any of Borrower's assets not so pledged or encumbered or against any of Borrower's partners or their affiliates or any officer, director, commissioner, partner, member or employee of any such partner or affiliate. Notwithstanding the foregoing, (A) Borrower shall be fully and personally liable to Issuer, Bond Trustee and Bondowner Representative for all indebtedness and other obligations of Borrower under this Agreement, the Note and the other if any of the following occurs: (i) except for a Permitted Transfer, the sale, assignment, encumbrance, or other transfer of the Property, or more than twenty-five percent (25%) of the ownership interests in Borrower, without Bondowner Representative's prior written consent (in its sole and absolute discretion); or (ii) the encumbrance of the Property by any senior or subordinate deed of trust or other instrument in connection with any financing by Borrower, without Bondowner Representative's prior written consent (in its sole and absolute discretion) , or (iii) the violation by Borrower of any single asset covenant set forth in this Agreement, the Note or the Loan Documents; and (B) Borrower shall be personally liable to Bondowner Representative for the full amount of Issuer's, Bond Trustee's, or Bondowner Representative's loss, damage or cost resulting from (a) fraud or intentional misrepresentation by Borrower or any Guarantor in connection with obtaining the Loan represented by the Note, (b) insurance proceeds, condemnation awards, or other sums or payments attributable to the Property, to the extent they are not being applied in accordance with the provisions of this Agreement, the Note and the Deed of Trust, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct disbursement of such sums of payments, (c) all rents, profits, issues, products, and income of the Property received following an Event of Default under this Agreement, the Note, the Deed of Trust or any of the Loan

Documents which are not applied to payment of principal and interest owing under the Note (including any amounts received or collected by or on behalf of Borrower after an Event of Default, except to the extent that Borrower did not have the legal right, because of a bankruptcy, receivership, or similar judicial proceeding, to direct the disbursement of such sums), and payments of utilities, taxes, and assessments, insurance, and ground rents, if any, on the Property, as they become due or payable, and (d) Borrower's failure to pay any charges due Issuer, Bond Trustee, or Bondowner Representative under the Note or any other Loan Documents in connection with any transfer of all or any part of the Property, or any interest therein, from Borrower to Borrower's transferee, or transfer of beneficial interest in Borrower (and the indebtedness and other obligations of Borrower for which Borrower will be personally liable under the foregoing provisions of this Section 22 is sometimes collectively referred to in the Loan Documents as the "**Recourse Indebtedness**"). Notwithstanding the foregoing, nothing contained herein shall in any way limit the obligations of Borrower, Guarantor or any other individual or entity under the Guaranty, the Indemnity Agreement, or any other guaranty or indemnity.

23. COMPLETION OF IMPROVEMENTS BY BONDOWNER REPRESENTATIVE. If Bondowner Representative takes possession of the Property, it may take any and all actions necessary in its judgment to complete construction of the Improvements, including but not limited to making changes in the Plans and Specifications, work, or materials and entering into, modifying or terminating any contractual arrangements, subject to Bondowner Representative's right at any time to discontinue any work without liability. If Bondowner Representative elects to complete the Improvements, it will not assume any liability to Borrower or to any other person for completing the Improvements or for the manner or quality of construction of the Improvements, and Borrower expressly waives any such liability. Borrower irrevocably appoints Bondowner Representative as its attorney-in-fact, with full power of substitution, to complete the Improvements, at Bondowner Representative's option, either in Borrower's name or in its own name. In any event, all sums expended by Bondowner Representative in completing the construction of the Improvements will be considered to have been disbursed to Borrower and will be secured by the collateral for the Loan. Any such sums that cause the principal amount of the Loan to exceed the face amount of the Note will be considered to be an additional Loan to Borrower, bearing interest at the Note rate and being secured by the collateral. For these purposes, Borrower assigns to Bondowner Representative all of its right, title and interest in and to the Project Documents; however Bondowner Representative will not have any obligation under the Project Documents unless Bondowner Representative expressly hereafter agrees to assume such obligations in writing. Bondowner Representative will have the right to exercise any rights of Borrower under the Project Documents upon the occurrence of an Event of Default. All rights, powers, and remedies of Bondowner Representative under this Agreement are cumulative and alternative, and are in addition to all rights which Bondowner Representative may have under applicable law.

24. LIMITATION ON ISSUER'S LIABILITY. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee, attorney or agent of the Issuer in his or her individual capacity, and neither any employee, attorney, director or officer of the Issuer nor any

officer thereof executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, attorney or agent of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to this Agreement, the Act or the Law, provided such director, officer, employee, attorney or agent acts in good faith. No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by the Issuer contained in any document executed by Issuer in connection with the Project or the Issuance, sale and delivery of the Bond shall give rise to any pecuniary liability of the Issuer or a charge against its general credit or taxing powers, or shall obligate the Issuer financially in any way.

THE BOND IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY FROM THE PROJECT REVENUES AND PROPERTY PLEDGED THEREFOR IN THE INDENTURE, AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE CITY. NEITHER THE CITY, THE STATE NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NEITHER THE FAITH AND CREDIT OF THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BOND OR OTHER COSTS INCIDENT THERETO. THE BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

No recourse shall be had for the payment of the principal of, or interest on the Bond or for any claim based thereon or on this Agreement or any other Loan Documents or any instrument or document executed and delivered by or on behalf of the Issuer, in connection with the transactions contemplated hereby, against the Issuer or any officers, board member, employees, or agents, past present or future of the Issuer or any successor body under any constitutional provision, stature or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable processing or otherwise, and all such liability of the Issuer, or any such officers, board member, employees, or agents, past, present and future, as such is hereby expressly waived and released as a condition of and consideration for the adoption of the resolution authorizing the execution of the Bond and the delivery of other documents in connection herewith. No officers, board member, employee or agents, past, present and future of the Issuer or any successor body shall be personally liable on the Bond Documents or Loan Documents, the Bond or any other documents in connection herewith, nor shall the issuance of the Bond be considered as misfeasance or malfeasance in office. The Bond and the undertakings of the Issuer under the Bond Documents do not constitute a pledge of the general credit or taxing power of the Issuer, the State, or any political subdivision thereof, do not evidence and shall never constitute a debt of the State or any political subdivision thereof and shall never constitute nor give rise to any pecuniary liability of the State or any political subdivision thereof.

25. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

(a) Agency. Nothing in this Agreement shall be construed to constitute the creation of a partnership or joint venture between Bondowner Representative and Borrower or any contractor. Bondowner Representative is not an agent or representative of Borrower. This Agreement does not create a contractual relationship with and shall not be construed to benefit or bind Bondowner Representative in any way with or create any contractual duties by Bondowner Representative to any contractor, subcontractor, materialman, laborer, or any other person. Bondowner Representative's activities in connection with the Loan shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as modified or recodified from time to time, and Bondowner Representative does not intend to ever assume any responsibility to any Person for the quality or safety of the Property. Bondowner Representative shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower.

(b) Amendments. This Agreement, together with any Exhibits attached hereto, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(c) Applicable Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. The loan transaction which is evidenced by the Note and this Agreement has been applied for, considered, approved, and made in the State of California. **IF THERE IS A LAWSUIT, GRANTOR AND BORROWER, AT BONDOWNER REPRESENTATIVE'S OPTION, AGREE TO SUBMIT TO THE JURISDICTION OF THE SUPERIOR COURT OF CALIFORNIA FOR LOS ANGELES COUNTY.**

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

(e) Judicial Reference.

(i) The parties hereto agree that any and all disputes, claims and controversies arising out of the Loan Documents or the transactions contemplated thereby (including, without limitation, actions arising in contract or tort and any claims by a party against Bondowner Representative related in any way to the or the transactions contemplated hereunder) (a "**Dispute**") that are brought before a forum in which the pre-dispute waivers of the right to trial by jury set forth in Section 25(d) above are invalid under applicable law shall be subject to the terms of this Section 25(e) in lieu of the jury trial waivers set forth in Section 25(d) or as otherwise provided in the Loan Documents.

(ii) Any and all such Disputes shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure § 638 et seq. The parties shall use their respective commercially reasonable and good faith efforts to agree upon and select such referee, who shall be a retired California state or federal judge, provided, however, that the parties shall not appoint a referee that may be disqualified pursuant to California Code of Civil Procedure § 641 or § 641.2 without the prior written consent of all the parties. If the parties are unable to agree upon a referee within ten (10) calendar days after a party serves written notice of intent for judicial reference upon the other party or parties, then the referee shall be selected by the court in accordance with California Code of Civil Procedure § 640(b). The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the California Code of Civil Procedure, the Rules of Court and the California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The referee's decision shall be entered as a judgment in the court in accordance with the provisions of California Code of Civil Procedure §§ 644-645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.

(iii) If a Dispute includes multiple claims, some of which are found not subject to this Agreement, the parties shall stay the proceedings of the Disputes or part or parts thereof not subject to this Agreement until all other Disputes or parts thereof are resolved in accordance with this Agreement. If there are Disputes by or against multiple parties, some of which are not subject to this Agreement, the parties shall sever the Disputes subject to this Agreement and resolve them in accordance with this Agreement.

(iv) Nothing in this Section 25(e) shall be deemed to apply to or limit the rights of Bondowner Representative, Bond Trustee or Issuer (i) to exercise self-help remedies, including, without limitation, setoff, or (ii) to foreclose judicially or nonjudicially against any real or personal property collateral, or to exercise judicial or nonjudicial power of sale rights, or (iii) to obtain from a court provisional or ancillary remedies, including, without limitation, injunctive relief, writ(s) of possession, prejudgment attachment, protective order(s) or the appointment of a receiver, or (iv) to pursue rights against a party in a third-party proceeding in any action brought against Bondowner Representative, Bond Trustee or Issuer, including, without limitation, actions in bankruptcy court. Bondowner Representative, Bond Trustee or Issuer may exercise the foregoing rights before, during or after the pendency of any judicial reference proceeding. The failure to exercise any of the foregoing remedies shall not constitute a waiver of the right of any party, including, without limitation, the claimant in any

such action, to require submission to judicial reference the merits of the Dispute giving rise to such remedies. No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in this Section for judicial reference of any Dispute.

(v) During the pendency of any Dispute which is submitted to judicial reference in accordance with this Section, each of the parties to such Dispute shall bear equal share of the fees charged and costs incurred by the referee in performing the services described herein. The compensation of the referee shall not exceed the prevailing rate for like services. The prevailing party shall be entitled to reasonable court costs and legal fees, including customary attorneys' fees, expert witness fees, the fees of the referee and other reasonable costs and disbursements charged to the party by its counsel, in such amounts as determined by the referee.

(vi) Each party hereto acknowledges and agrees that the provisions of this Section constitute a material inducement to enter into this Agreement, the Loan Documents and to consummate the transactions contemplated thereunder, and that the parties will continue to be bound by and rely on such provisions in the course of their dealings with regard to any Dispute governed by the provisions of this Section. Each party hereto further warrants and represents that it has reviewed these provisions with legal counsel of its own choosing, or has had the opportunity to do so, and that it knowingly and voluntarily agrees to abide by the provisions of this Section having had the opportunity to consult with legal counsel.

(vii) THIS SECTION CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN OR AMONG THE PARTIES WITHIN THE MEANING OF AND FOR THE PURPOSES OF CALIFORNIA CODE OF CIVIL PROCEDURE § 638. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS EVIDENCE OF EITHER OR ALL PARTIES' CONSENT (EXCEPT THE ISSUER) AND AGREEMENT TO HAVE ANY AND ALL DISPUTES HEARD AND DETERMINED BY A REFEREE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE § 638. THE PARTIES (EXCEPT THE ISSUER) ACKNOWLEDGE THAT JUDICIAL REFERENCE PROCEEDINGS CONDUCTED IN ACCORDANCE WITH THIS SECTION WOULD BE CONDUCTED BY A PRIVATE REFEREE ONLY, SITTING WITHOUT A JURY.

(f) Guaranties Unsecured. The Security Documents shall secure Borrower's obligations under the Loan Documents. Notwithstanding the fact that the Loan Agreement or any may now or hereafter include one or more Guaranties and/or other documents creating obligations of Persons other than Borrower, and notwithstanding the fact that any Security Document may now or hereafter contain general language to the effect that it secures the "Bond" or the "Loan Documents," no Security Document shall secure any Guaranty, or any other obligation of any Person other than Borrower, unless such Security Document specifically describes such Guaranty or other obligation as being secured thereby.

(g) Authority to File Notices. Borrower appoints and designates Bondowner Representative as its attorney-in-fact to file for record any notice that Bondowner Representative deems necessary to protect its interest under this Agreement. This power shall

be deemed coupled with an interest and shall be irrevocable while any sum or performance remains due and owing under any of the Loan Documents or Bond Documents.

(h) Maintenance of Depository Relationship. Borrower shall, at all times while any portion of the Note remains unpaid, maintain a depository relationship with Bondowner Representative, or a subsidiary or affiliate of Bondowner Representative, unless the same is contrary to state or federal law or regulation.

(i) Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

(j) Bondowner Representative's Right to Sell Participations in the Bond. Subject to the terms of the Indenture, Bondowner Representative may at any time sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of, to any one or more other lenders (hereinafter called "Participants") all or any part of the indebtedness of Borrower at any time outstanding under the or the Loan Documents. Borrower acknowledges and agrees that any such disposition will give rise to an obligation of Borrower to each Participant and that, in such event, each Participant shall, for all purposes hereof, be entitled to the benefits under the Loan Documents and all other documents, instruments, and agreements therein described, as its interest may appear. Borrower shall, from time to time at the request of Bondowner Representative, at Bondowner Representative's sole cost and expense, execute and deliver, or cause to be executed and delivered, to Bondowner Representative or to such party or parties (including any Participant) as Bondowner Representative may designate, any and all such further instruments as may in the opinion of Bondowner Representative be necessary or desirable to give full force and effect to such disposition and such estoppel certificates or other instruments as may be requested from Borrower to evidence the continuing validity of the or the Loan Documents and the absence of any default by Bondowner Representative thereunder. Notwithstanding the foregoing, no Participant shall be deemed a direct lender or co-lender with Bondowner Representative and no Participant shall acquire any rights under the Indenture.

(k) Costs and Expenses. Borrower agrees to pay upon demand all of Bondowner Representative's out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with this Agreement or in connection with the Loan made pursuant to this Agreement. Bondowner Representative may pay someone else to help collect the Loan and to enforce this Agreement and Borrower will pay that amount. This includes, subject to any limits under applicable law, Bondowner Representative's attorneys' fees and legal expenses, whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law.

(l) Entire Agreement. This Agreement and the Loan Documents constitute all of the agreements between the parties relating to the Project and supersede all other prior or concurrent oral or written agreements or understandings relating to the Project.

(m) Notices. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the following addresses:

Borrower:

WAKELAND QUINCY LP
c/o Wakeland Housing and Development
Corporation
1230 Columbia Street
Suite 950
San Diego, California 92101
Attention: President and CEO

Lender:

BANNER BANK
5930 Granite Lake Drive
Suite 170
Granite Bay, California 95746
Attention: Andre Massey
Loan No. 14014047

A copy of any written notice of and Event of Default to Borrower shall also be given to Investor Limited Partner at the address set forth in Section 19(n) below; provided, however that Lender shall have no liability to Investor Limited Partner for any failure to deliver a copy of such notice to Investor Limited Partner so long as the requirements of such Section 19(n) below are satisfied.

Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Borrower, notice to any Borrower will constitute notice to all Borrowers. For notice purposes, Borrower agrees to keep Bondowner Representative informed at all times of Borrower's current address(es).

(n) Notice and Cure Rights of Investor Limited Partner. Bondowner Representative agrees that it shall not instruct Bond Trustee to or directly complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "**Foreclosure Remedy**") unless and until Investor Limited Partner (or, for the purposes of this entire subsection (n), its designee(s), if applicable) has first been given thirty (30) days' written notice of the default(s) or Event(s) of Default giving rise to Bondowner Representative's right to complete such Foreclosure Remedy, and Investor Limited Partner has failed, within such thirty (30) day period, to cure such default(s) and Event(s) of Default; provided, however, that Bondowner Representative shall be entitled during such thirty (30) day period to continue to pursue all of its rights and remedies under the Loan

Documents, including, but not limited to, acceleration of the Note (subject to any de-acceleration provisions specifically set forth in the Loan Documents or otherwise available under applicable law), exercise of its rights and remedies under the Loan Documents, commencement and pursuit of foreclosure (but not completion of the foreclosure sale), enforcement of any guaranty (subject to any notice and cure provisions contained therein), and/or enforcement of any other Loan Document. It is the express interest of the parties hereunder that Bondowner Representative shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Investor Limited Partner for failure to provide notice to Investor Limited Partner, and that Bondowner Representative's liability hereunder shall be expressly limited to actual damages to Investor Limited Partner directly caused by Bondowner Representative's completion of a Foreclosure Remedy without Investor Limited Partner receiving the notice and opportunity to cure described above. Bondowner Representative's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Bondowner Representative under this Agreement or any other Loan Document. Unless expressly prohibited by law, Investor Limited Partner agrees to record a "Request for Notice," or similar appropriate document requesting notice of any foreclosure sale, in the Official Records of the County in which the Property is located and in the event the Bondowner Representative has not sooner provided notice to Investor Limited Partner, the receipt by the Investor Limited Partner of such notice of foreclosure sale shall be deemed to be notice to the Investor Limited Partner as contemplated hereunder. Except as specifically provided herein or in any other Loan Document, Bondowner Representative's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Bondowner Representative under this Agreement or any other Loan Document. Bondowner Representative shall give Investor Limited Partner notice of Events of Default as required under this Section 16(n) at the address set forth below or such other address as Investor Limited Partner may instruct Bondowner Representative in writing from time to time:

c/o Hudson Housing Capital LLC
530 Fifth Avenue
28th Floor
New York, NY 10111
Attention: Joseph A. Macari

with a copy to:

Holland & Knight LLP
10 St. James Avenue
12th Floor
Boston, Massachusetts 02116
Attention: Dayna N. Hutchins, Esq.

Bondowner Representative shall accept or reject any tender of cure of an Event of Default by Borrower's Investor Limited Partner on the same terms under which Bondowner Representative would accept or reject such tender of cure by Borrower.

(o) Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

(p) Survival. All warranties, representations, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Bondowner Representative under this Agreement shall be considered to have been relied upon by Bondowner Representative and will survive the making of the Loan and delivery to Bondowner Representative of the Bond, regardless of any investigation made by Bondowner Representative or on Bondowner Representative's behalf.

(q) Time of the Essence. Time is of the essence hereof.

(r) Waiver. Bondowner Representative shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Bondowner Representative. No delay or omission on the part of Bondowner Representative in exercising any right shall operate as a waiver of such right or any other right. A waiver by Bondowner Representative of a provision of this Agreement shall not prejudice or constitute a waiver of Bondowner Representative's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Bondowner Representative, nor any course of dealing between Bondowner Representative and Borrower, or between Bondowner Representative and any Grantor, shall constitute a waiver of any of Bondowner Representative's rights or of any obligations of Borrower or of any Grantor as to any future transactions. Whenever the consent of Bondowner Representative is required under this Agreement, the granting of such consent by Bondowner Representative in any instance shall not constitute continuing consent in subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Bondowner Representative.

(s) Multiple Parties; Corporate Authority. All obligations of Borrower under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each of the Borrowers signing below is responsible for all obligations in this Agreement. Where any one or more of the parties are corporations or partnerships or limited liability companies, it is not necessary for Bondowner Representative to inquire into the powers of any of the parties or of the officers, directors, partners, members, or agents acting or purporting to act on their behalf.

(t) Errors and Omissions. Borrower, for and in consideration of the Loan, agrees, if requested by Bondowner Representative, to fully cooperate and adjust for clerical errors, if any, in any or all of the Loan Documents if deemed necessary or desirable in the reasonable discretion of Bondowner Representative to enable Bondowner Representative to sell, convey, seek guaranty or market said Loan to any entity, including but not limited to an

investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veteran Affairs, or any municipal bonding authority. Borrower agrees to comply with all above noted requests by Bondowner Representative within thirty (30) days from date of mailing said requests. Borrower agrees to assume all costs including, by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to comply with correction requests in above noted time period.

(u) Right of Setoff. Borrower grants to Lender a contractual security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Note against any and all such accounts.

(v) Adjustment of Interest Rate Upon Loss of Tax Exclusion. The interest rates applicable under the Note and with respect to the Bond are based on the assumption that interest income paid on the Bond and received by the owners of the Bond will be excludable from gross income under Section 103 of the Code and applicable State law, except for the Bond when owned by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code (as defined in the Indenture). In the event that (i) Bondowner Representative receives a written opinion from a nationally recognized bond counsel to the effect that, in such counsel's opinion, interest on the Bond will not be excluded from gross income of such owners for federal income tax purposes, other than as a result of the Bond being held by a "substantial user" or a "related party" to such "substantial user" as used in Section 147(a) of the Code; or (ii) any owner receives notice from the Internal Revenue Service or other government agency that interest payable on the Bond is not excludable from gross income of such owner for federal income tax purposes other than as a result of the being held by a "substantial user" or a "related party" to such "substantial user" as used in Section 147(a) of the Code, or that the Internal Revenue Service is challenging the tax-exempt status of the interest on the Bond, then the interest rate on the Note, the Bond and on all obligations under this Agreement shall be increased to a rate equal to the "Prime Rate" in effect for Banner Bank from time to time plus 2.00% not to exceed the Maximum Rate defined in the Indenture. In addition, Bondowner Representative shall be paid, promptly upon demand, an amount equal to the difference between the amount of interest payable on the Note from the date on which such loss of tax exemption on the Bond shall be applicable to the date on which the interest rate on the Note was increased and the amount of interest that would have been payable on the Note during such period had the Note borne interest during such period at such higher rate. If, following any increase in interest rates pursuant to this Section, a final determination is made, to the satisfaction of Bondowner Representative, that interest paid on the Bond was, at all times prior to the determination, and will continue to be, excludable from the owner's gross income under Section 103 of the Code and applicable state law, Bondowner Representative shall promptly refund within 30 days of receipt of such determination of a demand to the Borrower any additional interest paid by the Borrower pursuant to this Section.

(w) Subordination to Extended Use Agreement. In order to receive an allocation of low income housing tax credits, Borrower will be required to record in the real property records of the county in which the property is located, an "extended low-income housing commitment" (as defined in Code Section 42(h)(6)(B)) (the "**Extended Use Agreement**"). Bondowner Representative agrees that the lien of the Deed of Trust may be subordinated to the Extended Use Agreement, provided, however, that the following conditions are met:

(i) under the terms of the Extended Use Agreement, if Bondowner Representative, or its successors or assigns (collectively, the "**REO Owner**") acquire the Property and Improvements by foreclosure (or instrument in lieu of foreclosure), then the "extended use period" (as defined in Code Section 42(h)(6)(D)) shall terminate, except for the obligation of the REO Owner to comply with the limitations on evictions, termination of tenancy and increase in rents for the three year period following the REO Owner's acquisition of the Property, as set forth in Code Section 42(h)(6)(E)(ii).

(x) NOTICE, REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING COMPLIANCE WITH ANTI-TERRORISM LAWS. To help the government fight the funding of terrorism and money laundering activities, Federal law requires Bondowner Representative to obtain, verify, and record information that identifies each person who opens an account. This means that Bondowner Representative will ask for Borrower's name, Tax ID number, address, date of birth, and other information, as applicable, including identifying documents that will allow Bondowner Representative to properly identify Borrower. In addition, Borrower hereby represents and warrants to, and agrees with, Bondowner Representative as follows regarding Anti-Terrorism Laws:

(i) None of Borrower or any loan guarantor or their respective constituents or affiliates or any of their respective agents acting or benefiting in any capacity in connection with the Loan (collectively, the "**Borrower Parties**", each a "**Borrower Party**") is in violation of any laws relating to terrorism or money laundering, including, but not limited to, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 ("**Patriot Act**"), collectively referred to herein as "**Anti-Terrorism Laws**";

(ii) No action, proceeding, investigation, charge, claim, report, or notice has been filed, commenced, or threatened against any Borrower Party alleging any violation of any Anti-Terrorism Law;

(iii) No Borrower Party has, after due investigation and inquiry, knowledge, or notice of any fact, event, circumstance, situation, or condition that could reasonably be expected to result in (i) any action, proceeding, investigation, charge, claim, report, or notice being filed, commenced, or threatened against any of them alleging any violation of, or failure to comply with, any Anti-Terrorism Law, or (ii) the imposition of any civil or criminal penalty against any of them for any failure to so comply;

(iv) No Borrower Party or, to Borrower's knowledge, the seller of the Property (if any portion of the Property is being acquired with proceeds of the Loan), is a "Prohibited Person." A Prohibited Person means any of the following:

(v) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(vi) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(vii) a person or entity with whom Bondowner Representative is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(viii) a person or entity who commits, threatens, or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(ix) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or any replacement website or other replacement official publication of such list;

(x) No Borrower Party or, to Borrower's knowledge, the Seller of the Property (if any portion of the Property is being acquired with proceeds of the Loan) (i) conducts any business or engages in making or receiving any contribution of funds, goods, or services to or for the benefit of any Prohibited Person, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law;

(xi) Borrower shall not (i) conduct any business or engage in making or receiving any contribution of funds, goods, or services to or for the benefit of any Prohibited Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law;

(xii) Notwithstanding any other provision of this Agreement, before any assignment, mortgage, encumbrance, pledge, hypothecation or grant of a security interest in all or any direct or indirect ownership interest in Borrower, and before any changes in direct or indirect ownership of any Borrower Party, Borrower shall give a written notice to Bond (i) advising Bond, in reasonable detail as to the proposed ownership change, and (ii) reaffirming that the representations and warranties herein contained will remain true and correct.

Borrower agrees to deliver to Bondowner any certification, other evidence requested from time to time by Bondowner in its reasonable discretion, and sufficient information (including names, addresses, and where applicable, jurisdiction of formation or organization) to reasonably permit Bondowner to verify and confirm the accuracy of, and Borrower's compliance with, the foregoing representations, warranties and agreements.

(y) BUSINESS TAX REGISTRATION CERTIFICATE. Subject to any exemption available to it, each of Borrower and Bondowner Representative represents that it has obtained or will obtain the Business Tax Registration Certificate(s) required by the Issuer's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). Solely to the extent applicable to either, for the term covered by this Agreement, Borrower and Bondowner Representative each shall maintain, or obtain as necessary, any such Business Tax Registration Certificate(s) required of it under said Ordinance and shall not allow any such Business Tax Registration Certificate(s) to be revoked or suspended.

(z) CHILD SUPPORT ASSIGNMENT ORDERS. This Agreement is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Borrower certifies that (1) it will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) it will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) it will maintain such compliance throughout the term of the Bond Regulatory Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Borrower to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Borrower to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by Borrower as appropriate, under the terms of this Agreement, subjecting Borrower to the remedies provided herein where, in either case, such failure shall continue for more than ninety (90) days after notice of such failure to Borrower by Issuer. Any subcontract entered into by Borrower relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of Borrower to obtain compliance of its subcontractors shall constitute a default by Borrower under the terms of this Agreement, subjecting Borrower to the remedies provided herein where such failure shall continue for more than ninety (90) days after notice of such failure to Borrower by Issuer.

The Borrower shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Borrower hereby affirms that it is fully complying with the earning assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (b) of Section 7110 of the Public Contract Code.

(aa) AMERICANS WITH DISABILITIES ACT. Borrower hereby certifies that it and any contractor and subcontractor will comply with the Accessibility Requirements (as defined in Exhibit I of the Bond Regulatory Agreement). Borrower and any contractor and subcontractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with the applicable provisions of: (i) the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.* and its implementing regulations, and the American Disabilities Act Amendments Act (ADAAA), Pub. L. 110 325 and all subsequent amendments; (ii) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Section 794, the implementing regulations at 24 C.F.R. Part 8, as well as the requirements of Uniform Federal Accessibility Standards, 24 C.F.R. Section 40, Appendix A; (iii) the Fair Housing Act, 42 U.S.C. Sections 3601 3620; 24 C.F.R. Parts 100, 103, and 104, and its implementing regulations; and (iv) applicable California building codes. Borrower and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by Borrower relating to this Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this Section.

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

(cc) Disclosure of Border Wall Contracting Ordinance. Borrower shall comply with Los Angeles Administrative Code Section 10.50 et seq., "Disclosure of Border Wall Contracting". Issuer may declare a default under this Loan Agreement if the Issuer

determines that Borrower failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in Los Angeles Administrative Code Section 10.50.1.

(dd) Pet Ownership In Publicly-Financed Housing Developments. Borrower shall comply with the Pet Ownership in Publicly-Financed Housing Developments Ordinance, Los Angles Municipal Code Sections 51.20., et seq., as amended from time to time.

[*Signature pages follow*]

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS CONSTRUCTION AND TERM LOAN AGREEMENT, AND BORROWER AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AS OF THE DATE FIRST SET FORTH ABOVE.

WAKELAND QUINCY LP,
a California limited partnership

By: Wakeland Quincy LLC,
a California limited liability company,
Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation,
Sole Member and Sole Manager

By: _____
Rebecca Louie
VP/Chief Operating Officer

[Signature Page to Construction and Term Loan Agreement]

ISSUER:

CITY OF LOS ANGELES

By: Housing and Community Investment Department

By: _____
Tricia Keane
Executive Officer

APPROVED AS TO FORM:

CITY OF LOS ANGELES
MICHAEL N. FEUER, City Attorney

By: _____
Deputy/Assistant City Attorney

[Signature Page to Construction and Term Loan Agreement]

BONDOWNER REPRESENTATIVE:

BANNER BANK,
a Washington corporation

By: _____
Waheed Karim
Vice President

[Signature Page to Construction and Term Loan Agreement]

EXHIBIT A

REAL PROPERTY

EXHIBIT B

BUDGET

EXHIBIT C

INTENTIONALLY OMITTED

EXHIBIT D

SCHEDULE OF EQUITY CAPITAL CONTRIBUTIONS

Investor Limited Partner Equity Capital Contributions	Amount	Required Date	Construction Source (Yes/No)
First Installment	$_____	Closing Date	Yes
Second Installment	$_____	Initial Interim Construction Loan Maturity Date	No
Third Installment	$_____	Satisfaction of the conditions precedent to the Third Installment set forth in Section 5.01(c)(iii) of the Partnership Agreement	No

General Partner Capital Contributions	Amount	Required Date	Construction Source (Yes/No)
First Installment	$100	Closing Date	Yes

EXHIBIT E

LOAN DOCUMENTS

1. This Agreement

2. The Note

3. The Deed of Trust

4. Deed of Trust Assignment

5. Commercial Guaranty dated as of even date herewith, executed by Guarantor in favor of Issuer

6. Hazardous Waste Warranty and Indemnification Agreement dated as of even date herewith, from Borrower and Guarantor to Issuer, Bond Trustee and Bondowner Representative

7. Assignment of Construction Contracts and Permits dated as of even date herewith, from Borrower to Issuer

8. Assignment of Architect Contracts and Plans dated as of even date herewith, from Borrower to Issuer

9. Assignment of Engineering Contracts dated as of even date herewith, from Borrower to Issuer

10. Assignment of Rights under Development Agreement dated as of even date herewith, from Borrower to Issuer

11. Assignment of Rights under Management Agreement dated as of even date herewith, from Borrower to Issuer

12. Security Agreement (Assignment of Partnership Interests and Capital Obligations) dated as of even date herewith, from Borrower and General Partner to Issuer

13. Replacement Reserve and Security Agreement

14. Assignment of AHAP Contract (and Consent to Assignment of AHAP Contract)

15. AHP Subordination Agreement

16. HCD Subordination Agreement

17. HHH Subordination Agreement

18. LACDA Subordination Agreement

19. State of California Uniform Commercial Code Financing Statement Forms UCC-1, naming Borrower as debtor for the benefit of Issuer as secured party, and Bond Trustee as assignee of Issuer as secured party, relating to the Deed of Trust, filed with the California Secretary of State

20. Partnership Agreement to Borrower and Grant Security executed by General Partners in favor of Issuer, Bond Trustee, and Bondowner Representative

21. Certificate and Resolutions of general partner of Borrower

22. Corporate Resolution to Guaranty

23. Opinions of counsel to Borrower, general partner of Borrower and any guarantor with respect to the due authorization, execution, delivery and enforceability of the Loan Documents to which they are a party

24. Opinion of Bond Counsel regarding the exemption of the interest on the Bond from federal income taxation

EXHIBIT F

PERMITTED DEVELOPER FEE SCHEDULE

Source of Payment	Amount Permitted	Timing of Payment
First Installment of Equity Capital Contributions	$_____	Closing Date
Second Installment of Equity Capital Contributions	$_____	Following the satisfaction of the Conditions to Conversion and upon satisfaction of the conditions precedent to Second Installment in Section 5.01(c)(ii) of the Partnership Agreement
Third Installment of Equity Capital Contributions	$_____	Following the satisfaction of the Conditions to Conversion and upon satisfaction of the conditions precedent to Second Installment in Section 5.01(c)(iii) of the Partnership Agreement
Fourth Installment of Equity Capital Contributions	$_____	Following the satisfaction of the Conditions to Conversion and upon satisfaction of the conditions precedent to Third Installment in Section 5.01(c)(iv) of the Partnership Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

KUTAK ROCK LLP
1650 FARNAM STREET
OMAHA, NE 68102
ATTENTION: J. TOGER SWANSON, ESQ.

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

by and among

CITY OF LOS ANGELES,
as City

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

WAKELAND QUINCY LP,
as Borrower

relating to

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

Dated as of October 1, 2021

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EXHIBIT A DESCRIPTION OF PROJECT SITE
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EXHIBIT D FORM OF ANNUAL TENANT INCOME RECERTIFICATION
EXHIBIT E FORM OF CERTIFICATE OF CDLAC PROGRAM COMPLIANCE
EXHIBIT F FORM OF CONSTRUCTION COMPLETION CERTIFICATE
EXHIBIT G CDLAC RESOLUTION
EXHIBIT H [RESERVED]
EXHIBIT I ACCESSIBILITY COVENANTS
EXHIBIT J FORM OF CERTIFICATE OF QUALIFIED PROJECT PERIOD

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "Agreement" or this "Regulatory Agreement") is made and entered into and dated as of October 1, 2021 by and among the **CITY OF LOS ANGELES**, a charter city and municipal corporation in the State of California (together with any successor to its rights, duties and obligations, the "City"), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association in its capacity as Trustee (the "Trustee") under the Indenture of Trust dated as of October 1, 2021 (the "Indenture") by and among the City, Banner Bank as initial Bondowner Representative and the Trustee, with an office in Los Angeles, California, and **WAKELAND QUINCY LP**, a California limited partnership (the "Borrower").

W I T N E S S E T H :

WHEREAS, pursuant to Section 248 of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the "Law"), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California, as amended (the "Act"), the City is empowered to issue bonds, notes and other evidence of indebtedness to finance the acquisition, construction and equipping of multifamily rental housing; and

WHEREAS, on February 10, 2020, the City indicated its intent to provide for the issuance of a revenue bond or note to finance a portion of the acquisition, construction and equipping of The Quincy Apartments, a multifamily seniors residential rental housing project to be located in the City of Los Angeles at 2652 & 2662 West Pico Boulevard on the site more particularly described in Exhibit A hereto (the "Project") and the City Council of the City subsequently adopted a resolution (the "Resolution") authorizing the issuance of a bond for such purpose; and

WHEREAS, in furtherance of the purposes of the Law, the Act and the Resolution, and as a part of the City's program of financing housing, the City has issued its $16,844,884 maximum aggregate principal amount Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y (the "Bond") the proceeds of which will be used to fund a loan (the "Loan") to the Borrower to finance a portion of the acquisition, construction and equipping of the Project; and

WHEREAS, in order for interest on the Bond to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the below-defined Regulations and rulings with respect to the Code, and in order to comply with the Law, the Act and the policies with respect to the City's housing program, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the City, the Trustee and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction and equipping of the Project and in order to ensure that the Project will be used and operated in accordance with the Code, the Law, the Act and the additional requirements of the City and the California Debt Limit Allocation Committee ("CDLAC");

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the City, the Trustee and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture or the Loan Agreement, as applicable. The following terms shall have the respective meanings assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"*Act*" means Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as the same may be amended from time to time (but only to the extent any such amendments, by their terms or by appropriate election of the City, apply to the Bond outstanding as of the effective date of such amendments).

"*Adjusted Income*" means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to Section 142(d)(2)(B) of the Code.

"*Affiliated Party*" means a limited or general partner or member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code or a person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein).

"*Agreement*" or "*Regulatory Agreement*" means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be amended from time to time.

"*Area*" means the Los Angeles Primary Metropolitan Statistical Area.

"*Authorized Borrower Representative*" means any person who, at any time and from time to time, may be designated as the Borrower's authorized representative by written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates, or in the event that such term shall refer to successors or assigns of the Borrower, any authorized general partner if the successor or the assignee is a general or limited partnership, any authorized managing member if the successor or assignee is a limited liability company or any authorized officer if the successor or the assignee is a corporation. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the City) a written certificate identifying a different person or persons to act in such capacity.

"*Bond*" means the City's Multifamily Housing Revenue Bond (The Quincy Apartments) Series 2021Y authorized, authenticated and delivered under the Indenture, as defined in the recitals hereto.

"*Bond Counsel*" means an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and the Tax-exempt nature of interest on, obligations issued by states and their political subdivisions, selected by the City and duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia but shall not include counsel for the Borrower or the Trustee.

"*Bond Documents*" means the Indenture, the Loan Agreement, this Regulatory Agreement, the Tax Certificate and any other document now or hereafter executed by the Borrower, City, Trustee or Bondholder in connection with the Bond.

"*Bondholder*" or "*Owner*" or "*Holder*" means the party identified as the owner of the Bond on the registration books maintained by the Trustee on behalf of the City.

"*Bondowner Representative*" means, initially Banner Bank, a Washington corporation and any successor entity pursuant to the Indenture.

"*Borrower*" means Wakeland Quincy LP, a California limited partnership, and its successors and assigns.

"*CDLAC*" means the California Debt Limit Allocation Committee or its successors.

"*CDLAC Conditions*" has the meaning given such term in Section 33 hereof.

"*CDLAC Resolution*" means CDLAC Resolution No. 21-118, adopted on April 28, 2021, attached to this Regulatory Agreement as Exhibit G and relating to the Project, as such resolution may be modified or amended from time to time.

"*Certificate of CDLAC Program Compliance*" means the Certification of Compliance II for Qualified Residential Rental Projects, or equivalent form, to be filed with the City at the times specified in Section 33(a) of this Regulatory Agreement, such report to contain the information set forth in and to be in substantially the form attached hereto as Exhibit E or such other form required or otherwise provided by CDLAC from time to time.

"*Certificate of Continuing Program Compliance*" means the Certificate of Continuing Program Compliance and Statistical Report to be filed by the Borrower with the City and the Trustee at the times specified in Sections 4(d) and (f) of this Regulatory Agreement, such report to contain the information set forth in and to be in substantially the form attached hereto as Exhibit B or such other form as may from time to time be prescribed by the City.

"*Certificate of Qualified Project Period*" means a certificate to be filed by the Borrower upon commencement of the Qualified Project Period in substantially the form attached hereto as Exhibit J.

"*City*" means the City of Los Angeles, a charter city and municipal corporation of the State of California.

"*Closing Date*" or "*Bond Closing Date*" means the date upon which the Bond is initially funded in an amount equal to at least $50,001.

"*Code*" means the Internal Revenue Code of 1986, as amended; each reference to the Code shall be deemed to include (a) any successor internal revenue law and (b) the applicable regulations whether final, temporary or proposed under the Code or such successor law.

"*Completion Date*" means the date of the completion of the acquisition, construction and equipping of the Project, as that date shall be specified in the Construction Completion Certificate.

"*Compliance Period*" means the period beginning on the first day of the Qualified Project Period and ending on the later of the end of the Qualified Project Period or such later date as set forth in Section 33 of this Regulatory Agreement.

"*Construction Completion Certificate*" means a written certification signed by an Authorized Borrower Representative certifying among other things to the substantial completion of the Project and delivered to the City, the Trustee and CDLAC not more than 30 months after the Closing Date, in substantially the form of Exhibit F hereto or such other form required or otherwise provided by CDLAC from time to time.

"*Conversion Date*" has the meaning set forth in the Note (as defined in the Indenture).

"*Costs of Issuance*" means costs of issuing the Bond as set forth in the Indenture.

"*Determination of Taxability*" means either (a) refusal by the Borrower to consent to any amendment or supplement hereto or to the Indenture which, in the written opinion of Bond Counsel delivered to the City, the Trustee and the Borrower, is necessary or advisable to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes; or (b) any of (i) the enactment of applicable legislation of which the Trustee has actual knowledge, (ii) a final judgment or order of a court of original or appellate jurisdiction of which the Trustee has actual knowledge, (iii) a final ruling or decision of the Internal Revenue Service of which the Trustee has actual knowledge or (iv) the filing with the Trustee of an opinion of Bond Counsel, in each case to the effect that the interest on the Bond (other than interest on the Bond for any period during which the Bond is held by a "substantial user" of any facility financed with the proceeds of the Bond or a "related person," as such terms are used in Section 147(a) of the Code) is includable in the gross incomes of all recipients thereof for federal income tax purposes. With respect to the foregoing, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal has expired.

"*Hazardous Materials*" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Project is prohibited by any federal, state or local authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" by or within the

meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

"*Hazardous Materials Laws*" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the Borrower or to the Project. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., and their state analogs.

"*Housing Act*" means the United States Housing Act of 1937, as amended, or its successor.

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

"*Income Certification*" means, initially, an Income Certification in the form attached hereto as Exhibit C or in such other form as may from time to time be provided by the City to the Borrower and, with respect to recertifications, the Annual Tenant Income Recertification attached hereto as Exhibit D or such other form as may, from time to time, be provided by the City to the Borrower.

"*Indenture*" means the Indenture of Trust dated as of October 1, 2021 by and among the City, the Trustee and the initial Bondowner Representative relating to the issuance of the Bond, as amended, modified, supplemented or restated from time to time.

"*Inducement Date*" means February 10, 2020.

"*Loan*" means the loan of the sale proceeds of the Bond by the City to the Borrower pursuant to the Loan Agreement for the purpose of providing funds for the acquisition, construction and equipping of the Project.

"*Loan Agreement*" means the Construction and Term Loan Agreement dated as of October 1, 2021 by and among the City, the Bondowner Representative and the Borrower, as amended or supplemented from time to time.

"*Low Income Tenant*" means a tenant whose Adjusted Income does not exceed limits determined in a manner consistent with determinations of lower-income families under Section 8 of the Housing Act, except that the percentage of median gross income that qualifies as lower income shall be 60% of median gross income for the Area with adjustments for family size. Except as otherwise provided herein, the occupants of a unit in the Project shall not be considered to be Low Income Tenants if all the occupants of a unit are students (as defined in Section 152(f)(2) of the Code) and any one of those students is not (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State, or local laws; (4) a student who

was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act) or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents. The determination of a tenant's status as a Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such Tenant and annually thereafter and at any time the Borrower has knowledge that the number of occupants in that unit has increased, on the basis of an Income Certification executed by the tenant.

"*Low Income Units*" means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Sections 4(a), 4(b) and 6(a) hereof.

"*Net Proceeds*" means the total proceeds derived from the issuance, sale and delivery of the Bond, representing the total purchase price of the Bond, including any premium paid as part of the purchase price of the Bond, but excluding the accrued interest, if any, on the Bond paid by the initial purchaser of the Bond.

"*Project*" means the Project Facilities and the Project Site.

"*Project Costs*" means, to the extent authorized by the Code, the Regulations, the Law and the Act, any and all costs incurred by the Borrower with respect to the acquisition, construction and equipping and the credit enhancement fees, if any, attributable to the period of, the construction of the Project, whether paid or incurred prior to or after the Inducement Date, including, without limitation, costs for site preparation, the planning of housing, related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, including Qualified Project Costs, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and developer's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or other entity or person for expenditures made, for the Project).

"*Project Facilities*" means the buildings, structures and other improvements on the Project Site to be acquired, constructed, equipped or improved by the Borrower, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project. Project Facilities do not include retail sales facilities, leased office space, commercial facilities or recreational, fitness, parking or business facilities available to members of the general public.

"*Project Site*" means the parcel or parcels of real property having the street address of 2652 & 2662 West Pico Boulevard in the City of Los Angeles, California and all rights and appurtenances thereunto appertaining, as more particularly described in Exhibit A hereto.

"*Qualified Project Costs*" means the Project Costs (excluding issuance costs) incurred not earlier than the date 60 days prior to the Inducement Date which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or are

chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the Bond during the construction of the Project shall constitute Qualified Project Costs as bear the same ratio to all such interest or fees, as applicable, as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing on or after the Completion Date shall not be Qualified Project Costs; and provided finally that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute "Qualified Project Costs" unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not "related parties" as such term is defined in Section 1.150-1(b) of the Regulations.

"*Qualified Project Period*" means the period beginning on the first day on which 10% of the dwelling units in the Project are first occupied and ending on the latest of (a) the date which is 15 years after the date on which 50% of the dwelling units in the Project are first occupied, (b) the first date on which no Tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates. The CDLAC Conditions apply for a period which, in some cases, exceeds the Qualified Project Period.

"*Regulations*" means the Income Tax Regulations promulgated or proposed (if deemed appropriate in the opinion of Bond Counsel) by the Department of the Treasury pursuant to the Code from time to time.

"*Tax Certificate*" means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, executed and delivered by the City and the Borrower, as amended, modified, supplemented or restated from time to time.

"*Tax-exempt*" means, with respect to interest on any obligations of a state or local government, including the Bond, that such interest is excluded from gross income for federal income tax purposes (other than interest on the Bond for any period during which the Bond is held by a "substantial user" of any facility financed with the proceeds of the Bond or a "related person," as such terms are used in Section 147(a) of the Code); provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for

purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"*Trustee*" means U.S. Bank National Association in its capacity as trustee under the Indenture, together with its successors and assigns.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender and words of the singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

In the event of any conflict between this Regulatory Agreement and the CDLAC Conditions, the most restrictive requirement shall govern.

Section 2. Acquisition, Construction and Equipping of the Project. The Borrower hereby represents as of the date hereof, covenants and agrees with the City and the Trustee as follows:

(a) The Borrower has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the acquisition, construction and equipping of the Project, pursuant to which the Borrower is or will be obligated to expend at least 5% of the proceeds of the Loan financed from proceeds of the Bond.

(b) The Borrower's reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Project are accurately set forth in the Borrower Cost Certificate (the "Borrower Cost Certificate") submitted to the City on the Closing Date.

(c) The Borrower has acquired the Project Site and will, within six months following the Bond Closing Date, commence the construction of the Project and will proceed with due diligence to complete the same. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect to development of the Project) shall constitute "Qualified Project Costs" unless, at the time Bond proceeds are expended to pay such costs, the Borrower and the seller of such assets are not "related parties" as such term is defined in Section 1.150-1(b) of the Regulations. The Borrower reasonably expects to complete the acquisition, construction and equipping of the Project

and to expend the full amount of the proceeds of the Loan for Project Costs prior to the date which is 30 months after the Closing Date.

(d) The Borrower agrees that the full amount of each disbursement of Bond proceeds pursuant to the Indenture and the Loan Agreement will be applied to pay or to reimburse the Borrower for the payment of Project Costs as set forth in the Borrower Cost Certificate and that, after taking into account each such disbursement, (i) the aggregate disbursements of Bond proceeds will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an aggregate amount equal to 97% or more of the aggregate disbursements of the Loan; provided, however, that if the Borrower provides the Trustee with an opinion of Bond Counsel to the effect that the Tax-exempt status of interest on the Bond will not be adversely affected if less than the aforesaid percentage, but not less than 95%, is disbursed for such purpose, then the certificate may refer to such lesser percentage as may be specified by Bond Counsel; and (ii) less than 25% of the proceeds of the Bond expended relative to the Project Site will be disbursed to pay or to reimburse the Borrower for the cost of acquiring land or rights with respect to land relative to the Project Site (exclusive of the cost of acquiring improvements on such land).

(e) [Reserved].

(f) No proceeds of the Bond will be used to pay or reimburse any cost (i) incurred more than 60 days prior to the Inducement Date, or (ii) incurred more than three years prior to such payment or reimbursement. Any allocation of Bond proceeds to the reimbursement of previously incurred costs shall be made not later than 18 months after the later of (i) the date the original expenditure was paid or (ii) the date the Project is placed in service or abandoned. The acquisition, construction and equipping of the Project by the Borrower commenced less than 60 days prior to the Inducement Date, and as of 60 days prior to the Inducement Date (A) neither the Borrower nor any "related person" (as such phrase is used in Section 147(a)(2) of the Code) has made any expenditure in connection with the acquisition, construction or equipping of the Project, (B) no on-site work has been commenced by the Borrower or any related person in connection with the construction of the Project, and (C) no off-site fabrication of any portion of the Project has been commenced by the Borrower or any related person. The Project consists, and shall at all times consist, of property which is land or is subject to the allowance for depreciation provided in Section 167 of the Code.

(g) The Borrower (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the Loan to be applied in a manner contrary to the requirements of this Regulatory Agreement, nor will it take or omit to take any such action if the Borrower (or any Affiliated Party) knows that such action or omission may cause the proceeds from the sale of the Bond to be applied in a manner contrary to the Indenture, the Loan Agreement, the Law, the Act or the Code.

(h) The Borrower shall, on the Completion Date, evidence the Completion Date by providing a Construction Completion Certificate to CDLAC, the Trustee and the City,

signed by the Authorized Borrower Representative. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights of the Borrower against third parties for the payment of any amount not then due and payable which exist at the date of such certificate or which may subsequently exist. The Construction Completion Certificate shall be delivered to the Trustee no later than the date 30 months from the Closing Date unless the Borrower delivers to the Trustee a certificate of the City consenting to an extension of such date, accompanied by an opinion of Bond Counsel to the effect that such extension will not result in interest on the Bond being included in gross income for federal income tax purposes.

(i) The Borrower agrees to spend additional moneys for payment of any costs of the Project sufficient to reduce the portion of Bond proceeds (A) spent on land by the Borrower relative to the Project Site to an amount that is less than 25% of the amount of Bond proceeds spent by the Borrower relative to the Project Site for all purposes and (B) spent on costs of the Project paid or incurred by or on account of the Borrower or any related person (as such term is used in Section 147(a)(2) of the Code) on or after the date 60 days prior to the Inducement Date and chargeable to the capital account of the Project (or so chargeable either with a proper election by the Borrower to deduct such amounts, within the meaning of Treasury Regulation 1.103-8(a)(1)) so that the amount of Bond proceeds expended on such Qualified Project Costs is at least 97% of the amount of Bond proceeds spent for all purposes related to the Project, except that, upon receipt by the Borrower, the Trustee and the City of an approving opinion of Bond Counsel, the percentage of such amounts so used may be 95%.

(j) No Bond proceeds shall be expended to acquire any structures other than buildings within the meaning of Section 147(d) of the Code.

Section 3. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the Qualified Project Period, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project Facilities will be developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project Facilities as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations, the Law and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. For purposes of this Subsection 3(a), the term "functionally related and subordinate facilities" includes facilities for use by the tenants (for example, swimming pools, other recreational facilities and parking areas) and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance personnel. Substantially all of the Project will contain such units and functionally related and subordinate facilities.

(b) All of the dwelling units in the Project will be similarly constructed units, and each Low Income Unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range and oven, a sink and a refrigerator. Each of the Accessible Housing Units (as defined in Exhibit I hereto) shall also comply with the requirements of Exhibit I. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park. Notwithstanding the foregoing, single-room occupancy units provided under Section 42(i)(3)(B)(iv) of the Code shall not be considered to be utilized on a transient basis.

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. Other than filing a condominium map and a final subdivision map on the Project and obtaining a Final Subdivision Public Report from the California Department of Real Estate, the Borrower shall not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) All of the dwelling units (which shall not include any manager units) in the Project will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent of the following: (1) any dwelling units that are required to be leased or rented to Low Income Tenants and persons 55 years of age and older, (2) to the extent not otherwise inconsistent with the requirements of this Section 3(e), the requirements of any regulatory agreement executed between the Borrower and HUD or between the Borrower and a subordinate lender (including the City), (3) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, (4) any preference Borrower gives to a class of persons permitted to be given preference pursuant to the Code, State law and other applicable federal law, and (5) Accessible Housing Units shall be made available to persons with disabilities as provided in Exhibit I.

(f) The Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that if the Project contains five or more dwelling units, this subsection shall not

be construed to prohibit occupancy of not more than one dwelling unit by one or more resident managers or maintenance personnel any of whom may be the Borrower.

(h) The Project shall be maintained in conformity with the habitability and fire codes of the City of Los Angeles.

(i) The Project shall be managed in a manner consistent with prudent property management standards and in compliance with all state and local laws, ordinances and regulations relating thereto.

(j) Should involuntary noncompliance with the provisions of Regulations Section 1.103-8(b) be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the City from enforcing the requirements of the Regulations, or condemnation or similar event, the Borrower covenants that, within a "reasonable period" determined in accordance with the Regulations, and subject to the provisions of the Indenture and the Loan Agreement, it will either prepay the Loan or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

Section 4. Low Income Tenants; Records and Reports. Pursuant to the requirements of the Code and the City, the Borrower hereby represents, warrants and covenants as follows:

(a) The Project will be developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities in accordance with the Law and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. Within 30 days after the date on which 50% of the dwelling units in the Project are occupied by tenants providing an Income Certification, the Borrower shall execute and deliver to the City (with a copy to the Los Angeles Housing Department, Occupancy Monitoring Section, 1200 West 7th Street, 8th Floor, Los Angeles, CA 90017), and a copy to CDLAC and the Trustee, a Certificate of Qualified Project Period.

(b) Commencing on the first day of the Qualified Project Period, Low Income Tenants shall occupy at least 40% of all completed and occupied units in the Project (excluding units occupied by property managers) before any additional units are occupied by persons who are not Low Income Tenants; and for the Qualified Project Period no less than 40% of the total number of completed units of the Project (excluding units occupied by property managers) shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this subsection (b), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined. In determining whether the requirements of this subsection (b) have been met, fractions of units shall be treated as entire units.

(c) No tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant of the same family size, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant; and provided further that, until such next available unit is rented to a tenant who is not a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of subsection (b) of this Section 4 (if applicable). If the Project consists of more than one building, this requirement shall apply on a building-by-building basis.

(d) The Borrower will obtain, complete and maintain on file Income Certifications from each Low Income Tenant, including (i) an Income Certification dated no later than the day prior to the initial occupancy of such Low Income Tenant in the Project and (ii) thereafter, annual Income Certifications dated as of the anniversary date of each initial Income Certification. The Borrower will obtain such additional information as may be required in the future by the State of California, by the City and by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low Income Unit (and not previously filed with the City) shall be attached to the Certificate of Continuing Program Compliance which is to be filed with the City no later than the fifteenth day of each month until such report indicates compliance with Section 4(b) and thereafter on the fifteenth day of each April and October until the end of the Qualified Project Period. The Borrower shall make a good-faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by obtaining the acceptable forms of verification enumerated in Chapter 3 of the most current, amended edition of HUD Handbook 4350.3, or such instruction by HUD that may supersede this handbook, and any additional documentation that the City shall deem relevant, such as the two most recent years' tax returns or other forms of independent verification satisfactory to the City.

(e) The Borrower will use its best efforts to maintain complete and accurate records pertaining to the Low Income Units, and will with reasonable notice permit any duly authorized representative of the City, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project during regular business hours, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit to the City and the Trustee, no later than the fifteenth day of each month following the receipt by the Trustee of the Construction Completion Certificate to and including the month in which such report

indicates that 40% of the occupied units (excluding units occupied by property managers) are occupied by Low Income Tenants, and thereafter no later than the fifteenth day of each April and October until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance executed by the Borrower stating (i) the percentage of the dwelling units of the Project which were occupied or deemed occupied, pursuant to subsection (b) of this Section 4, by Low Income Tenants during such period; (ii) that either (A) no unremedied default has occurred under this Regulatory Agreement, or (B) a default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Borrower to remedy such default; and (iii) that, to the knowledge of the Borrower, no Determination of Taxability has occurred, or if a Determination of Taxability has occurred, setting forth all material facts relating thereto.

(g) On or before each February 15 during the Qualified Project Period, the Borrower will submit to the City a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. On or before each March 31 during the Qualified Project Period the Borrower will submit such completed form to the Secretary of the Treasury, regardless of whether or not the City has responded to such draft.

(h) Subject to the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, each lease or rental agreement pertaining to a Low Income Unit shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with Section 4(c) hereof and to recertification if the number of occupants in the units changes for any reason (other than the birth of a child to an occupant of such unit) and that if upon any such certification such tenant's Adjusted Income exceeds 140% of the then applicable income limit for a Low Income Tenant of the same family size, such tenant may cease to qualify as a Low Income Tenant, and such tenant's rent is subject to increase. Notwithstanding anything in this Section 4(h) to the contrary, such tenant's rent may be increased only pursuant to Section 7(l) hereof.

(i) Pursuant to the CDLAC Conditions attached hereto and for the entire term of the Regulatory Agreement, the Project shall consist of 53 units plus 1 manager unit of which at least 53 qualified residential units shall be rented or held vacant for rental for

persons or families whose income is at or below 50% of the area median income as shown in the chart below:

Unit Type	Units at or below 50% AMI	Unrestricted (Manager's Units)	Total Number of Units
Studio	53	0	**53**
2-bedroom	0	1	**1**
Total	**53**	**1**	**54**

Section 5. Tax-exempt Status of the Bond. The Borrower and the City make the following representations, warranties and agreements for the benefit of the holder of the Bond from time to time:

(a) The Borrower and the City will not knowingly take or permit actions within their control, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-exempt nature of the interest on the Bond and, if either should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof, provided that the Borrower shall not have violated these covenants if the interest on the Bond becomes taxable to a person solely because such person is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code.

(b) The Borrower and the City will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the City and the Trustee, with a copy to the Borrower, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the interest on which is Tax-exempt under Section 142(d) of the Code.

(c) The Borrower and the City will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the City and the Trustee, with a copy to the Borrower, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County of Los Angeles.

(d) The Borrower will not knowingly enter into any agreements which would result in the payment of principal or interest on the Bond being "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Subject to Section 14 hereof, the Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project prior to the expiration of the Qualified Project Period to another person to the end that such transferee has notice of, and is bound by, such

restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement; provided, however, that so long as any former Borrower has no remaining interest in the Project, such former Borrower shall have no obligation to monitor such transferee's compliance with such restrictions, and such former Borrower shall incur liability if such transferee fails to comply with such restrictions only in proportion to its then remaining interest.

(f) The Borrower and any related party (as defined in Section 1.150-1(b) of the Regulations) thereto shall not acquire the Bond in an amount related to the amount of the Loan.

Section 6. Additional Requirements of the Act. In addition to the requirements set forth in Sections 2 through 5, and without limiting any additional requirements in Section 7, during the Qualified Project Period, the Borrower and the City hereby agree to comply with each of the requirements of the Act, and, without limiting the foregoing, the Borrower hereby specifically agrees to comply with each of the requirements set forth in this Section 6, as follows:

(a) As provided in Section 52097.5 of the Act, not less than 40% of the total number of units in the Project (excluding units occupied by property managers) shall be reserved for occupancy by tenants whose adjusted gross income does not exceed 60% of the median gross income for the Area, adjusted for family size, as determined pursuant to Section 8 of the Housing Act.

(b) The rents paid by the tenant for the units reserved pursuant to paragraph (a) of this Section (excluding any supplemental rental assistance from the State, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed the amount derived by multiplying 30% times 60% of the median gross income for the Area, adjusted for family size, as determined pursuant to Section 8 of the Housing Act.

(c) During the Qualified Project Period the Borrower shall file Certificates of Continuing Program Compliance in the form and at the time required by Sections 4(d) and (f) hereof that shall contain sufficient information to allow the City to file any annual report required by the Act or pursuant to California Government Code Section 8855.5 and the Borrower shall provide to the California Debt and Investment Advisory Commission the annual report information required by California Government Code Section 8855(k)(1) until the later of the date the Bond is no longer outstanding or the proceeds of the Bond have been fully spent.

(d) No portion of the Bond shall be used to finance the acquisition, construction, equipping, rehabilitation, refinancing or development of commercial property for lease.

(e) The Borrower shall not apply selection criteria to certificate holders under Section 8 of the Housing Act that are more burdensome than the criteria applied to all other prospective tenants.

(f) Following the expiration or termination of the Qualified Project Period with respect to the Project, except in the event of foreclosure and redemption of the Bond, deed in lieu of foreclosure, eminent domain or action of a federal agency preventing enforcement, units required to be reserved for occupancy pursuant hereto shall remain available to any eligible household occupying a reserved unit at the date of expiration or termination, at a rent not greater than the amount set forth in (b) above, until the earliest of any of the following occur:

(i) The household's income exceeds 140% of the maximum eligible income specified herein;

(ii) The household voluntarily moves or is evicted for "good cause." "Good cause" for the purposes of this Section, means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health and safety of other persons or the structure, the fiscal integrity of the Project, or the purposes or special programs of the Project;

(iii) Thirty (30) years after the date of the commencement of the Qualified Project Period relative to the Project; and

(iv) The Borrower pays the relocation assistance and benefits to tenants as provided in subdivision (b) of Section 7264 of the California Government Code.

(g) During the three years prior to expiration of the Qualified Project Period, the Borrower shall continue to make available to Low Income Tenants reserved units that have been vacated to the same extent that nonreserved units are made available to tenants other than Low Income Tenants.

Notwithstanding Section 1461 of the California Civil Code, the provisions hereof shall run with the land and may be enforced either in law or in equity by any resident, local agency, entity or any other person adversely affected by the Borrower's failure to comply with this Regulatory Agreement.

Section 7. Additional Requirements of the City. In addition to, and not in derogation of, the requirements set forth in the preceding and following sections of this Regulatory Agreement, each of which is hereby incorporated in this Section as a specific requirement of the City, whether or not required by California or federal law, the Borrower represents, warrants, covenants and agrees as follows:

(a) The Borrower shall promptly provide to the City such information with respect to the Project or the Bond as the City shall from time to time request. The Borrower shall provide written notice to the City of receipt of a certificate of occupancy or other official authorization to occupy the Project immediately upon receipt.

(b) The Low Income Units shall be of comparable quality to all other units in the Project, shall be dispersed throughout the Project, and shall offer a range of size and number of bedrooms comparable to those units which are available to other tenants; and

Low Income Tenants shall have access to and enjoyment of all common areas and facilities of the Project on the same basis as tenants of other units.

(c) The Borrower agrees that it will not discriminate in the rental of units or in its employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, age (except restrictions upon occupancy of units to tenants aged 55 years of age and older), sexual orientation, gender identity/expression, transgender status, disability (except to give priority to persons with disabilities for the occupancy of Accessible Housing Units), marital status, domestic partner status or medical condition. All contracts entered into by the Borrower which relate to the Project shall contain a like provision. The Borrower shall comply with the provisions of Sections 10.8.2 and 10.8.4 of the Administrative Code of the City, the provisions of which are hereby incorporated by reference.

(d) [Reserved].

(e) For the Qualified Project Period, the Borrower will comply with the provisions of the Unruh Civil Rights Act, including, without limitation, Sections 51.2 and as applicable, 51.3 of the California Civil Code, as amended, and Sections 45.50 et seq. of the Los Angeles Municipal Code, as amended.

(f) The lease to be utilized by the Borrower in renting any residential units in the Project to Low Income Tenants shall provide for termination of the lease and consent by such person to immediate eviction, subject to applicable provisions of California law, for any tenant who fails to qualify as a Low Income Tenant and who has made a material misrepresentation on the Income Certification as to such tenant's qualification as a Low Income Tenant. All such leases shall contain clauses, among others, wherein each individual lessee (i) certifies the accuracy of the statements made in the Income Certification and (ii) agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of the lessee's tenancy; that the lessee will comply promptly with all requests for information with respect thereto from the Borrower or the City; and that the lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the lessee's tenancy and shall be a default thereunder. Additionally, such lease shall contain provisions informing any tenant of the possibility of rental payment increases in accordance with the terms of this Regulatory Agreement.

(g) All Income Certifications will be maintained on file at the Project or, with the prior written consent of the City, at the principal place of business of the Borrower or the property manager of the Project, so long as this Regulatory Agreement is in effect and for five years thereafter with respect to each Low Income Tenant who occupied a residential unit in the Project during the Qualified Project Period.

(h) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Borrower shall

not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants.

(i) The Borrower shall submit to the City (i) at the times specified in Sections 4(d) and (f) herein, a Certificate of Continuing Program Compliance, which shall include the information called for therein, including occupancy records for all units in the Project, and (ii) within 15 days after receipt of a written request, any other information or completed forms requested by the City, in each case, in order to comply with reporting requirements of the Internal Revenue Service or the State of California, including, without limitation, information necessary for the City to file any periodic report, or any other information concerning the Project as the City may reasonably request.

(j) All workers performing construction work for the Project employed by the Borrower or by any contractor or subcontractor shall be compensated in an amount no less than the greater of (i) the general prevailing rate of per diem wages ("Prevailing Wages") as determined pursuant to Labor Code Sections 1770-1781 and implementing regulations of the Department of Industrial Relations, (ii) the general prevailing rate of per diem wages as determined by the U.S. Labor Department pursuant to the Davis–Bacon Act under 40 U.S.C.S. 3141–3148 and implementing regulations ("Davis-Bacon Wages"), if applicable; and (iii) the "Living Wage" as determined by the policies and procedures of the City of Los Angeles. The Borrower shall comply with all reporting and recordkeeping requirements of the City's prevailing wage policy. The Borrower shall, and shall cause the contractors and subcontractors to, submit data and documents related to Prevailing Wages or Davis-Bacon Wages, if applicable, using the LCP Tracker or comparable LAHD-approved program. The fee for the LCP Tracker, or comparable LAHD-approved program, will be in the amount equal to Three One-Hundredths Percent (0.03%) of the total construction cost, which fee shall be paid in full to the City within 30 days of execution of this Agreement.

(k) The City may, at its option and at its expense, at any time appoint an administrator to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. Following any such appointment, the Borrower shall comply with any request by the City to deliver to such administrator, in addition to or instead of the City, any reports, notices or other documents required to be delivered pursuant hereto, and upon reasonable notice to the Borrower to make the Project and the books and records with respect thereto available for inspection during regular business hours by such administrator as an agent of the City.

(l) If upon the annual certification or recertification required in Section 4(d) a tenant's Adjusted Income exceeds 140% of the then applicable income limit for a Low Income Tenant of the same family size, all rental limits herein previously applicable to the unit occupied for such tenant shall continue to apply until the next available unit is rented to a tenant who is a Low Income Tenant.

(m) The Borrower shall give written notice to all Low Income Tenants at the Project, the City, the Housing Authority of the City of Los Angeles ("HACLA") and the

California Department of Housing and Community Development ("HCD") as follows (see also California Government Code Sections 65863.10 and 65863.11):

(i) Upon initial move-in/lease execution, the Borrower shall give written notice to all tenants of Low Income Units, of the duration of the rent restrictions under this Regulatory Agreement. The Borrower must maintain, in its files, a copy of each notice containing each tenant's signed acknowledgement of the notice required hereunder. The notice shall, at the least, contain language that the rent restrictions under this Regulatory Agreement shall be in effect for a term equal to the later of the expiration of: (A) the Qualified Project Period; or (B) the CDLAC Conditions. Upon termination of the rent restriction period under this Regulatory Agreement, rents may be set at market rates unless otherwise restricted by some other legal, regulatory, or contractual requirement.

(ii) Thirty-six months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to its tenants of the termination of the restrictions on the Low Income Units before their rents may be raised to market rent levels. The Borrower must also provide a copy of the notice sent to all tenants, pursuant to California Government Code Section 65863.10, to the Mayor of the City, HACLA, HCD, and the Los Angeles Housing Department. In addition, the Borrower, within 36 months of a scheduled expiration of rental restrictions, shall also provide notice of the scheduled expiration of rent restrictions to any prospective tenant at the time he or she is interviewed for eligibility.

(iii) Twelve months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to its tenants of the termination of the restrictions on the Low Income Units before their rents may be raised to market rent levels. The Borrower must also provide a copy of the notice sent to all tenants, pursuant to California Government Code Section 65863.10, to the Mayor of the City, HACLA, HCD, and the Los Angeles Housing Department. The Borrower must also provide any tenant association at the Project, the Mayor of the City, HACLA and HCD with a notice of the opportunity to purchase the Project Site in accordance with the provisions of California Government Code Section 65863.11.

(iv) Six months prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must give written notice to its tenants of the termination of the restrictions on the Low Income Units before their rents may be raised to market rent levels. The Borrower must also provide a copy of the notice sent to all tenants, pursuant to California Government Code Section 65863.10, to the Mayor of the City, HACLA, HCD, and the Los Angeles Housing Department.

(v) Ninety days prior to the termination of the rent restriction period under this Regulatory Agreement, the Borrower must again give written notice to its tenants of the termination of the restrictions on the Low Income Units before

their rents may be raised to market rent levels. The Borrower must also provide a copy of the notice sent to all tenants to the Mayor of the City, HACLA, HCD, and the Los Angeles Housing Department.

Unless the Borrower meets the requirements of California Government Code Section 65863.13, pursuant to California Government Code Section 65863.11, prior to or concurrently with the 12 month notice referenced above in (iii), the Borrower must provide notice of the opportunity to offer to purchase the assisted housing development to all qualified entities including those on the list maintained by the California Department of Housing and Community Development as well as to those qualified entities that contact the Borrower directly, in compliance with California Government Code Sections 65863.11(d) and 65863.11(g). The notice shall conform to the requirements of California Government Code Section 65863.11(h) and shall be sent to the entities by registered or certified mail, return receipt requested. The Borrower shall also post a copy of the notice in a conspicuous place in the common area of the Project.

(n) The Borrower shall, on the Closing Date, pay to the City its initial fee and thereafter pay to the City its ongoing fees with respect to the issuance of the Bond as follows. The Borrower shall pay the City an initial fee immediately upon issuance of the Bond equal to $42,112.21 (.25% of the aggregate maximum principal amount of the Bond issuable under the Indenture ($16,844,884)). In addition, the Borrower shall, as compensation for the City's monitoring of the provisions of this Regulatory Agreement, pay to the City, semiannually in arrears, prorated for the initial payment, on the first day of each April and October commencing April 1, 2022, for the period from the date of issuance of the Bond through the later of: (i) the end of the Qualified Project Period; or (ii) the termination of the CDLAC Conditions, prorated for the initial and any subsequent partial period, a semiannual amount equal to: (A) during the period from the Closing Date to the Conversion Date, the greater of $1,250 or one-half of 0.125% of the maximum principal amount of the Bond issuable under the Indenture ($16,844,884); and (B) from and after the Conversion Date, the greater of $1,250 or one half of 0.125% of the principal amount of the Bond Outstanding under the Indenture immediately after the Conversion Date; or in either case, such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bond from gross income for federal income tax purposes. Throughout the term of this Agreement, the Trustee, or the City, as applicable, shall provide an invoice to the Borrower at least 30 days prior to the due date of each such payment (and if applicable, a copy of which shall be provided to the City) and shall collect such payments from the Borrower and immediately remit such funds to the City. In the event of any prepayment of the Bond in whole, prior to the later of: (i) the end of the Qualified Project Period; or (ii) the termination of the CDLAC Conditions, the Borrower, at its election, shall either: (A) pay to the City, on or before such payment, an amount equal to the present value of the remaining City fees payable hereunder, as calculated by the City, using a discount rate equal to the yield on the date of prepayment on the United States treasury security maturing on the date nearest the later of: (1) the end of the Qualified Project Period or (2) the termination of the CDLAC Conditions, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bond from gross income for federal income tax purposes; or (B) enter into a trustee agreement with a corporate trustee acceptable to the City requiring the trustee appointed

thereunder to bill and collect from the Borrower and to pay to the City on an annual basis, in arrears on or before each October 1, the annual fee described above. The Borrower shall bear the cost of such trustee through the term of this Regulatory Agreement. The Borrower shall not be required to pay the fee described in the preceding sentences if the Bond is prepaid in whole under circumstances which permit termination of this Regulatory Agreement pursuant to Section 14 hereof.

(o) The Borrower shall pay to the City a processing fee equal to: (i) prior to the Conversion Date, the greater of $5,000 or 0.125% of the maximum principal amount of the Bond issuable under the Indenture and (ii) following the Conversion Date, the greater of $5,000 or 0.125% of the principal amount of the Bond Outstanding under the Indenture immediately after the Conversion Date, plus any expenses incurred by the City, including, without limitation, Bond Counsel, City attorney and financial advisor fees, as a condition to the consideration and receipt of any consent, approval, amendment, transfer or waiver requested of the City with respect to the Project, the Project Site or the Bond. The City shall provide an invoice directly to the Borrower for such amounts.

(p) The Borrower shall pay the City its then-current fees in connection with any consent, approval, transfer, amendment or waiver requested of the City, together with any expenses incurred by the City in connection therewith.

(q) The Trustee shall report to the City in writing semiannually, within 10 days of each June 30 and December 31, the principal amount of the Bond outstanding as of such June 30 or December 31, as appropriate.

(r) [Reserved].

(s) The Borrower shall include the City as an additional insured on all liability insurance policies relating to the Borrower or the Project.

(t) The Borrower shall not rent any Low Income Unit to: (i) any individual who (A) holds an ownership interest in the Borrower, any general partner or member (or owner of such general partner or member) of the Borrower, (B) is an officer, board member, employee or agent of, or consultant to, the Borrower or any general partner or member thereof or owner of such general partner or member or (C) is a developer of the Project (collectively, an "Owner/Developer"); (ii) any Immediate Family Member of an Owner/Developer ("Immediate Family Members" consists of: (A) spouses, (B) children, (C) parents and grandparents, (D) siblings, (E) in-laws, including brother/sister-in-law and mother/father-in-law and son/daughter-in-law or (F) significant other or domestic partner); or (iii) any elected official or his or her spouse/partner, who participated in the deliberative process, vote or consideration of legislative action regarding the issuance of the Bond or other loan in support of the Project.

The Borrower shall include a certification in each tenant application that the applicant is not an Owner/Developer, an elected official who participated in the issuance

of the Bond or an Immediate Family Member thereof. The Borrower recognizes and agrees that the penalty for violation of the above covenant shall be a fine of $5,000 per violation/ per unit.

(u) Neither the Borrower nor any general partner thereof shall issue any publicity release or other communication to any print, broadcast or on-line media, post any sign or in any other way identify the City as the source of the financing provided for the Project, without the prior written approval of the City (provided that nothing herein shall prevent the Borrower or any general partner thereof from identifying the City as the source of such financing to the extent that the Borrower or any general partner thereof is required to do so by disclosure requirements applicable to publicly held companies).

Any of the foregoing requirements of the City may be expressly waived by the City in writing in the City's sole discretion, but (i) no waiver by the City of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement, including particularly but without limitation the provisions of Sections 2 through 6 hereof, except to the extent the City has received an opinion of Bond Counsel that any such provision is not required by the Act or the Law and may be waived without adversely affecting the exclusion from gross income of interest on the Bond for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the City and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bond to become includable in gross income for federal income tax purposes, if such opinion is accompanied by a copy of a ruling from the Internal Revenue Service to the same effect, or to the effect that compliance with such requirement would be in conflict with the Act or the Law.

Section 8. Modification of Covenants. The Borrower, the Trustee and the City hereby agree as follows:

(a) To the extent any amendments to the Law, the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the City, the Trustee and the Borrower (with a copy to the Bondowner Representative), impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement in order to maintain the Tax-exempt status of interest on the Bond, this Regulatory Agreement shall be deemed to be automatically amended, without the consent or approval of any other person, to impose such additional or more restrictive requirements. The parties hereto hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

(b) To the extent that the Law, the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the City, the Trustee and the Borrower (with a copy to the Bondowner Representative), impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the City, the Trustee and the Borrower and approved by the written opinion of Bond Counsel

to the effect that such amendment is permitted by the Law and the Act and will not affect the Tax-exempt status of interest on the Bond. The City shall be under no obligation to agree to any such amendment, it being understood that each of the requirements of this Regulatory Agreement is a specific requirement of the City, whether or not required by California or federal law.

(c) The Borrower, the City and, if applicable, the Trustee shall execute, deliver and, if applicable, file or record any and all documents and instruments necessary to effectuate the intent of this Section 8, and the City hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file or record on behalf of the City, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if the City defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the City, the Trustee shall take no action under this subsection (c) without first notifying the City and without first providing the City an opportunity to comply with the requirements of this Section 8. Nothing in this Section 8(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the City.

Section 9. Indemnification. The Borrower shall defend, indemnify and hold harmless the City and the Trustee and the respective officers, members, supervisors, directors, officials and employees, counsel, attorneys and agents, past present and future of each of them (collectively, the "Indemnified Parties") against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or related to (a) the design, construction, installation, operation, use, occupancy, maintenance, financing or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto), (b) any written statements or representations with respect to the Borrower, the Project or the Bond made or given to the City or the Trustee, or any underwriters or purchaser of the Bond, or any tenants or applicants for tenancy in the Project or any other person, by the Borrower, or any Authorized Borrower Representative, including, but not limited to, statements or representations of facts, financial information or limited partnership affairs, (c) the Bond or the Tax-exempt status of interest on the Bond; (d) the failure or alleged failure of any person or entity (including the Borrower, its contractor or subcontractors) to pay the general prevailing rate of per diem wages as determined pursuant to Labor Code Sections 1770-1781 and implementing regulations of the Department of Industrial Relations in connection with the construction of the improvements or any other work undertaken or in connection with the Project; or (e) any actual or alleged violation of any Hazardous Materials Law or with respect to the presence of Hazardous Materials on or under the Project or in any of improvements or on or under any property of the Borrower that is adjacent to the Project (whether before or after the date of this Agreement and whether or not the Borrower knew of the same); provided, however, that this provision shall not require the Borrower to indemnify the Indemnified Parties from any claims, costs, fees, expenses or liabilities arising from its active negligence or willful misconduct or, in the case of the Trustee, its negligence, fraud or willful misconduct. The Borrower also shall pay and discharge and shall indemnify and hold harmless the City and the Trustee from (i) any lien or charge upon payments by the Borrower to the City and the Trustee hereunder or under the Bond Documents and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other

charges in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges are sought to be imposed, the City or the Trustee shall give prompt notice to the Borrower and the Borrower shall, as provided in the following paragraph, have the right to assume the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, provided that the City and the Trustee shall have the right to review and approve or disapprove any such compromise or settlement. In addition thereto, the Borrower will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the City in enforcing the provisions hereof against the Borrower. The Borrower shall also pay the City its standard fees and reimburse the City for its expenses in connection with any consent, approval, amendment, waiver or other action taken at the request or for the benefit of the Borrower in connection with this Regulatory Agreement, the Bond or any other document or agreement relating thereto. In the event of any audit or inquiry regarding the Bond or the Project from any governmental entity, the Borrower shall, at the election of the City, be responsible for responding to and resolving such audit or inquiry at the expense of the Borrower.

Promptly after receipt by any party entitled to indemnification under this Section 9 of notice of the commencement of any suit, action or proceeding, such Indemnified Party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to any Indemnified Party otherwise than under this Section 9 or from any liability under this Section 9 unless the failure to provide notice prejudices the defense of such suit, action or proceeding. In case any such action is brought against any Indemnified Party, and it notifies the indemnifying party, the indemnifying party shall be entitled to participate in, and to the extent that it may elect by written notice delivered to the Indemnified Party within five Business Days after receiving the aforesaid notice from such Indemnified Party (but shall not be required) to assume, the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; provided, however, if the defendants in any such action include both the Indemnified Party and the indemnifying party and the Indemnified Party shall have reasonably concluded that there are legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the indemnifying party, the Indemnified Party or parties shall have the right to select separate counsel to assert such legal defenses and otherwise to participate in the defense of such action on behalf of such Indemnified Party or parties. Upon the indemnifying party's receipt of notice from the Indemnified Party of such Indemnified Party's election so to assume the defense of such action and selection by the Indemnified Party of counsel, the indemnifying party shall not be liable to such Indemnified Party under this Section 9 for any attorneys' fees or expenses subsequently incurred by such Indemnified Party for the engagement of separate counsel in connection with defense thereof unless (i) the Indemnified Party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party or shall not have employed such counsel within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of separate counsel to represent the Indemnified Party at the expense of the indemnifying party. Notwithstanding the foregoing, the Trustee shall not be indemnified for income tax, franchise tax or similar tax liability relating to the Trustee's own income and operations.

Section 10. Consideration. The City has issued the Bond to provide funds to finance the acquisition, construction and equipping of the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct and equip the Project. In consideration of the issuance of the Bond by the City, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bond and in the exemption from federal income taxation and California personal income taxation of the interest on the Bond. In performing their duties and obligations hereunder, the City and the Trustee may rely upon statements and certificates of the Low Income Tenants and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the City and the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the City or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Trustee may, but shall not be required to, conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate delivered to the Trustee by the Borrower or the City with respect to the occurrence or absence of a default unless it knows that the notice or certificate is erroneous or misleading.

Section 12. Project in the City of Los Angeles. The Borrower hereby represents and warrants that the Project will be located entirely within the City.

Section 13. Sale or Transfer of the Project; Equity Interests. The Borrower hereby covenants and agrees not to voluntarily (which term shall not be interpreted to include a foreclosure of any security for the Loan, the granting by the Borrower of a deed-in-lieu of foreclosure, or any other comparable conversion of the Loan) sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), equity interests in the Borrower aggregating more than 50% of the equity interest in the Borrower, or any general partner interests in the Borrower, without obtaining the prior written consent of the City, which consent shall not be unreasonably withheld by the City and shall be given by the City if (a) the Borrower is not in default hereunder or under the Loan Agreement; (b) the purchaser or assignee is not in default under any obligations it may have to the City and is not the subject of any legal or enforcement actions by the City, and the purchaser or assignee certifies that the continued operation of the Project will comply with the provisions of this Regulatory Agreement; (c) evidence reasonably satisfactory to the City is presented to establish that the purchaser or assignee is willing to comply and is capable of complying with the terms and conditions of this Regulatory Agreement; (d) either (i) evidence satisfactory to the City is presented to establish that the purchaser or assignee has at least three years' experience in the ownership, operation and management of rental housing projects, without any record of material violations of discrimination restrictions or other state or federal laws or regulations applicable to such projects or (ii) the purchaser or assignee agrees to retain a property management firm which the City determines has the experience and record described in subclause (i) above or (iii) the City determines that it has no reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements binding on such

purchaser or assignee and relating to the Project; (e) the City and the Trustee shall have received (i) with respect to any transfer of the Project, reasonable evidence satisfactory to the City that the Borrower's purchaser or transferee has assumed in writing and in full, the Borrower's duties and obligations under this Regulatory Agreement and the Loan Agreement, (ii) with respect to any transfer of the Project to a new Borrower, an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee, (iii) unless waived by the City, an opinion of Bond Counsel that such transfer will not adversely affect the Tax-exempt nature of the interest on the Bond, (iv) from the Borrower, a Certificate of Continuing Program Compliance (and a "bring-down" certificate, if necessary) current as of the date of transfer and (v) evidence satisfactory to the City that the purchaser or assignee does not have pending against it, nor does it have a history of, building or fire code violations as identified by the City, the State of California or federal regulatory agencies; (f) the purchaser or assignee complies with the provisions of the Los Angeles Administrative Code Section 10.8.4 Affirmative Action Program Provisions; (g) the Borrower or transferee pays all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this Section 13; and (h) such other conditions are met as the City may reasonably impose to assure compliance by the Project with the requirements of this Regulatory Agreement. It is hereby expressly stipulated and agreed that, except for any such sale, transfer or disposition agreed to by the City in a separate writing, any sale, transfer or other disposition of the Project in violation of this Section 13 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Upon any sale or other transfer which complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder, but only to the extent such obligations have been assumed by the transferee of the Project, without the necessity of further documentation. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 13.

Nothing contained in this Section 13 shall affect any provision of the Deed of Trust, or any of the other Bond Documents to which the Borrower is a party, which requires the Borrower to obtain the consent of the Bondowner Representative as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower or which otherwise gives the Bondowner Representative the right to accelerate the maturity of the Loan or any obligations of the Borrower under the Bond Documents, or to take some other similar action with respect to the Loan or any obligations of the Borrower under the Bond Documents, upon the sale, transfer or other disposition of the Project or any such other interest.

Notwithstanding the foregoing, if the Trustee acquires title to the Project by foreclosure or deed in lieu of foreclosure, no consent of the City shall be required to such transfer under this Regulatory Agreement and no other conditions shall be required to be satisfied. However, if the Trustee acquires title to the Project by foreclosure or deed in lieu of foreclosure and this Regulatory Agreement has not been terminated pursuant to Section 14 below, consent of the City and delivery of items (a) through (h) above shall be required for any transfer of the Project subsequent to the Trustee's acquisition of the Project by foreclosure or deed in lieu of foreclosure.

Notwithstanding anything to the contrary contained herein, the interest of the Borrower's limited partners shall, with prior written notice to the City, be transferable under this Regulatory Agreement to any affiliate of the limited partners of the Borrower, without the consent of the City and/or Trustee but with prior written notice thereto.

The Borrower acknowledges and recognizes that in addition to the above requirements the consent of CDLAC, in the manner and to the extent as may at the time be required by CDLAC, among other parties, may be required in connection with any transfer of the Project.

Section 14. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 14 shall terminate in its entirety at the end of the Qualified Project Period (or such later date provided in Section 33 hereof pursuant to the CDLAC Resolution, which imposes restrictions for a term of at least 55 years), it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bond, discharge of the Loan and termination of the Indenture and the Loan Agreement.

Notwithstanding the foregoing, the provisions of Section 9 hereof shall, in the case of the Trustee, survive the term of this Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the City, survive the term of this Regulatory Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement and all the requirements set forth herein (except Section 9 as aforesaid) shall terminate and be of no further force and effect in the event of (a) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the City or the Trustee from enforcing the provisions hereof, or (b) condemnation, foreclosure, delivery of a deed in lieu of foreclosure or a similar event, but only if, within a reasonable period thereafter, either the portion of the Bond attributable to the affected portion of the Project is retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in Sections 2 through 6 of this Regulatory Agreement and provided that, in either case, an opinion of Bond Counsel (unless waived by the City) is delivered to the Trustee to the effect that the exclusion from gross income for federal income tax purposes of interest on the Bond will not be adversely affected thereby. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any "related party" (within the meaning of Section 1.150-1(b) of the Regulations) or "related person" (defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any related party as described above will obtain an ownership interest in the Project for tax purposes.

Upon the termination of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 15. Covenants To Run With the Land. The Borrower hereby subjects its interest in the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. The City and, if necessary, the Trustee, agree to execute a quitclaim deed or other documents required to remove this Regulatory Agreement from title after the covenants, agreements and restrictions herein have expired. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any security instrument, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 16. Burden and Benefit. The City and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The City and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bond was issued. Notwithstanding the foregoing or any other provision of this Regulatory Agreement, no person, other than the parties hereto, shall have any rights of enforcement of this Regulatory Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 18. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the City to the Borrower, then the City shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-exempt status of interest on the Bond. The Trustee hereby consents to any correction of the default by the City on

behalf of the Borrower. The City hereby consents to any correction of a default on the part of the Borrower hereunder made by the Borrower's limited partners on behalf of the Borrower within the time periods provided in this Section. Copies of any notices sent to the Borrower hereunder shall simultaneously be sent to the Borrower's limited partners at the address set forth in Section 23.

Following the declaration of an Event of Default hereunder, the Trustee, as directed by the City and subject to the provisions of the Indenture relative to the Trustee's duty to exercise remedies generally, or the City may, at its option, take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City or the Trustee hereunder;

(b) have access to and inspect, examine and make copies of all or any portion of the books and records of the Borrower pertaining to the Project; and

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder.

During the Qualified Project Period, the Borrower hereby grants to the City the option, upon either (a) the expiration of 60 days after the giving of the notice to the Borrower referred to in the first paragraph of this Section 18 of the Borrower's default under this Regulatory Agreement or (b) the vacancy of a Low Income Unit for more than six months and the submission by the City to the Borrower during such six-month or longer period of at least five proposed tenants which meet the qualifications of Low Income Tenants and the qualifications of a reasonable landlord, to lease up to 40% of the units in the Project for a rental of $1.00 per unit per year for the sole purpose of subleasing such units to Low Income Tenants for a period of not less than six months, but only to the extent necessary to comply with the provisions of Sections 2 through 7 of this Regulatory Agreement and to insure full occupancy of the Low Income Units. The option granted in the preceding sentence shall be effective only if the Borrower or the Trustee has not instituted corrective action before the end of such 60-day period referenced in (a) above, or the Borrower has not rented the unit during the six-month or longer period referenced in (b) above, to a qualified Low Income Tenant. The option and any leases to the City under this provision shall terminate with respect to each default upon the achievement, by the Borrower, the Trustee or the City, of compliance with the requirements of Sections 2 through 7 hereof, and any subleases entered into pursuant to the City's option shall be deemed to be leases from the Borrower. The City shall make diligent effort, but shall not be required, to rent Low Income Units to Low Income Tenants at the highest rents practicable, subject to the limits of Sections 5, 6 and 7 hereof. Any rental paid under any such sublease shall be paid to the Borrower after the City has been reimbursed for any reasonable expenses incurred in connection with such sublease, provided that, if the Borrower is in default under the Loan Agreement, such rental shall be paid to the Trustee for credit against payments due under the Loan Agreement. The Trustee shall have the right, as directed by the City, in accordance with this Section 18 and the provisions of the Indenture, to exercise any or all of the rights or remedies of the City hereunder, provided that prior to taking any such action the Trustee shall give the City written notice of its intended action. All reasonable fees, costs and expenses of

the City and the Trustee incurred in taking any action pursuant to this Section 18 shall be the sole responsibility of the Borrower.

After the Indenture has been discharged, the City may act on its own behalf to declare an "Event of Default" to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Trustee.

The obligations of the Borrower hereunder are not secured by a lien on the Project and the Loan shall not be accelerated as a result of any default hereunder. The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the City may obtain the benefits of such agreements made by the Borrower herein and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any default by the Borrower hereunder.

The occurrence of a Determination of Taxability shall not, in and of itself, constitute a default hereunder.

Section 19. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture. The Trustee is entering into this Regulatory Agreement solely in its capacity as trustee under the Indenture, and the duties, powers, rights and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture.

The City shall be responsible for the monitoring and verifying of compliance by the Borrower with the terms of this Regulatory Agreement. The Trustee may at all times assume compliance with this Regulatory Agreement unless otherwise notified in writing by the City, or unless it has actual knowledge of noncompliance.

After the date on which no principal of the Bond remains outstanding as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the City.

Section 20. Recording and Filing. The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County of Los Angeles and in such other places as the City or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. This Regulatory Agreement shall be recorded in the grantor-grantee index to the name of the Borrower as grantor and the City as grantee.

Section 21. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California. The Trustee's rights, duties and obligations hereunder are governed in their entirety by the terms and provisions of the Indenture.

Section 22. Amendments. Except as provided in Section 33(e), this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California, and only upon receipt by the City of an opinion from Bond Counsel that such

amendment will not adversely affect the Tax-exempt status of interest on the Bond and is not contrary to the provisions of the Law or the Act and with the written consent of the Trustee.

The City, the Trustee and the Borrower hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel (subject to the approval of the City Attorney of the City), in order that interest on the Bond remains Tax-exempt. The party or parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and the City Attorney of the City and a request that such Bond Counsel render to the City an opinion as to the effect of such proposed amendment upon the Tax-exempt status of interest on the Bond.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

If to the City:
City of Los Angeles
Los Angeles Housing Department
8th Floor
1200 West 7th Street
Los Angeles, CA 90017
HIMS# 19-126550
Attention: Supervisor, Affordable Housing Bond Program
Facsimile: (213) 808-8918

with a copy to:
City of Los Angeles
Los Angeles Housing Department
P.O. Box 532729
Los Angeles, CA 90053-2729
HIMS # 19-126550
Attention: Supervisor, Affordable Housing Bond Program
Facsimile: (213) 808-8606

If to the Borrower:
Wakeland Quincy LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attention: Peter Armstrong
Telephone: (617) 677-2300
Facsimile: (617) 235-5386

with a copy to:
Bocarsly Emden Cowen Esmail & Arndt LLP
633 West Fifth St., 64 Floor
Los Angeles, CA 90071
Attention: Nicole Deddens
Telephone: (213) 239-8029
Facsimile: (213) 239-0410

with a copy to:	[_____] c/o Hudson Housing Capital LLC 630 Fifth Avenue, 28th Floor New York, NY 10111 Attention: General Counsel
with a copy to:	Holland & Knight LLP 10 Saint James Avenue, 12th Floor Boston, MA 02116 Attention: Dayna M. Hutchins, Esq.
If to the Trustee:	U.S. Bank National Association 633 W. 5th Street, 24th Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Ref: LA MF (The Quincy 2021Y) Telephone: (213) 615-6024 Facsimile: (213) 615-6199
If to the Bondowner Representative:	Banner Bank 4445 Eastgate Mall Suite 110 San Diego, CA 92121 Attn: Viera Onderisinova Loan No. 14014047
With a copy to:	Davis, Wright Tremaine, LLP 865 South Figueroa Street, Suite 2400 Los Angeles, CA 90017 Attention: Tiffany K. Switzer, Esq.
If to CDLAC:	California Debt Limit Allocation Committee Room 311 915 Capitol Mall Sacramento, CA 95814 Attention: Executive Director

Notice shall be deemed given three Business Days after the date of mailing.

A duplicate copy of each notice, certificate or other communication given hereunder by any party hereto to another party hereto shall also be given to all of the parties specified above. Failure to provide any such duplicate notice pursuant to the foregoing sentence, or any defect in any such duplicate notice so provided shall not constitute a default hereunder. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate

any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 24. Severability. If any provision of this Regulatory Agreement or if the applicability of any such provision shall be invalid, illegal or unenforceable, the validity, legality, enforceability, or the applicability with respect to the validity, legality and enforceability, of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Nondiscrimination and Affirmative Action. The Trustee and the Borrower shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City of Los Angeles. The Trustee and the Borrower shall not: discriminate in their employment practices against any employee or applicant for employment; denial of family and medical care leave; or denial of pregnancy disability leave or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. The Trustee and the Borrower shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60). The Trustee and the Borrower shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The affirmative action program of the Trustee and the Borrower shall include the mandatory contract provisions set forth in the Los Angeles Administrative Code Section 10.8.4, and said provisions are incorporated herein by this reference. The Borrower and the Trustee shall also comply with all rules, regulations, and policies of the City of Los Angeles' Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by the City. Any subcontract entered into by the Borrower or the Trustee relating to this Regulatory Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section. No person shall on the grounds of race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this Regulatory Agreement. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in a situation as defined therein.

Section 27. Business Tax Registration Certificate. Subject to any exemption available to it, the Trustee and the Borrower each represent that it will obtain and hold the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Regulatory Agreement, the Trustee and the Borrower shall maintain, or obtain as necessary, all

such Business Tax Registration Certificates required of it under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

Section 28. Financial Obligations Personal to Borrower. The City acknowledges that the Project shall be encumbered by the Bond Documents. Notwithstanding any provisions of this Regulatory Agreement to the contrary, all obligations of the Borrower under this Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under this Regulatory Agreement, including indemnification obligations, shall not be a lien on the Project and no Person shall have the right to enforce such obligations other than directly against the Borrower as provided in Section 18 of this Regulatory Agreement, except that the City shall have the right at all times to enforce the rights contained in the third paragraph of Section 18 hereof. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligations of the Borrower under this Regulatory Agreement on the part of any prior Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations are personal to the Person who was the Borrower at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned thereby even after such Person ceases to be the Borrower. Each Borrower shall comply with and be fully liable for all obligations of an "owner" hereunder during its period of ownership.

Section 29. [Reserved].

Section 30. Child Support Assignment Orders. This Regulatory Agreement is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, each of the Borrower and the Trustee certifies that (a) it will fully comply with all State and federal employment reporting requirements applicable to Child Support Assignment Orders; (b) the principal owner(s) of the Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (c) it will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (d) it will maintain such compliance throughout the term of this Regulatory Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of the Borrower or the Trustee to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Borrower or the Trustee to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Borrower or the Trustee, as appropriate, under the terms of this Regulatory Agreement, subjecting (i) the Borrower to the remedies provided herein and (ii) the Trustee to termination under the Indenture where, in either case, such failure shall continue for more than 90 days after notice of such failure to the Borrower or the Trustee by the City. Any subcontract entered into by the Borrower or the Trustee relating to this Regulatory Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Borrower or the Trustee to obtain compliance of its subcontractors shall constitute a default by the Borrower or the Trustee, as appropriate, under the terms of this Regulatory Agreement, subjecting (A) the Borrower to the remedies provided herein and (B) the Trustee to termination under the Indenture where such failure shall continue for more than 90 days after notice of such failure to the Borrower or the Trustee by the City.

The Borrower and the Trustee shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Borrower and the Trustee each assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (b) of Section 7110 the Public Contract Code.

Section 31. Americans with Disabilities Act. The Borrower and the Trustee each hereby certifies that it and any contractor and subcontractor will comply with the Accessibility Laws (as defined in Exhibit I). The Borrower and any contractor and subcontractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with the applicable provisions of the ADA, the ADAAG, Section 504, the UFAS, the FHA (each as defined in Exhibit I) and all subsequent amendments. The Borrower, the Trustee, and each and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by the Borrower or the Trustee, relating to this Regulatory Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. The Borrower hereby agrees to observe all of the covenants contained in Exhibit I to this Regulatory Agreement as if contained herein.

Section 32. Slavery Disclosure Ordinance. This Regulatory Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq. of the Los Angeles Administrative Code, as amended from time to time. Any subcontract entered into by the Borrower for work to be performed under this Regulatory Agreement must include an identical provision. The Borrower acknowledges and agrees that failure to fully and accurately complete the required affidavit and disclosures may result in a default under this Regulatory Agreement.

Section 33. Requirements of CDLAC. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 2 through 6 hereof, the Borrower hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 33, as follows:

(a) The Borrower shall comply with the conditions set forth in Exhibit A to the CDLAC Resolution (the "CDLAC Conditions"), as they may be modified or amended from time to time, which conditions are incorporated herein by reference and made a part hereof and is attached hereto as Exhibit G. Notwithstanding anything to the contrary herein, the provisions of this Section 33 shall remain effective for the period specified in the CDLAC Conditions, unless this Regulatory Agreement shall terminate as otherwise provided in Section 14 hereof.

(b) The Borrower acknowledges that the City shall monitor the Borrower's compliance with the terms of the CDLAC Conditions. The Borrower will cooperate fully with the City in connection with such monitoring and reporting requirements as provided herein. Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions is the responsibility of the Borrower to report to the City.

(i) The Borrower shall prepare and deliver a Certificate of CDLAC Program Compliance pursuant to the terms of the CDLAC Conditions. The Borrower acknowledges that the Borrower will prepare and submit to the City, not later than January 15 of each year, and the City will submit to CDLAC, not later than March 1 of each year, until the Borrower has submitted to the City and CDLAC a Construction Completion Certificate, and on March 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the term of the CDLAC Conditions, a Certificate of CDLAC Program Compliance, executed by an Authorized Borrower Representative.

(ii) The Borrower shall prepare and deliver a Self-Certification Certificate pursuant to the terms of the CDLAC Conditions. The Borrower acknowledges that the Borrower will prepare and submit to the City, not later than January 15 of each year, and the City will submit to CDLAC, not later than March 1 of each year, until the Borrower has submitted to the City and CDLAC a Construction Completion Certificate, and on March 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the term of the CDLAC Conditions, a Self-Certification Certificate in the form provided by CDLAC.

(iii) Within 30 days following the completion of the Project, the Borrower will prepare and submit to the City, Trustee and CDLAC, a Construction Completion Certificate. Following the submission of the Construction Completion Certificate, the Borrower will prepare and submit to the City, not later than January 15 every three years thereafter until the end of the Compliance Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time.

(c) Except as otherwise provided in Section 14 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after the date on which at least 50% of the units in the Project are first occupied or such later date as the Qualified Project Period shall begin, as required by the CDLAC Conditions.

(d) The Borrower shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the issuer of the Bond, (iii) any change in the name of the Project or the Project manager; (iv) any default under the Indenture, the Loan Agreement or this Regulatory Agreement; or (v) termination of this Regulatory Agreement.

(e) Any of the foregoing requirements of CDLAC contained in this Section 33 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 33 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the City has received an opinion of Bond Counsel that any such provision is not required by the Code, the Act and the Law and may be waived without adversely affecting the exclusion from gross income of interest on the Bond for federal income tax purposes; and (ii) any

requirement of this Section 33 shall be void and of no force and effect if the City and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bond to cease to be Tax-exempt or to the effect that compliance with such requirement would be in conflict with the Code, the Act, the Law or any other state or federal law.

(f) CDLAC is intended to be and is a third party beneficiary of this Regulatory Agreement, and CDLAC shall have the right (but not the obligation) to enforce, separately or jointly with the City and/or the Trustee or to cause the City or the Trustee to enforce, the provisions of Section 33 of this Regulatory Agreement and to pursue an action for specific performance of such provisions or other available remedy at law or in equity in accordance with Section 18 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the Bondholder and shall otherwise be subject to the terms, conditions and limitations applicable to the enforcement of remedies under this Regulatory Agreement.

(g) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Borrower after the Closing Date at any time, that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the Bondowner Representative, which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of Los Angeles County, California, of a regulatory agreement between the Borrower and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Borrower or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by the Borrower and approved by CDLAC. The City may, in its sole and absolute discretion, require the Borrower to enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County of Los Angeles. The Borrower shall pay any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Section 34. Pet Ownership In Publicly-Financed Housing Developments. The Borrower shall comply with the Pet Ownership in Publicly-Financed Housing Developments Ordinance, Los Angles Municipal Code Sections 51.20., et seq., as amended from time to time.

Section 35. Disclosure of Border Wall Contracting Ordinance. The Borrower and the Trustee shall comply with Los Angeles Administrative Code Section 10.50 et seq., "Disclosure of Border Wall Contracting". The City may declare a default under this Regulatory Agreement if the City determines that the Trustee or the Borrower failed to fully and accurately complete the

required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in Los Angeles Administrative Code Section 10.50.1.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City, the Trustee and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

CITY OF LOS ANGELES, as City

By: Los Angeles Housing Department

By:_____
Name: Daniel Huynh
Title: Assistant General Manager

Approved as to form:

CITY OF LOS ANGELES
MICHAEL N. FEUER,
City Attorney

_____
Deputy/Assistant City Attorney

[Signature Page to ***The Quincy Apartments*** Regulatory Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Name: Julia Hommel
Title: Vice President

[Signature Page to ***The Quincy Apartments*** Regulatory Agreement]

BORROWER:

WAKELAND QUINCY LP, a California limited partnership

By: Wakeland Quincy LLC, a California limited liability company
Its: Sole/Managing General Partner

By: Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation
Its: Sole Member/Sole Manager

By: _____
Name: Rebecca Louie
Its: VP/Chief Operating Officer

[Signature Page to ***The Quincy Apartments*** Regulatory Agreement]

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT SITE

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

[To Be Provided]

EXHIBIT B

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

FOR THE [MONTH/QUARTER] ENDING _____

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

The undersigned, being the Authorized Borrower Representative of Wakeland Quincy LP, a California limited partnership (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the Borrower's participation in the multifamily housing program of the City of Los Angeles (the "City"), including, without limitation, the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2021 (the "Regulatory Agreement"), among the Borrower, the City and U.S. Bank National Association, as Trustee relative to the property located at 2652 & 2662 West Pico Boulevard, Los Angeles, California.

As of the date of this Certificate, the following percentages of completed residential units in the Project (as such term is defined in the Regulatory Agreement) (i) are occupied by Low Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants:	_____% Unit Nos. _____ and size
Held vacant for occupancy continuously since last occupied by Low Income Tenant:	_____% Unit Nos. _____ and size
Vacant Units:	_____%
Low Income Tenants who commenced Occupancy of units during the Preceding [month/quarter]:	Unit Nos. ___

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each unit in the Project: the number of each unit, the occupants of each unit and the size, in square feet, of each unit. It also indicates which units are occupied by Low Income Tenants and which units became Low Income Units during the preceding [month/quarter]. The information contained thereon is true and accurate.

The undersigned hereby certifies that (1) a review of the activities of the Borrower during such [month/quarter] and of the Borrower's performance under the Loan Agreement has been made under the supervision of the undersigned; (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Borrower is not in default under any of the terms and provisions of the above documents [OR DESCRIBE THE NATURE OF ANY DEFAULT IN DETAIL AND SET FORTH THE MEASURES BEING TAKEN TO REMEDY SUCH DEFAULT]; and (3) to the knowledge of the Borrower, no Determination of Taxability (as such term is defined in the Regulatory Agreement) has occurred [OR, IF A DETERMINATION OF TAXABILITY HAS OCCURRED, SET FORTH ALL MATERIAL FACTS RELATING THERETO]

.

BORROWER:

WAKELAND QUINCY LP, a California limited partnership

By: Wakeland Quincy LLC, a California limited liability company
Its: Sole/Managing General Partner

By: Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation
Its: Sole Member/Sole Manager

By: _____
Name: Rebecca Louie
Its: VP/Chief Operating Officer

[Signature Page to ***The Quincy Apartments*** Certificate of Program Compliance]

EXHIBIT C

FORM OF INCOME CERTIFICATION

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. Part 5 Subpart F). You should make certain that this form is at all times up to date with the HUD Regulations.

Re: The Quincy Apartments, 2652 & 2662 West Pico Boulevard, Los Angeles, California

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for occupancy of Apartment #_____ in The Quincy Apartments located at 2652 & 2662 West Pico Boulevard, Los Angeles, California.

2. List all the occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is any individual who has been, or will be, a full-time student at an educational institution during five months (whether consecutive or not) of the year in which this application is submitted, other than a correspondence school, with regular facilities and students).

	Occupant	**Relationship**	**Age**	**Student (Yes or No)**	**Social Security Number**
(a)					
(b)					
(c)					
(d)					
(e)					
(f)					

3. If all of the occupants are students, answer the following questions for each occupant

(a) Is any student listed in paragraph 2 above married and files a joint return for federal income tax purposes? List any such students.

Name(s) No Not Applicable

(b) Is any student listed in paragraph 2 above (i) a single parent living with his/her children, (ii) not a dependent of another individual and (iii) whose children are not dependents of an individual other than their parents? List any such students.

Yes Name(s) No Not Applicable

(c) Is any student listed in paragraph 2 above a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families)? List any such students.

Yes Name(s) No Not Applicable

(d) Is any student listed in paragraph 2 above a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws? List any such students.

Yes Name(s) No Not Applicable

(e) Is any student listed in paragraph 2 a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act)? List any such students.

Yes Name(s) No Not Applicable

4. The total anticipated income for each person listed in paragraph 2 above during the 12-month period commencing with the date occupancy will begin including:

> full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

> income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum

additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of $200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of $480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of $480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973; is as follows:

	Occupant	**Anticipated Annual Income**	**Source of Income or Employer**
(a)	_____	$_____	_____
(b)	_____	$_____	_____
(c)	_____	$_____	_____
(d)	_____	$_____	_____
(e)	_____	$_____	_____
(f)	_____	$_____	_____
	TOTAL	$_____	

5.(a) Do the persons whose income or contributions are included in Item 4 above have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the

values of necessary items of personal property such as furniture and automobiles and interest in Indian trust land)?

_____ Yes _____ No

(b) Have the persons whose income or contributions are included in Item 4 above disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value?

_____ Yes _____ No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than $5,000?

_____ Yes _____ No

(d) If the answer to (c) above is yes,

(i) insert the total value of all such assets owned or disposed of $_____; and

(ii) state:

(A) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

$_____

(B) the amount of such income, if any, that was included in Item 4 above:

$_____

6. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter, the "Borrower"), has any family relationship to the Borrower or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member and ownership, direct or indirect, by a partner of the individual.

7. This Income Certification is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 4 is reasonable and based upon such investigation as the undersigned deemed necessary.

8. I/we will assist the Borrower in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Income Certification will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.

10. The undersigned hereby acknowledge and agree that on or before January 1 (or upon Lease renewal) of each year the undersigned and any other current residents of such apartment will complete and deliver a new Income Certification, in the form then in use, to the Borrower and that the undersigned's rent is subject to increase 30 days after written notice is given to the undersigned stating that the undersigned no longer qualifies as a Lower Income Tenant under the Tax Regulatory Agreement.

11. RESIDENT(S) STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury. In the event this Income Certification is executed more than five days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

(a) _____ Date: _____

(b) _____ Date: _____

(c) _____ Date: _____

(d) _____ Date: _____

(e) _____ Date: _____

(f) _____ Date: _____

[*The signatures of all persons over the age of 18 years listed in Number 2 above are required*]

12. Calculation of Eligible Income:

(a) Enter the amount entered for entire household in 4 above: $_____

(b) Enter income derived from assets (line 5(d)(2)(A)): $_____

(c) Subtract (b) from (a) $_____

(d) Multiply the amount entered in 5(d)(1)
by the current passbook savings rate to

determine the total annual earnings on assets
[5(d)(1)] if invested in passbook savings.

Passbook rate _____% X _____ = $_____

(e) Enter the greater of (b) or (d) $_____

(f) TOTAL ELIGIBLE INCOME (Line (e) + (c)) $_____

13. The amount entered in 12(f):

(a) _____ Qualifies the applicant(s) as a Lower Income Tenant(s).

(b) _____ Does not qualify the applicant(s) as Lower Income Tenant(s).

14. Number of apartment unit assigned: _____

Bedroom size: _____ Rent: $_____

Tenant-paid Utilities:

Water _____ Gas _____ Electric _____

Trash _____ Other (list type) _____

15. Was this apartment unit last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Lower Income Tenants?

_____ Yes _____ No

16. Method used to verify applicant(s) income:

_____ Employer income verification

_____ Social Security Administration verification

_____ Department of Social Services verification

_____ Copies of tax returns

_____ Other (_____)

17. Method used to verify responses, if any, in paragraph 3 of this Income Certification:

_____ Copies of Tax Returns

_____ Evidence of participation in an enumerated program

18. BORROWER'S STATEMENT: Based on the representations herein and upon the proofs and documentation submitted pursuant to paragraph 8 hereof, the family or individual(s) named in paragraph 2 of this Income Certification is/are eligible under the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants to live in a unit in the Project.

Date _____ Signature of Authorized Borrower Representative:

By _____
Name _____
Title _____

EXECUTION OF ITEMS 19 AND 20

_____ IS _____ IS NOT NECESSARY.

Initials: _____.

19. If this Income Certification was executed by me/us more than five days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of _____, 20_____ and state:

_____ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.

_____ (b) The following information is provided to update the information previously provided in the Income Certification:

_____

_____

_____

[Remainder of Page Intentionally Left Blank]

(a) _____ Date: _____

(b) _____ Date: _____

(c) _____ Date: _____

(d) _____ Date: _____

(e) _____ Date: _____

(f) _____ Date: _____

20. BORROWER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 19 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 19 hereof.

Date _____

Signature of Authorized Borrower Representative

By _____
Name _____
Title _____

[Remainder of Page Intentionally Left Blank]

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the issuance of a bond by the City of Los Angeles for persons of low or moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages_____

Overtime _____

Bonuses _____

Commissions _____

Total Current Income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____
Date

By _____
Name _____
Title _____

I hereby grant you permission to disclose my income to _____, in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed by an issuance of a bond by the City of Los Angeles.

Date _____

Signature _____

Please send form to:_____

[Income Verification Signature Page]

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state (if applicable) income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Date _____

Signature _____

EXHIBIT D

FORM OF ANNUAL TENANT INCOME RECERTIFICATION

CITY OF LOS ANGELES
ANNUAL TENANT INCOME RECERTIFICATION

Project name _____

Apartment # _____ Date of Original Certification _____

Resident name _____

TO THE RESIDENT:
This form is a continuation of the City of Los Angeles (the "City") Affordable Housing Program (the "Program") which was previously discussed with you. In order to keep you on the qualifying list, you will need to update the following information each year when you renew your lease. The Borrower is required by the Internal Revenue Code of 1986 and the City to maintain this information in order to maintain the Program.

Household Composition:
1) Please list all of those individuals residing in your apartment.
2) Please list the anticipated annual income of all occupants of your household who are 18 years of age or older (if housemaker, or unemployed, etc.—please list as such).
3) If college or technical school student, please list if full-time or part-time student.

	NAME	SS#	AGE	ANTICIPATED ANNUAL INCOME*	OCCUPATION/STUDENT
1)					
2)					
3)					
4)					
5)					
6)					
7)					

*SEE INCOME DEFINITION ATTACHED TO THIS FORM.

DO YOU OWN OR HAVE YOU ACQUIRED OR HAVE YOU DISPOSED OF ANY ASSETS OVER $5,000.00 IN THE PAST YEAR?_____

If so, please describe and list amount and annual income expected to be derived from such assets._____
_____

If all persons residing in your apartment are full-time students, please indicate for each such person whether they are: (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar federal, state or local laws; (4) a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act); or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents.

Please have all occupants over the age of 18 sign this certification.

I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/we declare under penalty of perjury that the foregoing is true and correct.

SIGNATURES: DATE:

1) _____ _____

2) _____ _____

3) _____ _____

4) _____ _____

MANAGER'S SIGNATURE:

_____ _____

DEFINITION OF INCOME

The full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of $200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of $480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of $480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973.

EXHIBIT E

FORM OF CERTIFICATE OF CDLAC PROGRAM COMPLIANCE

1. Project Name Change: _____Yes____ No____
(If project name has changed since the award of allocation, please note the new project name as well as the original project name.)

New: _____ Original: _____

2. CDLAC Application No.: 21-535

3. Bond Issuer Change: _____Yes____ No____
(If Bond Issuer name has changed since the award of allocation, please note the new name.)

New: _____ Original: _____
Address: _____
Phone: _____
Email: _____

4. Has a termination of the Regulatory Agreement occurred or is a termination planned in the next year? Has proper noticing occurred? Yes____ No____
(If yes, there is no need to complete the rest of this form. Please complete this form through #4.)

5. Borrower Change: _____Yes____ No____
(If borrower has changed since the award affecting the CDLAC resolution, please note the new borrower.)

New: _____ Original: _____
Address: _____
Phone: _____
Email: _____

6. Management Company Change: _____Yes____ No____
(If yes, please provide the following information for the New Management Company.)

New: _____
Address: _____
Phone: _____
Email: _____

7. Has the Qualified Project Period commenced? Yes____ No____
(If yes, please submit the Certificate of Completion…ONE TIME ONLY.)
☐Already Submitted Certification

8. Has the project been completed and placed in service? Yes____ No____
(If yes, please submit the Certificate of Completion…ONE TIME ONLY.)
☐Already Submitted Certification

9. Has any of the following events occurred associated with the bond allocation: Yes____ No____
   a. Notices of defaults associated with rents and income requirements
   b. Bond Default
   c. Qualified Bond Default.

(*If yes, please describe and explain on separate sheet)*

10.

Federally Bond Restricted Units (Reflected in PSR)	Other Restrictions (Reflected in PSR)	Total (Reported in CDLAC Resolution)
_____ @ 50% AMI	_____ @ 50% AMI	_____ @ 50% AMI
_____ @ 60% AMI	_____ @ 60% AMI	_____ @ 60% AMI

Please attach a copy of the project's TCAC Project Status Report (PSR) or equivalent documentation.

11. Please indicate the distribution of the CDLAC restricted 10% of the 50% AMI units

Bedroom Type	# of Units in PSR	# of Units in CDLAC Resolution
1 Bedroom	_____	_____
2 Bedroom	_____	_____
3 Bedroom	_____	_____

12. If the project has committed to and is currently providing the service amenities for a term as specified in the CDLAC resolution, please verify the services are being provided: on a regular and ongoing basis, which are provided free of charge and all hour requirements are being met:

____ After-School Programs
____ Educational, Health & Wellness or skill development classes
____ Health & Wellness services and programs (not group classes)
____ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)
____ Bona-Fide Service Coordinator/Social Worker

Is the service being offered on an ongoing basis and provided free of charge (childcare excluded)?
Yes____ No____

Are all hour requirements being met? Yes____ No____

Attach evidence demonstrating that the above listed services are being provided and have met the requirements in the CDLAC Resolution. Including but not limited to MOUs and/or contracts associated with the services rendered, a 12-month schedule (current reporting year) of the services offered, flyers, sign-up sheets, etc.

Pursuant to Section 13 of Resolution No. 21-118 (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on April 28, 2021, I, _____, an Officer of the Borrower, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with the terms and conditions set forth in the Resolution as outlined above. I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bond is issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

_____	_____
Signature of Officer	Date
_____	_____
Printed Name of Officer	Phone No.
_____	
Title of Officer	

EXHIBIT F

FORM OF CONSTRUCTION COMPLETION CERTIFICATE

$16,844,884
City of Los Angeles
Multifamily Housing Revenue Bond
(The Quincy Apartments)
Series 2021Y

1) Project Name: The Quincy Apartments
(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC Resolution.)
Original: _____

2) CDLAC Application No.: 21-535

3) Name of Bond Issuer: City of Los Angeles

4) Name of Borrower: Wakeland Quincy LP
(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC Resolution.)
Original: _____

5) The undersigned hereby certifies that all work on the Project was substantially completed as of _____, 20___.

The undersigned hereby further certifies that:

(a) the aggregate amount disbursed on the Loan to date is $[_____]

(b) all amounts disbursed from proceeds of the Bond have been applied to pay or reimburse the undersigned for the payment of Project Costs (as that term is used in the Regulatory Agreement) and none of the amounts disbursed from the proceeds of the Bond have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) at least 95% of the amounts disbursed from the proceeds of the Bond have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25% of the amounts disbursed from the proceeds of the Bond, exclusive of amounts applied to pay the costs of issuing the Bond, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No _____ Yes _____

(a) 10% of the dwelling units in the Project financed in part from the proceeds of the captioned Bond were first occupied on _____ __, 20___ and

(b) 50% of the dwelling units in the Project financed in part from the proceeds of the captioned Bond were first occupied on _____ __, 20___.

7) If no to #6, the undersigned hereby certifies the Project meets the special federal rule for a Qualified Project Period.

No _____ Yes _____

(*Project qualifies if it is an acquisition/rehabilitation where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the Project acquisition or the Bond issuance date.*)

(a) Bond was issued on _____ __, 20___

(b) Property was acquired on _____ __, 20___

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or bond issuance) is _____ __, 20___

_____ _____

Signature of Officer Date

_____

Printed Name of Officer

_____

Title of Officer

_____

Phone Number

EXHIBIT G

CDLAC RESOLUTION

EXHIBIT H

[RESERVED]

EXHIBIT I

ACCESSIBILITY COVENANTS

The Accessibility Covenants (the "Covenants") herein are attached to the Regulatory Agreement as an exhibit and the Borrower hereby agrees to comply with each of the requirements of the City set forth as follows:

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings assigned thereto in the Regulatory Agreement as applicable, provided they do not conflict with the terms defined or referenced herein. The definitions contained in the implementing regulations for Section 504 of the Fair Housing Act ("Section 504") and the ADA are incorporated by reference. *See* 24 C.F.R. §§ 8.3, 100.20; 28 C.F.R. § 35.104. The following terms shall have the respective meanings assigned to them in this Section unless the context in which they are used clearly requires otherwise:

"Accessible," when used with respect to a Housing Unit or a Housing Development, means and refers to full compliance with the requirements of the Accessibility Standards.

"Accessible Housing Development" means a Housing Development that is Accessible, including Accessible public and common use areas, as well as the number and type of Accessible Housing Units that are required to be Accessible by the Covenants.

"Accessible Housing Units" or "Accessible Unit" refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features that are Accessible, on an Accessible Route, and in an Accessible Housing Development.

"Accessibility Laws" means Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 et seq.; the Americans with Disabilities Act ("ADA"), 42 U.S.C. § 12131, et seq.; California Government Code Section 11135 et seq.; the federal Fair Housing Act of 1968, as amended ("FHA"), 42 U.S.C. §§ 3601-3620; implementing regulations and design standards for each of the preceding statutes; and the California Building Code. In all instances, the requirements of the Federal Accessibility Laws shall supersede any state or local requirements, unless the state or local requirements are stricter than the Federal requirements.

"Accessibility Standards" means the following compliance standards:

For purposes of Section 504 and the ADA:

a. For Housing Developments constructed or substantially altered before March 15, 2012:

   i. The new construction requirements of 24 C.F.R. pt. 8, including 24 C.F.R. §§ 8.4(d), 8.22, 8.26, and 8.32 as well as the new construction requirements of UFAS, or their successor standards.

b. For Housing Developments constructed or substantially altered on or after March 15, 2012:

i. The Alternative Accessibility Standard; or

ii. Any future accessibility standard and other regulatory requirements applicable to newly constructed facilities in federally-assisted programs that may be adopted in a final rule issued by the U.S. Department of Housing and Urban Development ("HUD") pursuant to notice and comment rulemaking under Section 504 so long as such accessibility standard and regulatory requirements do not provide for less accessibility for persons with disabilities than either a or b;

For purposes of the FHA:

a. Compliance with the standards set forth in 24 C.F.R. § 100.205, including: the requirements in ANSI A117.1-1998, the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, June 28, 1994, and the Fair Housing Accessibility Act Design Manual, Revised April 1998.

For purposes of state law:

a. The accessibility provisions of the California Building Code Chapters 11A and 11B, or any future accessibility standard and other regulatory requirements applicable to newly constructed facilities adopted as part of the California Building Code; and

b. All applicable building codes in effect for the City of Los Angeles Building and Safety Department.

"Accessible Route" means and refers to a continuous, unobstructed UFAS-compliant path as prescribed in 24 C.F.R. §§ 8.3 and 8.32 and UFAS § 4.3. As used for purposes of the ADA, an Accessible Route is as described in Chapter 4 of the 2010 Standards for Accessible Design, 28 C.F.R. §§ 35.104, as applied to public entities, except that elevator exceptions do not apply.

"Alternative Accessibility Standard" means and refers to the alternative accessibility standard for new construction set out in HUD's notice at 79 Fed. Reg. 29,671 (May 23, 2014), when used in conjunction with the new construction requirements of HUD's regulations at 24 C.F.R. pt. 8, 24 C.F.R. § 8.22, and the new construction requirements of 28 C.F.R. pt. 35, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).

"Assistance Animals" means and refers to animals that work, provide assistance, or perform tasks for the benefit of a person with a disability as well as animals that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance Animals are not pets and are not subject to a housing provider's pet policies. Service animals are one type of Assistance Animal. Assistance Animals include animals that are trained and untrained and include dogs and other animals.

"Borrower" means and refers to an owner of a Housing Development and such owner's successors and assigns who (1) has received, receives, or will receive any federal financial assistance from or through the City since July 11, 1988, and/or (2) was, is or will be the owner of a Housing Development designed constructed, altered, operated, administered, or financed, in whole or in part, in connection with a program administered in whole or in part by the City since January 26, 1992. A Borrower may also be a Subrecipient.

"Covered Housing Development" includes all Housing Developments, including those listed on the City's Covered Housing list, which can be found at accesshousingla.org.

"Fair Housing Policy Related to Disability" means the documents containing the policies of the City, as amended periodically, that ensure all Housing Developments be constructed and operated in accordance with all applicable Accessibility Laws, including federal accessibility requirements. The current policies can be accessed on the City's Accessible Housing Program Website. HUD may require modifications to these policies post-closing.

"Housing Development" or "Development" means the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots that (1) received or will receive any Federal financial assistance from or through the City and/or (2) were, are, or will be designed, constructed, altered, operated, administered, or financed in connection with a program administered by the City or by its Subrecipients.

"Housing Unit" means a single unit of residence in the Housing Development that provides spaces for living, bathing, and sleeping, provided such definition shall not be construed to exclude Single Room Occupancy Units. A Housing Unit includes a dwelling unit as that term is used in 24 C.F.R. § 8.22.

"Housing Unit with Hearing/Vision Features" means a Housing Unit that complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsection § 809.5 of the 2010 ADA Standards for Accessible Design, and with the California Building Code Chapters 11A & 11B. Hearing/Vision Features include but are not limited to visual alarms (UFAS §§ 4.34.10, 4.28.3), auxiliary alarms (UFAS §§ 4.34.10, 4.28.4), telephone volume controls and hearing aid compatibility (UFAS § 4.31.5), protections against protruding objects (UFAS § 4.4), stairway requirements (UFAS §§ 4.9, 4.26.4), protections against exposed pipes and surfaces (UFAS §§ 4.19.4, 4.24.6, 4.34.6.5(8)), audible alarms (UFAS § 4.28.2), signage (UFAS § 4.30), push button controls for telephones (UFAS § 4.31.6), consumer information (UFAS § 4.34.4), and range, cooktop, and oven controls (UFAS §§ 4.34.6.6, 4.34.6.7).

"Housing Unit with Mobility Features" means a Housing Unit that is located on an Accessible Route and complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsections §§ 809.2 through 809.4 of the 2010 ADA Standards, and with the California Building Code Chapter 11 B. A Housing Unit with Mobility Features can be approached, entered and used by persons with mobility disabilities, including people who use wheelchairs.

"LAHD" means the Los Angeles Housing Department of the City of Los Angeles.

"Property Management Agent" means and refers to a person or entity that manages one or more of the Housing Developments subject to these Covenants on behalf of a Borrower.

"Reasonable Accommodation" means changes, modifications, exceptions, alterations, or adaptations in rules, policies, practices, programs, activities that may be necessary to (1) provide a person with a disability an equal opportunity to use and enjoy a dwelling, including public and common use areas of a development, (2) participate in, or benefit from, a program (housing or non-housing), service or activity; or (3) avoid discrimination against a person with a disability. Such an accommodation must be granted unless it would (i) pose an undue financial and administrative burden, or (ii) fundamentally alter the essential nature of the program, service, or activity. For purposes of these Covenants, a Reasonable Accommodation includes any physical or structural change to a Housing Unit or a public or common use area that would be considered a reasonable modification for purposes of the FHA.

"Subrecipient" means and refers to any public or private agency, institution, organization, or other entity or person to which federal financial assistance or financial assistance from or through the City is extended. A Subrecipient also means and refers to a non-federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program, but does not include an individual who is a beneficiary of such program. A Subrecipient may also be a recipient of other federal awards from a federal awarding agency. 2 C.F.R. § 200.93. A Subrecipient may also be the Borrower.

"UFAS" means the Uniform Federal Accessibility Standards and refers to a set of scoping requirements and standards for the design and construction of buildings and facilities to ensure that they are readily accessible to and usable by persons with disabilities. See Appendix A to 24 C.F.R. subpart 40 for residential structures and Appendix A to 41 C.F.R. subpart 101-19.6 for general-type buildings (UFAS is also available on-line at http://www.access-board.gov).

Section 2. Borrower Obligations. The Borrower represents, warrants, covenants and agrees as follows:

a. A State of California Certified Access Specialist ("CASp") who is a licensed architect or engineer must be identified as part of the development team. A list of CASps can be found at the following link: https://www.apps2.dgs.ca.gov/DSA/casp/casp_certified_list.aspx. The CASp cannot be the architect of record for the Project. The cost of CASp activities and certifications should be included in the application's project budget.

b. The Housing Development shall be constructed in accordance with the Accessibility Standards in Section 1 above to ensure accessibility for persons with disabilities. The Borrower must work with their CASp to ensure that the Housing Development complies with those Accessibility Standards.

c. An accessibility report by a CASp inspector certifying that the Housing Development is in compliance with all applicable Accessibility Standards, as defined in Section 1, above, must be submitted to and approved by LAHD at the following phases of the Project development:

1. Accessibility Design Review Report and a pdf copy of the plans are due for review by LAHD when construction documents have been developed, and prior to the submission of plans to Los Angeles Building and Safety Department;

2. The Accessibility Design Review Report must be approved by LAHD before building permits can be issued;

3. Accessibility Progress Inspection Reports conducted after all rough inspections have been signed off by the Los Angeles Building and Safety Department and prior to closing of walls; and

4. The Final Accessibility Report at completion of construction must be approved by LAHD before: (a) final retention payment; (b) certificate of occupancy; and (c) final building permit can be signed off by the Los Angeles Building and Safety Department.

d. Applicants/developers/Borrowers must list all applicable accessibility standards on title page of plans, including the designated FHA Safe Harbor for the Project, and include the following note: *"This is a publicly funded housing project and must comply with federal accessibility standards and California Building Code Chapters 11A & 11B."*

e. If the Development is to be rehabilitated, accessibility retrofits of the Housing Development shall take place concurrently with any project rehabilitation in compliance with the Accessibility Standards, including federal accessibility standards.

f. The Accessible Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the Accessible Unit. If an Accessible Unit is occupied by residents without disabilities, the Borrower shall require use of a lease addendum to require such residents to relocate to a vacant, non-accessible unit of comparable size, finishes, and amenities, at the same Development at the Development's expense, within thirty (30) days of notice by the Borrower or Property Management Agent, or the minimum amount of notice required by state law, that there is an eligible applicant or existing resident with a disability who requires the accessibility features of the unit.

g. Eleven percent (11%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Borrower as Housing Units with Mobility Features.

h. An additional four percent (4%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Borrower as Housing Units with Hearing/Vision Features.

i. The 4% and 11% calculations shall each be based on the total number of Housing Units in the Housing Development. In determining the number of Accessible Units required, any fractions of units shall be rounded up to the next whole number. Required Accessible Units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites, and shall be available in a sufficient range of sizes and amenities so that a qualified individual with a disability has a choice of living arrangements that is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

j. While additional Accessible Housing Units may be provided, *i.e.*, up to twenty percent (20%), no more than fifteen percent (15%) of the Housing Units in any Housing Development may be counted toward the target number of Accessible Housing Units that the City must provide pursuant to the Voluntary Compliance Agreement (VCA) with HUD (specifically, no more than eleven percent (11%) of the Housing Units in any Housing Development with Mobility Features and no more than four percent (4%) Housing Units in any Housing Development with Hearing/Vision Features) unless HUD provides specific written authorization.

k. The Accessible Units shall be affordable for households pursuant to the terms of the Bond Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications.

l. The Project shall comply with the City's Accessibility Regulations Matrix & Overview, Accessible Design/Construction Compliance Requirements, and the Accessibility Report Requirements, which may be amended from time-to-time.

m. The Borrower shall adopt and comply with the City's Fair Housing Policy Related to Disability, as amended.

n. The Borrower and property managers (including resident managers and on-site managers) of the Housing Development shall attend the City's Fair Housing for People with Disabilities workshops.

o. The Borrower shall register the Housing Development on the City's Affordable and Accessible Housing Registry ("AAHR"), located at http://lahousing.lacity.org, and utilize the AAHR to provide and update required information about the Housing Development and the Accessible Units, allow people with disabilities to apply for the Accessible Units when

they become available and to place themselves on the waiting list for the Accessible Units, and comply with all other requirements of the AAHR.

p. Following reasonable notice to the Borrower, Borrower shall allow the City to conduct periodic on-site inspections of the Housing Development in order to verify compliance with the Accessibility Standards and the City's Fair Housing Policy Related to Disability.

q. The Housing Development as a whole and all Housing Units shall meet the requirements of the Accessibility Standards as defined in Section 1, above, and any requirements of the City, provided such requirements minimally meet and do not diminish the requirements of the Accessibility Standards.

r. The Borrower shall provide a list to the City of all Accessible Units with unit number, bedroom size and type of Accessible Unit ("Housing Unit with Hearing/Vision Features" or "Housing Unit with Mobility Features").

Section 3. Occupancy of Accessible Housing Units. The Borrower shall follow the requirements of Section 504 and its implementing regulations at 24 C.F.R. Part 8, as well as the City's Fair Housing Policy Related to Disability to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities. The Borrower will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals who require the accessibility features of the particular unit. To this end, the Borrower will take the following steps when an Accessible Unit becomes vacant:

a. First, the Borrower will offer the Accessible Unit to a current occupant of the Housing Development who needs the features of an Accessible Unit;

b. Second, the Borrower will offer the Accessible Unit to a current occupant of a Housing Development under common control who needs the features of an Accessible Unit;

c. Third, the Borrower will offer the Accessible Unit to an eligible, qualified applicant on the waiting list for Accessible Housing Units who needs the features of an Accessible Unit;

d. Fourth, the Borrower will offer the Accessible Unit to a current tenant of a Covered Housing Development who needs the accessible features of the Accessible Unit and are registered with the AAHR; and

e. Fifth, Borrower will offer the unit to qualified applicants who need the accessible features of the Accessible Unit and are registered with the AAHR.

f. If there are no eligible current tenants or applicants in need of accessible features, then the Borrower must conduct targeted outreach and marketing to advertise the unit to qualified individuals who need the accessible features, including listing it as available to individuals who need the

accessible features at http://lahousing.lacity.org, distributing the information about the accessible vacancy in accord with the Borrower's City approved Property Management Plan, distributing it to the most recent list from the City of organizations that serve people with disabilities, and sending an e-blast to parties on the http://lahousing.lacity.org website Outreach List. All such communications shall take appropriate steps to ensure effective communication with individuals with disabilities by utilizing appropriate auxiliary aids and services, such as the use of accessible websites and emails. Outreach efforts to the disability community shall include, but not be limited to, notices and other communications describing the availability of such Accessible Units, specific information regarding the features of Accessible Units, eligibility criteria, and application procedures. These, and additional procedures, are incorporated into the City's Fair Housing Policy Related to Disability, as amended.

In the event more than one household has requested an Accessible Unit, the Borrower shall offer the Accessible Unit to households in order on the appropriate waiting list within each category.

If, after using the process identified above, there are no households who need the features of that Accessible Unit, then the Borrower may offer the Accessible Unit to the next household on the conventional waiting list. Should that household choose not to occupy the Accessible Unit, they will remain at the same position on the conventional waiting list. If the household chooses to occupy the Accessible Unit, the tenant must sign a lease addendum in the form approved by the City. The lease addendum requires the household to move to the next available, comparable, conventional unit, when given appropriate notice by the Housing Development that there is an eligible applicant or existing resident with a disability who requires the accessibility features of that Accessible Unit.

For individuals who are required to vacate an Accessible Unit because it is needed by an individual with a disability, the Borrower will pay the costs of the transfer to a comparable conventional unit, including new utility deposit(s), if required, and reasonable moving expenses.

Section 4. Rental Policies. The Borrower shall adopt the City's rental policies that meet the requirements of Section 504, the ADA, the FHA, FEHA, and other federal and state laws and regulations as applicable, and of the Fair Housing Policy Related to Disability of the City, as amended. The Borrower shall develop and utilize a Property Management Plan ("PMP"), approved by the City, which describes affirmative marketing, tenanting, and other procedures to ensure that the Housing Development meets all of the civil rights requirements for individuals with disabilities.

Rental applications will include a section to be filled out by applicants to identify whether they are requesting an Accessible Unit or a Reasonable Accommodation. Applicants will not be required to disclose a disability under any circumstances, and the Borrower shall seek information to be disclosed limited to only what is necessary to establish the disability-related need for the requested accommodation. If both the disability and disability-related need for the requested

accommodation are obvious or already known, no additional information may be sought by the Borrower. Applicants and residents may request a Reasonable Accommodation at any time.

Section 5. Residential Rental Property. The Borrower hereby represents, covenants, warrants and agrees as follows:

a. All of the Housing Units in the Housing Development will be similarly constructed units, and each income restricted unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities, equipped with a cooking range and oven, a sink and a refrigerator. Each of the Accessible Units shall also comply with these requirements. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

b. All of the Housing Units (which shall not include any manager units) will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the housing units in the Project, except to the extent that: (1) Accessible Housing Units shall be made available on a priority basis to persons who need the accessible features, as described in Section 3 above; (2) any Housing Units are required to be leased or rented to low income tenants or persons 55 years of age and older, (3) the requirements of any regulatory agreement executed between the Borrower and HUD or between the Borrower and a subordinate lender (including the City), (4) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, and (5) any preference the Borrower may legally provide pursuant to applicable federal and state law.

Section 6. Monitoring Requirements. The City will monitor the initial production and ongoing occupancy of the Accessible Units and the Housing Development to ensure full compliance with the Accessibility Standards, the Fair Housing Policy Related to Disability and the policies in Sections 1 - 4, above. In order to determine compliance with the Accessibility Standards, the Borrower shall submit and the City shall review and approve a CASp Inspection Report of the Housing Development that identifies the necessary and required design elements to make the Housing Units and site accessible for individuals with disabilities. The City shall inspect the construction and/or rehabilitation to verify that the legally required number of Accessible Units have been produced and that the necessary and required design elements have been constructed to make the Housing Units and site accessible for individuals with disabilities and supported by an independent CASp consultant's report.

The City will utilize the Housing Development's City approved PMP and Fair Housing Policy Related to Disability to monitor ongoing occupancy compliance of the Accessible Units and nondiscrimination of individuals with disabilities. Compliance with the policies shall include,

but not be limited to, target marketing, establishing and monitoring a waiting list specific to the Accessible Units, appropriately responding to Reasonable Accommodation requests, implementation of the assistance animal policies, implementation of the policies for re-leasing vacant Accessible Units, and all elements contained in the Fair Housing Policy Related to Disability, as amended.

Section 7. Maintenance of Records. With respect to the Covenants, the Borrower agrees to keep and maintain books, accounts, reports, files, records, and other documents pursuant to the terms of the Bond Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications.

Section 8. Notices, Demands, Payments and Communication. Formal notices, demands, payments and communications between the City and the Borrower shall be sufficiently given and shall not be given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally pursuant to the Notice provisions in the Indenture.

Section 9. Term of the Covenants. The Covenants shall be recorded with the Regulatory Agreement upon its execution and shall terminate in accordance with the most restrictive provisions of the Bond Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bond.

Section 10. Covenant to Run with the Land. The Borrower hereby subjects the Project to the covenants, reservations, and restrictions set forth in the Covenants. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. In particular, this Covenant is subject to the requirements of HUD's Section 504 regulation at 24 C.F.R. § 8.50(c).

Section 11. Default; Enforcement. As part of ensuring compliance with the Accessibility Covenants, the Accessibility Standards, and the Fair Housing Policy Related to Disability, the City or its agent, will conduct periodic on-site visits inspecting the Housing Development, which inspections may include inspecting the Housing Units and common areas, tenant files, logs and other records. Should the Borrower fail to comply, the City will first issue an Order to Comply ("Order") stating the element of the Housing Development that is out of compliance, and providing a date by which the Borrower must comply. The Order shall give the Borrower not more than 30 days to correct the violation, or such additional time as the City may grant if the Borrower is taking steps to correct the violation ("Compliance Date"), and diligently pursues such action until the default is corrected, which extension is in the City's sole discretion. The City shall re-inspect the Housing Development within 10 days of the Compliance Date specified in the Order or any extension, however failure to inspect or re-inspect within the time frame does not remove the obligation of the Borrower to comply with the Order.

If the Order is issued and the violation continues to exist after the Compliance Date, then the City shall declare an "Event of Default" and may take any one or more of the following steps:

a. Inspection Fee for Non-Compliance. In the event the Borrower fails to comply with the Order within the Compliance Date, the Borrower shall be liable for subsequent inspection fees in the amount approved by Council until compliance has been achieved. Failure to pay the assessed inspection fee within 30 days of the date of invoice, will result in a late charge equal to or two times the fees and a collection fee equal to 50 percent of the original fee shall be imposed if any fee imposed is not paid within 30 days of service of notice of the imposition of the fee.

   The late fee may be imposed without a hearing but may be appealed to the General Manager of LAHD. The appeal shall be made in writing, and shall specify the grounds for the appeal. The appeal shall be filed with LAHD within ten calendar days of the issuance of the imposition of the late fees and costs. The General Manager or his designee shall issue a decision within ten calendar days of the filing of the appeal. A copy of the decision shall be served on the person or entity subject to the Order or fee by first class United States mail, postage prepaid, or in person. The City shall have the right to bring legal action in any court to enforce the Order and collect the amount of outstanding fees and penalties. City may waive the penalty imposed pursuant to this section if City determines that good causes exist for the Borrower's failure to pay in a timely manner.

b. By mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder;

c. Filing of a complaint or referral to HUD or other appropriate agencies for further enforcement actions;

d. Have access to and inspect, examine and make copies of all or a portion of the books and records of the Borrower pertaining to the Project, in order to ensure compliance with all provisions of the Covenants, including records relating to the accessibility of the Accessible Units; and

e. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder.

Section 12. Compliance with Accessibility Requirements. The Borrower hereby certifies that it and its property manager and any agent, contractor and subcontractor will comply with the Accessibility Standards as defined, and the policies described in Sections 2-5. The Borrower and any contractor and subcontractor will provide Reasonable Accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services,

and activities in accordance with each of the applicable and stricter of the requirements of the ADA, the 2010 ADA Standards for Accessible Design, the ADAAG, Section 504, UFAS, the FHA, the Fair Housing Act Design and Construction Requirements, federal regulations implementing the ADA, Section 504, and the FHA, California Government Code 11135 *et seq.,* the California Building Code Chapters 11A and 11B, and all subsequent amendments to those laws. The Borrower and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship or association with a person with a disability. Any contract and subcontract entered into by the Borrower, relating to the Covenants and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

Section 13. Governing Law. The Covenants shall be governed by the laws of the State of California.

Section 14. Parties Bound. The provisions of the Covenants shall be binding upon and inure to the benefit of the City and the Borrower and their respective successors and assigns.

Section 15. Severability. Every provision of the Covenants is intended to be severable. If any provision of the Covenants shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 16. Waiver. Any waiver by the City of any obligation in the Covenants shall be in writing; however, the City cannot waive the requirement to comply with federal and state law. No waiver will be implied from any delay or failure by the City to take action on any breach or default of the Borrower or to pursue any remedy allowed under the Covenants or applicable law. Any extension of time granted to the Borrower to perform any obligation under the Covenants shall not operate as a waiver or release from any of its obligations under the Covenants. Consent by the City to any act or omission by the Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 17. Modifications. There shall be no amendment or modification of the Covenants without the prior written approval of the City. Any amendment or modification of the Covenants shall be by a written instrument executed by the City and the parties to the Covenants and the Regulatory Agreement or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California. Modifications or amendments to the Covenants may occur by operation of law or other agreements binding the City and the parties to the Covenants and the Regulatory Agreement.

Section 18. Conflicts. If the provisions of the Covenants are inconsistent with the provisions of the Regulatory Agreement, the Bond Documents, or any other documents which affect the Project, the more restrictive covenants or restrictions shall control.

Section 19. Recording and Filing. The Borrower shall cause the Covenants to be recorded and filed in the real property records of the County of Los Angeles and in such other places as the City may reasonably request. However, failure to record the Covenants by the Borrower shall not relieve Borrower of any of the obligations specified herein.

EXHIBIT J

FORM OF CERTIFICATE OF QUALIFIED PROJECT PERIOD

Project Name: The Quincy Apartments
(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC Resolution.)

CDLAC Application No.: 21-535

Name of Bond Issuer: City of Los Angeles

Name of Borrower: Wakeland Quincy LP
(If Borrower has changed since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC Resolution.)

Project meets the general federal rule for a Qualified Project Period
Yes _____ No

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Bond were first occupied on _____, 20__; and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Bond were first occupied on _____, 20__.

Project meets the special federal rule for a Qualified Project Period.
Yes _____ No

(Project qualifies if it is an acquisition/rehabilitation where more than 90% of the units were not available for occupancy within 60 days of the earlier of the project acquisition or the Bond Issuance Date.)

(a) Bond was issued on _____, 20
(b) Date 12 months after the Bond Issuance date _____, 20

Signature of Officer

_____
Printed Name of Officer

_____
Title of Officer

_____
Phone Number

_____