

City of Los Angeles

Tiena Johnson Hall, General Manager
Luz C. Santiago, Executive Officer

Anna E. Ortega, Assistant General Manager
Emilyzen Cervantes, Assistant General Manager
Craig Arceneaux, Assistant General Manager



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd., Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.gov

July 28, 2026

Council File: New
Council Districts: 13
Contact Persons: Robert Vergara (213) 808-8630
Georgina Tamayo: (213) 808-8587

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO ADOPT THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982 (TEFRA) RESOLUTION AND MINUTES; TO ISSUE A TAX-EXEMPT MULTIFAMILY HOUSING REVENUE REFUNDING NOTE TO REFUND THE CITY'S MULTIFAMILY HOUSING REVENUE BOND (ROUSSEAU RESIDENCES) SERIES 2026G AND AUTHORITY TO EXECUTE RELATED FINANCING DOCUMENTS FOR ROUSSEAU RESIDENCES A SUPPORTIVE HOUSING PROJECT

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests the adoption of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) resolution and TEFRA minutes, and to issue a tax-exempt multifamily housing revenue refunding note in the amount not to exceed \$7,000,000 (Refunding Note). Rousseau Residences will provide affordable and supportive housing for adults that have experienced homelessness and chronically homelessness. The Project consists of a 52- unit residential development located at 316 N. Juanita Ave., Los Angeles, CA 90004 in Council District 13. The Project is being developed by Pacific West Communities, Inc. as lead Developer, with a total per-unit development cost of \$603,221 and a per-unit HHH subsidy of \$54,000. In addition, the borrower has secured the commitment of a new lender for permanent financing of the Project, JLL Real Estate Capital, LLC (the initial "Funding Lender") who will assign all of its rights and interest shortly after closing to Federal Home Loan Mortgage Corporation ("Freddie Mac"). The terms and form of the Funding Lender's Tax-Exempt Loan execution, requires such modifications to the Original Bond sufficient to require refunding of the Original Bond. As a result, a Refunding Note will be issued to refund the Original Bond at the time of conversion to the permanent loan.

RECOMMENDATIONS

I. That the City Council, subject to the approval of the Mayor:

- A. CONSIDER the TEFRA minutes, provided as Attachment A to this report, held on July 21, 2026;
- B. ADOPT the Resolution, provided as Attachment B to this report, approving and authorizing the issuance of a refunding tax-exempt multifamily housing revenue refunding note in the amount up to \$7,000,000; and,
- C. AUTHORIZE the General Manager of LAHD, or designee, to negotiate and execute the relevant financing documents for the Project, subject to the approval of the City Attorney as to form.

BACKGROUND

Project Summary

Rousseau Residences (Project) will provide affordable and supportive housing for adults that have experienced homelessness and chronically homelessness. The Project is located at 316 N. Juanita Ave., Los Angeles, CA 90004 in Council District 13 and involves the new construction of 52 units. There are 51 studio apartments and a two-bedroom manager's apartment. The studio units are an average of 346 square and the two-bedroom manager's unit will be 608 square feet.

The Project amenities include a common laundry room, elevator, a fitness room, management offices, social and supportive services offices, a community room, and outdoor patio, and landscaped grounds with outdoor recreational spaces. The Projects social services are provided by The People Concern.

Financing History

On May 18, 2021, LAHD executed an inducement letter in the amount not to exceed \$17,000,000. The letter evidenced the official intent of the City of Los Angeles (City) to issue bond(s) or note(s) for the development. The letter was executed pursuant to previous authority granted to LAHD by the City Council and Mayor (C.F. No. 04-2646). On May 25, 2021, on behalf of Rousseau Residences Associates, a California Limited Partnership ("Borrower"), LAHD submitted a volume cap application to CDLAC requesting a \$14,000,000 bond allocation of private activity volume cap, which was awarded on August 11, 2021. Per the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") requirements, on June 25, 2021, a TEFRA Resolution was approved by the City Council and the Mayor (C.F. No. 21-0693). On February 20, 2025 a secondary TEFRA Resolution was approved by the City Council and the Mayor (C.F. No. 21-0693). The TEFRA Resolution's summarized that a public hearing was publicized, took place, and the hearing minutes were provided to the City Council and the Mayor. On February 10, 2022, the City issued its \$14,000,000 Multifamily Housing Revenue Bond (Rousseau Residences) Series 2022E (the "Original Bond"). The Project is currently 100% complete and will convert to permanent financing in the last quarter of 2026.

The Original Bond must be refunded because the Borrower's proposed new tax-exempt permanent financing from the Funding Lender differs significantly from the originally proposed tax-exempt permanent financing. The new permanent financing requires new documentation and the issuance of the Refunding Note, the proceeds of which will be used to pay off, in part, the Original Bond. No additional inducement is required for the Refunding Note. Per the TEFRA requirements on July 21, 2026, a TEFRA hearing was held for the plan of financing of the Project, including the issuance of conduit bonds or notes. The TEFRA approval is included in the Refunding Note

resolution for approval by the City Council and the Mayor. The TEFRA portion of the resolutions summarize that a public hearing was publicized and took place and that the hearing minutes were provided to the City Council and the Mayor.

Sources and Uses

Tables 1, 2, and 3, below, provide a summary of the sources and uses for the Project, including cost per unit and cost category percentages.

TABLE 1 – CONSTRUCTION SOURCES			
Construction	Total Sources	Per Unit	% Total
Tax-Exempt Loan - California Bank & Trust	\$14,000,000	\$269,231	45%
LAHD HHH Loan	\$2,808,000	\$54,000	9%
Los Angeles County Development Authority (LACDA)- No Place Like Home	\$6,790,000	\$130,577	22%
Costs Deferred Until Completion	\$4,904,780	\$94,323	15%
Deferred Developer Fee	\$1,703,724	\$ 32,764	5%
Tax Credit Limited Partner Equity	\$1,161,000	\$22,326	4%
TOTAL	\$31,367,504	\$603,221	100%

TABLE 2 – PERMANENT SOURCES			
Permanent	Total Sources	Per Unit	% Total
Permanent Funding Loan	\$6,169,000	\$118,635	20%
LAHD HHH Loan	\$4,056,000	\$78,000	13%
LAHD - ULA Funds	\$ 424,391	\$8,161	1%
LACDA – No Place Like Home	\$9,942,000	\$191,192	32%
Deferred Developer Fee	\$1,033,000	\$19,865	3%
Tax Credit Limited Partner Equity	\$9,743,113	\$187,368	31%
TOTAL	\$31,367,504	\$603,221	100%

TABLE 3 – USES OF FUNDS			
Uses of Funds	Total Uses	Cost/Unit	% TDC
Acquisition Costs	\$2,649,127	\$50,945	8%
Construction Hard Costs	\$17,444,738	\$335,476	56%
Architecture & Engineering	\$1,049,008	\$20,173	3%
Construction Interest Fees and Expenses	\$2,460,659	\$47,320	8%
Permanent Financing Costs	\$415,696	\$7,994	1%
Total Hard Contingency Costs	\$0	\$0	0%
Total Soft Contingency Costs	\$300,000	\$5,769	1%
Legal Costs	\$189,712	\$3,648	1%
Capitalized Reserves	\$966,000	\$18,577	3%
Permits and Local Fees	\$706,309	\$13,583	2%
Developer Fee	\$2,941,611	\$56,569	9%
Other Project Costs	\$2,244,644	\$43,167	7%
TOTAL	\$31,367,504	\$603,221	100%

Labor Costs

Labor costs for the Project are subject to California prevailing wage requirements, and/or federal wage requirements under the Davis–Bacon Act of 1931 and Related Acts, as applicable.

Affordability Restrictions

Pursuant to the City’s Affordable Housing Bond Policies & Procedures (“AHBPP”) for Private Activity Bonds for Multifamily Rental Properties, approved September 24, 2019, the Project must provide long-term affordable housing in the City of Los Angeles. Therefore, in connection with the issuance of the Original Bond, a Regulatory Agreement and Declaration of Restrictive Covenants was executed and recorded in the official records of the Los Angeles County Recorder’s Office. The Bond Regulatory Agreement includes affordability restrictions throughout a term ending no sooner than the later of: 1) 15 years after the date on which 50% of the dwelling units are first occupied; 2) the date the Original Bond paid in full; or, 3) the date on which any Section 8 project-based assistance terminates, if applicable. In addition to the above, the Regulatory Agreement includes a CDLAC Resolution, which requires that the Project’s affordable housing units remain affordable for 55 years. The CDLAC affordability restrictions mean that for at least 55 years at least 40% of the units have to be rented at or below 60% of the area median income. In connection with the Refunding Note, the Regulatory Agreement will be amended and restated by an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, the form of which is attached hereto, which will include the above restrictions.

Additionally, on August 11, 2021, the Project was awarded an allocation of 4% Low Income Housing Tax Credits (“LIHTC”) from the California Tax Credit Allocation Committee (“CTCAC”). On March 20, 2019 Council (C.F. No. 17-0090-S8) approved this Project for HHH funding in the amount up to \$4,648,000. On April 15, 2024 Council (C.F. No. 23-0038-S4) approved this Project for United to House LA Accelerator Plus Program funding in the amount up to \$424,391. As a result of these awards, the Project will have affordability restrictions for a term of 55 years.

The supportive housing units will be targeted toward persons experiencing chronic homelessness and homelessness, at or below 50% of Area Median Income (“AMI”); 30 units will be reserved for persons experiencing chronic homelessness and 21 units will be reserved for persons experiencing homelessness and chronic homelessness. Table 4, below, provides a summary of the Project unit mix, pursuant to the CDLAC Resolution.

TABLE 4 – CDLAC AFFORDABILITY RESTRICTIONS			
Unit Type	Units at or below 50% AMI	Un-restricted (Manager’s Unit)	Total Number of Units
Studio	51		51
Two-Bedroom		1	1
Total	51	1	52

Development Team

The Borrower/Sponsor is Rousseau Residences Associates, A California Limited Partnership, comprised of Enlightenment Holdings, LLC, as the Managing General Partner (“MGP”) and TPC Holdings IX, LLC as the

Administrative General Partner (“AGP”), BFIM Special Limited Partner, Inc. as the Special Limited Partner (“SLP”), 1111 Holdings, LLC as a Class B Limited Partner (“Class B”) and Boston Financial Housing Investments XV Limited Partnership as the Investment Limited Partner (“ILP”). Flexible PSH Solutions, Inc., a California 501(c)(3) nonprofit public benefit corporation, is the manager and sole member of the MGP, and Pacific West Communities, Inc., an Idaho corporation, is the manager and sole member of the AGP.

The MGP has a 0.0030% Borrower ownership interest, the AGP has a 0.0065% Borrower ownership interest, the SLP has a 0% Borrower ownership interest, the Class B partner has a .0005% ownership interest and the ILP has a 99.99% Borrower ownership interest. The Borrower entity is currently in compliance with LAHD’s Business Policy (C.F. No. 99-1272).

AGP key staff members include Caleb Roope, President & CEO, and John Nicolas, Executive. MGP key members include Stephen Hicks, Chief Executive Officer.

Pacific West Communities has been involved with the housing development industry for over 26 years and has directly engaged in the development of over 300 affordable housing developments with over 23,000 units of affordable housing across the western United States. Seven of these affordable rental housing projects are in the City of Los Angeles and are comprised of over 450 units of affordable housing.

Flexible PSH Solutions has been involved with the housing development industry for 7 years and has directly engaged in the development of 5 affordable rental housing projects in the City of Los Angeles consisting of over 350 units of affordable housing.

Borrower: Rousseau Residences Associates, A California Limited Partnership
c/o Pacific West Communities, Inc.
430 E State St, Suite 100
Eagle, ID 83616
Contact: Caleb Roope
Phone: (208) 461-0022

Lead Developer: Pacific West Communities, Inc.
430 E State St, Suite 100
Eagle, ID 83616
Contact: calebr@tpchousing.com
Phone: (208) 461-0022

Additional Project development team members are:

Architect: KFA, LLP
c/o Lise Bornstein, AIA
3573 Hayden Avenue
Culver City, CA 90232
Contact: lise@kfalosangeles.com
Phone: (310) 399-7975

Attorney: Katten Muchin Rosenman LLP
c/o Michelle Poncetta

2121 Avenue of the Stars, Suite 1100
Los Angeles, CA 90067-5010
Contact: michelle.poncetta@katten.com
Phone: (310) 788-4751

General Contractor: Sinanian Development
c/o Sinan Sinanian
18980 Ventura Blvd, Ste 200
Tarzana, CA 91356
Contact: sinan@sinanian.com
Phone: (818) 996-9666

Property Manager: The John Stewart Company
c/o Vicky Mejia
888 S Figueroa St, Suite 400
Los Angeles, CA 90017
Contact: jmejia@jsco.net
Phone: (213) 787-2700

Tax Credit Investor: Boston Financial Investment Management
c/o Laura Surdel
225 Franklin Street
Boston, MA 02110
Contact: laura.surdel@bfim.com
Phone: (617) 439-3911

Financial Structure

The City has previously issued the Original Bond, the proceeds of which were loaned to the Borrower, in the amount not to exceed \$14,000,000 pursuant to an Indenture of Trust (Indenture) among the City, U.S. Bank Trust Company, National Association, as trustee (Trustee) and Zions Bancorporation, N.A. dba California Bank & Trust (Bondowner). Pursuant to a Loan Agreement among the City, the Bondowner, and the Borrower, the proceeds of the Original Bond were used to fund a construction loan in an amount not to exceed \$14,000,000 (the "Construction Loan"). The Original Bond was privately placed with and purchased by the Bondowner. The Original Bond was unenhanced and unrated, with repayment secured solely by Project revenues and other collateral pledged by the Borrower.

Upon completion and stabilization of the Project, the outstanding Original Bond will be refunded and replaced with permanent financing. The Borrower proposes to refinance the outstanding Construction Loan through the issuance of the Refunding Note in an aggregate principal amount not to exceed \$7,000,000. The Refunding Note will be privately placed and initially purchased by the Funding Lender which will fund a tax-exempt loan to the City (Funding Loan) at permanent conversion pursuant to the terms of a Funding Loan Agreement among the City, U.S. Bank Trust Company, National Association, as fiscal agent (Fiscal Agent) and the Funding Lender, as evidenced by the Refunding Note of the City. The City will use the proceeds of the Funding Loan to make a loan to the Borrower (Project Loan) in an amount not to exceed \$7,000,000, pursuant to the terms of a Project Loan Agreement among the City, Fiscal Agent and Borrower. The Borrower will execute a project note (Project Note)

as evidence to repay the Project Loan. The City will assign the Project Note evidencing the Project Loan to the Fiscal Agent as security for the Refunding Note.

At conversion from construction financing to permanent financing, the Original Bond will be refunded in part with the proceeds of the Refunding Note and the remaining portion of the Original Bond not refunded with the proceeds of the Refunding Note will be repaid with permanent financing sources including investor equity and subordinate loans.

The remaining balance now evidenced by the Refunding Note is expected to provide approximately 16 years of permanent financing bearing a fixed rate currently estimated to be 6.06% (subject to market conditions at the time of closing) amortizing on a 40-year schedule, subject to market conditions at the time of closing.

Following the conversion to permanent financing, Freddie Mac has agreed to purchase the Funding Loan from the initial Funding Lender on the date of satisfactions of certain conditions set forth in a commitment entered into at or prior to the closing of the permanent financing.

The proposed refunding will convert the Project from short-term construction financing to long-term permanent financing, providing debt terms that are better aligned with the property's ongoing operations, capital needs, and long-term affordability restrictions. Freddie Mac's purchase of the refunding bond will provide a stable source of tax-exempt financing and support the long-term financial viability of the development. Approval of the refunding will facilitate the preservation of affordable housing, support the continued operation of the Project, and help ensure its long-term affordability and financial sustainability.

In addition to the \$14,000,000 in tax exempt Bonds, the Project's financing structure will include financing or loans from the following sources: LAHD Proposition HHH Permanent Supportive Housing Loan Program ("HHH", see C.F. No. 17-0090-S8); LAHD United to House LA Accelerator Plus Program ("ULA", see C.F. No. 23-0038-S4); the Los Angeles Community Development Authority's No Place Like Home Program ("NPLH"); 4% federal tax credit equity from Richman Group Affordable Housing Corporation; and the Housing Authority of the City of Los Angeles' ("HACLA") Section 8 Project Based Voucher rental subsidy programs.

The Project initially applied for HHH funds proposing 105 units and received an HHH award of \$9,600,000. Post HHH award, the developer later decided to phase the Project into two phases and the HHH award was split among the two phases. The first phase kept the name of Rousseau Residences and will consist of 52 units and the second phase was named Montesquieu Manor consisting of 53 units. As a result, the developer has created two separate entities and two separate financing structures. The Table below breaks out the split of the HHH award and the units.

TABLE 5 – COMPARISON OF PROJECTS					
Project Names:	Previous Units	Previous HHH Loan		Current Units	Current HHH Loan
Rousseau (fka Enlightenment Plaza Phase I)	105	\$9,600,000		0	0
Rousseau Residences	0	\$0		52	\$4,648,000
Montesquieu Manor	0	\$0		53	\$4,952,000
Total	105	\$9,600,000		105	\$9,600,000

LAHD requires that the Funding Lender meet the City's Responsible Banking Ordinance #182138 reporting requirements. At closing, bond counsel will provide the required legal opinions as to the tax-exempt status of the interest on the Refunding Note, under federal and state law. The legal and financing documents will include language that establishes the Refunding Note structure as a limited obligation and strictly payable from Project revenues. The Project financing complies with both the City's AHBPP and Financial Policies. Additionally, the legal and financing documents will require the Borrower to provide annual statements and information as requested by LAHD.

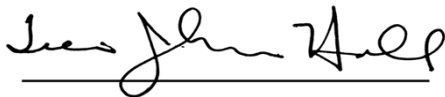
LAHD's Bond Team for the financing of the Project is as follows:

Bond Issuer Municipal Advisor:	CSG Advisors, Inc. 315 W. 5 th Street, Suite 302 Los Angeles, CA 90013
Bond Issuer Counsel:	Los Angeles City Attorney 200 N. Spring Street, 21st Floor Los Angeles, CA 90012
Bond Counsel:	Kutak Rock LLP 777 S. Figueroa Street, Suite 4550 Los Angeles, CA 90017

FISCAL IMPACT

There is no fiscal impact to the General Fund as a result of the issuance of the Refunding Note. The City is a conduit issuer and will not incur liability for repayment of the Refunding Note. The Refunding Note is a limited obligation, payable strictly from revenue derived from the Project. The City will not be obligated to make payments on the Refunding Note.

Approved By:



TIENA JOHNSON HALL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

Attachment A - TEFRA Minutes

Attachment B - Refunding Note Resolution

Refunding Project Loan Agreement

Refunding Funding Loan Agreement

Refunding Regulatory Agreement

SB450

TEFRA PUBLIC HEARING MEETING MINUTES
WEDNESDAY – JULY 22, 2026
9:00 AM
LOS ANGELES HOUSING DEPARTMENT
BY TELECONFERENCE
ROBERT VERGARA, CHAIR

This meeting was conducted to meet the required Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) Public Hearing for Montesquieu Manor and Rousseau Residences.

This meeting was called to order on Wednesday, July 22, 2026 at 9:00 a.m. via teleconference by the Los Angeles Housing Department.

A notice of this hearing was published in various locations on the Los Angeles Housing Department website on 15 July, 2026 (the “Notice”). The purpose of this meeting was to hear public comments regarding the City of Los Angeles’ proposed reissuance of multifamily housing revenue bonds or notes for the above referenced project.

The Los Angeles Housing Department representatives present were Robert Vergara and Matthew Esposito. 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, 2026 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing Department
Tiena Johnson Hall, General Manager

Robert Vergara, Acting Housing Program Manager, LAHD

RESOLUTION

CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ONE OR MORE SERIES OR SUBSERIES OF A MULTIFAMILY NOTE BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY HOUSING REVENUE REFUNDING NOTE (ROUSSEAU RESIDENCES) SERIES 2026G, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000, TO PROVIDE FUNDS TO REFUND A BOND ISSUED BY THE CITY OF LOS ANGELES AND PROVIDE PERMANENT FINANCING FOR THE CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 16 HEREOF AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT, AN AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS 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 the provisions of Section 248, as amended, of the Los Angeles Charter (the “City Charter”) 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, notes or other evidences of indebtedness for the purpose of providing financing or refinancing for the acquisition, construction, rehabilitation, equipping and development of multifamily residential housing developments 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 previously issued on February 10, 2022, pursuant to its resolution adopted by the City Council on December 3, 2021, and pursuant to a plan of financing, its Multifamily Housing Revenue Bond (Rousseau Residences) Series 2022E (the “Original Bond”) in an aggregate principal amount not to exceed \$14,000,000; and

WHEREAS, the City now desires to issue, pursuant to the Law and in accordance with the Act, its revenue refunding note to refund a portion of the outstanding principal amount of the Original Bond and to provide permanent financing for the construction and equipping of that multifamily rental housing project described in paragraph 16 below (the “Project”); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City issue its revenue refunding note to refund the Original Bond, and it is within the powers of the City to provide for such a financing and the issuance of such note; and

WHEREAS, at the request of Rousseau Residences Associates, A California Limited Partnership (the “Owner”), the City proposes to issue, pursuant to the Law, and in accordance with the Act, its Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G (the “Note”) with a principal amount not to exceed \$7,000,000; and

WHEREAS, the City proposes to use the proceeds of the Note to prepay the principal, and any applicable redemption premium of and interest on the Original Bond and, if applicable, to pay certain costs of issuance in connection with the issuance of the Note; and

WHEREAS, JLL Real Estate Capital, LLC, a Delaware limited liability company or an affiliate or designee thereof (the “Purchaser”), has expressed its intention to purchase the Note authorized hereby, in whole; and

WHEREAS, this City Council finds that the public interest and necessity require that the City at this time make arrangements for the execution and delivery of such Note; and

WHEREAS, the interest on the Note 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 Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the Note is required to be approved, following a public hearing, by an elected representative of the issuer of the Note 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 Note 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, on May 19, 2021, to the effect that a public hearing would be held on May 26, 2021, regarding the Project and the issuance of bonds or notes related thereto, pursuant to a plan of financing in an amount not to exceed \$17,000,000; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear on the website of the Los Angeles Housing Department (<https://housing2.lacity.org/highlights>) commencing on September 19, 2024, and July 14, 2026, respectively, to the effect that a public hearing would be held on September 26, 2024, and July 21, 2026, respectively, regarding the Project and the issuance of bonds or notes related thereto, pursuant to a plan of financing in an amount not to exceed \$17,000,000; and

WHEREAS, the Los Angeles Housing Department held said public hearings on such dates, at which times an opportunity was provided to present arguments both for and against the plan of financing; and

WHEREAS, the minutes of such public hearings, and any written comments received with respect thereto, have been presented to this City Council; and

WHEREAS, the Owner of the Project has engaged the Purchaser to provide to the City the following information as a good faith estimate of the cost of the Note 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 Note, (b) the finance charge of the Note, including all third party expenses, (c) the amount of proceeds received by the City for the execution and delivery of the Note less the finance charge of the Note and any reserves or capitalized interest paid or funded with proceeds of the Note and (d) the total payment amount, all as reflected on the attached Exhibit A (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 Funding Loan Agreement (as hereinafter defined), a revenue refunding note of the City, to be designated as “City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G,” in one or more series or subseries in an aggregate principal amount not to exceed \$7,000,000 is hereby authorized to be issued. The principal amount of the Note to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of the Funding Loan Agreement (the “Funding Loan Agreement”) by and among the City, the Purchaser, as initial funding lender, and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”), in substantially the form presented to this City Council, 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 Note authorized hereunder. The Mayor of the City, the General Manager, any Acting General Manager, or any Interim General Manager, the Assistant General Manager, any Acting Assistant General Manager, or any Interim Assistant General Manager, the Executive Officer or any Acting Executive Officer, the Director or any Acting 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 Funding 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 to the City and approval of the City Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the Note in excess of the amount stated above, such

approval by the City Attorney to be conclusively evidenced by the execution and delivery of the Funding Loan Agreement with such additions, changes or corrections.

4. The proposed form of the Note, as set forth in the Funding Loan Agreement, 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 Fiscal Agent or an authenticating agent is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Fiscal Agent or an authenticating agent, the Note in substantially such form, and the Fiscal Agent is hereby authorized and directed to sell and deliver the Note to the Purchaser in accordance with the Funding Loan Agreement and the Project 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 Note shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the principal amount of the Note shall not exceed \$7,000,000, the interest rate on the Note shall not exceed 12% per annum and the final maturity of the Note shall be no later than 40 years from the date of issuance of the Original Bond. The purchase price of the Note shall be 100% of the principal amount thereof. Such Note may be delivered in temporary form pursuant to the Funding Loan Agreement if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the Note in definitive form can be prepared.

5. The proposed form of the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into by and among the City, the Fiscal Agent and the Owner, substantially in the form presented to this City Council, 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 one or more Regulatory Agreements, 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 Note remains tax-exempt.

6. The proposed form of Project Loan Agreement (the "Project Loan Agreement"), by and among the City, the Fiscal Agent and the Owner, in substantially the form presented to this City Council, 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 Project 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 of the City Attorney, such approval to be conclusively evidenced by the execution of said Project 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 issuance, sale, execution and delivery of the Note 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 Funding Loan Agreement, the Project 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 Note 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 Note, 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 Note be delivered directly to the Fiscal Agent, instead of the City Treasurer, to be deposited into the funds and accounts established under the Funding Loan Agreement.

11. Pursuant to and solely for the purposes of Section 147(f) of the Code, the City Council hereby approves the plan of financing and the issuance of its multifamily housing revenue bonds or notes in one or more series, including, but not limited to, the Original Bond and the Note. It is intended that this Resolution constitute approval of the Original Bond and the Note by the applicable elected representative of the issuer of the Original Bond and the Note 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 City 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 for the purpose of the foregoing authorizations and to address any issues arising with respect to the Note or the agreements relating thereto subsequent to their issuance, including any amendments or supplements to such documents which effect a “reissuance” of the Note for federal income tax purposes.

14. The Note 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” referred to herein are as follows:

Project Name	Number of Units	Address	Owner
Rousseau Residences	51 plus 1 manager unit	316 North Juanita Avenue, Los Angeles, CA 90004	Rousseau Residences Associates, A California Limited Partnership

[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 _____, 2026.

By _____
Name _____
Title _____

EXHIBIT A
FINANCING INFORMATION
(ATTACHED)

PROJECT LOAN AGREEMENT

among

CITY OF LOS ANGELES,
as Governmental Lender

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Fiscal Agent

and

ROUSSEAU RESIDENCES ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
as Borrower

Relating to

Rousseau Residences
316 North Juanita Avenue
Los Angeles, California 90004

Maximum Project Loan Principal Amount: \$[_____]

Dated as of [_____] 1, 2026

All of the right, title and interest of the City of Los Angeles (except for its Unassigned Rights) in and to this Project Loan Agreement are being assigned to U.S. Bank Trust Company, National Association, as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of [_____] 1, 2026, by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

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PROJECT LOAN AGREEMENT

Fixed Rate – TEL (Immediate) (Revised 6-27-2023)

THIS PROJECT LOAN AGREEMENT (this “**Project Loan Agreement**”) is made and entered into as of [_____] 1, 2026, by and among the **CITY OF LOS ANGELES** (the “**Governmental Lender**”), a municipal corporation and charter city of the State of California (the “**State**”), **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, duly organized and existing under the laws of the United States (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the “**Fiscal Agent**”), and **ROUSSEAU RESIDENCES ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP**, a California limited partnership (together with its successors and assigns permitted hereunder, the “**Borrower**”).

RECITALS

A. 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 of the Health and Safety Code of the State of California (the “**Act**”) and an Indenture of Trust dated as of February 1, 2022 (the “**Indenture**”) among the Governmental Lender, as issuer, U.S. Bank National Association, as trustee (the “**Trustee**”), and Zions Bancorporation, N.A. dba California Bank & Trust, as initial Bondowner representative (the “**Bondowner Representative**”), on February 10, 2022 (the “**Issue Date**”), the Governmental Lender issued and sold its \$14,000,000 City of Los Angeles Multifamily Housing Revenue Bond (Rousseau Residences) Series 2022E (the “**Original Bond**”), and used the proceeds thereof to make a loan to the Borrower, upon the terms and conditions of a promissory note dated the Issue Date from the Borrower to the Governmental Lender in the original principal amount of \$14,000,000, which note was endorsed from the Governmental Lender to the Trustee as security for the Original Bond, and a Loan Agreement dated as of February 1, 2022, among the Governmental Lender, as issuer, the Bondowner Representative, and the Borrower, for the purposes of funding a portion of the costs of acquiring, constructing and equipping a multifamily rental housing development located at 316 North Juanita Avenue, Los Angeles, California 90004 known as Rousseau Residences. The Land, Improvements and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the “**Project**.”

B. Pursuant to this Project Loan Agreement, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[_____] (the “**Project Loan**”) to refund the Original Bond and to provide for the permanent phase financing of the Project.

C. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan incurred by the Governmental Lender pursuant to the Funding Loan Agreement, dated as of the date hereof (the “**Funding Loan Agreement**”), by and among JLL Real Estate Capital, LLC, in its capacity as the initial holder of the Governmental Note (the “**Initial Funding Lender**”), the Governmental Lender and the Fiscal Agent in the original

principal amount of \$[] (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is being originated and funded by the Initial Funding Lender under the Funding Loan Agreement and is evidenced by the City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G dated [], 2026 (the “**Delivery Date**”), delivered by the Governmental Lender to the Initial Funding Lender (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the “**Governmental Note**”).

D. Freddie Mac has entered into a commitment with the Initial Funding Lender, dated [], 2026 (as the same may be amended, modified or supplemented from time to time, the “**Freddie Mac Commitment**”) whereby Freddie Mac has agreed to purchase the Funding Loan from the Initial Funding Lender on the date of satisfaction of the conditions set forth therein (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other the Financing Documents to Freddie Mac.

E. On the Delivery Date, the proceeds of the Project Loan will be used to refund the Original Bond and to pay certain costs incurred in connection with the Loans.

F. The Borrower’s repayment obligations in respect of the Project Loan will be evidenced by a Promissory Note, dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, together with all riders and addenda thereto, the “**Project Note**”) delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

G. To secure the Borrower’s obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Instrument**”) granting a first priority mortgage and security interest in the Project. Pursuant to the Assignment, the Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

H. As a condition to making the Funding Loan, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, the Borrower is entering into a Continuing Covenant Agreement, dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Continuing Covenant Agreement**”) with the Initial Funding Lender, to set forth various other requirements with respect to the Loans and the Project and which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. On and after the Freddie Mac Purchase Date, Freddie Mac will act as the Funding Lender Representative with respect to the Loans. JLL Real Estate Capital, LLC will act as the initial Loan Servicer for the Loans on behalf of the Funding Lender Representative.

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All words and phrases (except for Event of Default) defined in the Funding Loan Agreement and the Continuing Covenant Agreement shall have the same meanings for the purposes of this Project Loan Agreement. In addition to the words and phrases defined in the Funding Loan Agreement and elsewhere herein, the following words and phrases shall have the following meanings:

“Act” is defined in the Recitals of this Project Loan Agreement.

“Additional Loans” is defined in Section 8.13 of this Project Loan Agreement.

“Borrower” means the entity identified as the “Borrower” in the Recitals of this Project Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

“Continuing Covenant Agreement” is defined in the Recitals of this Project Loan Agreement.

“Delivery Date” means the date identified as “Delivery Date” in the Recitals of this Project Loan Agreement, which is the date of the funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“Event of Default” means the occurrence of any event listed in Section 7.01 hereof.

“Fee Component” means the regular, ongoing fees due from time to time to the Governmental Lender, the Fiscal Agent and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

“Fiscal Agent” means the entity identified as the “Fiscal Agent” on Page 1 of this Project Loan Agreement, together with any successor Fiscal Agents appointed under the Funding Loan Agreement.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Commitment” is defined in the Recitals of this Project Loan Agreement.

“Freddie Mac Purchase Date” is defined in the Recitals of this Project Loan Agreement.

“Funding Loan” is defined in the Recitals of this Project Loan Agreement.

“*Funding Loan Agreement*” is defined in the Recitals of this Project Loan Agreement.

“*Governmental Lender*” means the entity identified as “Governmental Lender” on Page 1 of this Project Loan Agreement.

“*Governmental Note*” is defined in the Recitals of this Project Loan Agreement.

“*Initial Funding Lender*” is defined in the Recitals of this Project Loan Agreement.

“*Loans*” is defined in the Recitals of this Project Loan Agreement.

“*Project*” is defined in the Recitals of this Project Loan Agreement.

“*Project Loan*” is defined in the Recitals of this Project Loan Agreement.

“*Project Loan Agreement*” means this Project Loan Agreement, together with any amendments hereto.

“*Project Loan Amortization Schedule*” means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

“*Project Loan Payment*” means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

“*Project Loan Payment Date*” means (a) the first day of each calendar month, commencing [] 1, 2026, or (b) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date as provided in Section 4.01(c) hereof.

“*Project Note*” is defined in the Recitals of this Project Loan Agreement.

“*Security Instrument*” is defined in the Recitals of this Project Loan Agreement.

“*Servicing Fee*” means the ordinary fee payable to the Loan Servicer in connection with the servicing of the Loans payable monthly in an amount equal to one twelfth of 0.[]% of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

“*Taxes*” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.02. Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Project Loan Agreement as a whole and not to any particular

Article, Section or other subdivision. References to Articles, Sections, and other subdivisions of this Project Loan Agreement are to the designated Articles, Sections and other subdivisions of this Project Loan Agreement as originally executed. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. The headings of this Project Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. *Representations, Warranties and Covenants of the Governmental Lender.*

The Governmental Lender makes the following representations, warranties and covenants for the benefit of the Borrower, the Fiscal Agent, the Funding Lender and the Loan Servicer:

- (a) The Governmental Lender is a municipal corporation and charter city, organized and existing under the laws of the Property Jurisdiction.
- (b) The Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, and to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.
- (c) The Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note and make the Project Loan from the proceeds thereof and for the sale, execution and delivery thereof.
- (d) Each of the Financing Documents to which the Governmental Lender is a party has been duly and validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Governmental Lender, enforceable against the Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.
- (e) The Governmental Lender has complied with the provisions of the laws of the Property Jurisdiction, including, but not limited to, the Act and the Law, which are prerequisites to the consummation of the transactions on the part of the Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which the Governmental Lender is a party, the consummation of the transactions on the part of the Governmental Lender contemplated thereby and the fulfillment of or compliance with the

terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Governmental Lender of, and performance by the Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender by or before any court, governmental agency or public board or body, nor, to the Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the governing body of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any Financing Documents or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or any Financing Document; (iv) questions the tax-exempt status of the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under the Governmental Note or any Financing Document, or to carry out the transactions contemplated by the Governmental Note and the Financing Documents.

(h) To the knowledge of the undersigned on behalf of the Governmental Lender, no officer or other official of the Governmental Lender has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) Upon the discovery by the Governmental Lender of any noncompliance by the Borrower with this Project Loan Agreement, the Tax Certificate or the TEL Regulatory Agreement, the Governmental Lender will promptly notify the Fiscal Agent, the Loan Servicer and the Funding Lender Representative of such noncompliance and will, subject to the provisions of Article VII hereof, promptly institute action, or cause the Fiscal Agent to institute action, to correct such noncompliance, will diligently pursue such action and will attempt to correct such noncompliance within 60 days after such discovery, subject to the provisions of the Funding Loan Agreement, this Project Loan Agreement, the Tax Certificate and the TEL Regulatory Agreement.

It is expressly acknowledged that the Governmental Lender makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale,

execution and delivery of the Governmental Note, or as to the correctness, completeness or accuracy of such statements.

Section 2.02. *Representations, Warranties and Covenants of the Borrower.* The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Project Loan Agreement, are relied upon by the Governmental Lender, the Funding Lender, the Loan Servicer and the Fiscal Agent and serve as a basis for the undertakings of the Governmental Lender, the Loan Servicer and the Fiscal Agent contained in this Project Loan Agreement:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the state in which it has been organized and is duly qualified to conduct its business under the laws of the Property Jurisdiction and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents. All partnership general partners, if any, are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the Property Jurisdiction, are duly qualified to transact business in the Property Jurisdiction as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority (i) to own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) to execute and deliver, carry out its obligations under, and close the transactions provided for in, the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of construction of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions

of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) results in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) Within the six month period preceding the Delivery Date, the Borrower has not acquired the Project or any interest therein, nor has the Borrower transferred or acquired any capital interest in the owner of the Project. The Borrower shall not cause or permit the Project, or any interest therein, to be sold, assigned or transferred, except as provided in the Financing Documents, and shall not sell the Project or any interest therein or in its ownership structure for a period of six months following the Delivery Date.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion of interest on the Governmental Note from the gross income of the holder thereof for federal income tax purposes.

(h) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform and will continue to conform in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(i) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(j) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of the Borrower or the

enforceability of the Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(k) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(l) If the Borrower is a partnership, all of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. If the Borrower is a limited liability company, all of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(m) The representations and warranties of the Borrower contained in the Tax Certificate and TEL Regulatory Agreement are true and accurate in all material respects.

(n) The information, statements or reports furnished in writing to the Governmental Lender, the Loan Servicer and the Funding Lender Representative by the Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(o) To the knowledge of the Borrower, no commissioner, member, officer or employee of the Governmental Lender has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Financing Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents.

(p) The Borrower intends to hold the Project for its own account and has no current plans to sell, and has not entered into any agreement to sell all or any portion of the Project.

(q) The Project is located wholly within the boundaries of the City of Los Angeles.

(r) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion of interest on the Governmental Note from the gross income of the holder thereof for federal income tax purposes. The Borrower shall operate the Project as required by the TEL Regulatory Agreement.

(s) The Funding Loan Agreement has been submitted to the Borrower for examination, and the Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(t) The Borrower will have a fee simple interest in the Project, subject only to liens permitted under the Security Instrument.

(u) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Loan Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative or the Loan Servicer in any manner.

Section 2.03. *Representations and Warranties of the Fiscal Agent.* The Fiscal Agent makes the following representations and warranties for the benefit of the Governmental Lender, the Borrower, the Funding Lender and the Loan Servicer:

(a) The Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States. The Fiscal Agent is duly authorized to act as a fiduciary and to execute the trust created by the Funding Loan Agreement, and meets the qualifications to act as the Fiscal Agent under the Funding Loan Agreement.

(b) The Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to

consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) The Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of the Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which the Fiscal Agent is a party has been duly executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Fiscal Agent meets the qualifications to act as the Fiscal Agent under the Funding Loan Agreement.

(f) The Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Fiscal Agent described or contemplated in the Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party. The Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.04. *Arbitrage and Rebate Fund Calculations.* The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.10 of the Funding Loan Agreement, and (b) if required to do so under Section 4.10 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Governmental Lender for the purpose of making any and all calculations required under Section 4.10 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.10 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and the Tax

Certificate and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.05. *Tax Covenants of the Borrower.* The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the TEL Regulatory Agreement.

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Governmental Note to be included in the gross income of the holder thereof for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the TEL Regulatory Agreement).

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Governmental Note.

(d) It will comply with the requirements of Section 148 of the Code and the Treasury Regulations issued thereunder throughout the term of the Funding Loan and the Project Loan and will not make any use of the proceeds of the Funding Loan or the Project Loan, or of any other funds which may be deemed to be proceeds of the Governmental Note under the Code and the Treasury Regulations, which would cause the Governmental Note to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(e) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Governmental Note becoming includable in gross income of the holder thereof for federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Loan Servicer.

(f) [Reserved].

(g) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the TEL Regulatory Agreement.

(h) All leases will comply with all applicable laws and the TEL Regulatory Agreement.

(i) In connection with any lease or grant by the Borrower of the use of the Project, the 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 Project Loan Agreement or the TEL Regulatory Agreement.

(j) No proceeds of the Funding Loan shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15% of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100% of the portion of the cost of acquiring such structure financed with the proceeds.

(k) From the proceeds of the Funding Loan and investment earnings thereon, an amount not in excess of two percent of the proceeds of the Funding Loan will be used for Costs of Issuance of the Governmental Note, all within the meaning of Section 147(g)(1) of the Code.

(l) No proceeds of the Funding Loan shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III

THE PROJECT LOAN

Section 3.01. *Conditions to Funding the Project Loan.* On the Delivery Date, the Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Fiscal Agent in accordance with Sections 2.01 and 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The Fiscal Agent shall use such proceeds as provided in Article II of the Funding Loan Agreement to make the Project Loan on behalf of the Governmental Lender, provided that no such disbursements of proceeds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Governmental Lender the Project Note and the Governmental Lender shall have endorsed the Project Note to the Fiscal Agent;

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by the Funding Lender Representative, shall have been executed and delivered by the Borrower and the Governmental Lender, respectively, and delivered to the Title Company for recording in the appropriate office for recording real estate documents in the county in which the Project is located (the “**Recorder’s Office**”);

(c) The TEL Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the Title Company for recording in the

Recorder's Office, and the Fiscal Agent shall have received evidence satisfactory to it of such delivery;

(d) All other Financing Documents not listed above shall have been executed and delivered by all parties thereto and delivered to the Fiscal Agent; and

(e) The Borrower shall have delivered to the Fiscal Agent, the Governmental Lender, the Funding Lender Representative and the Loan Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to the Fiscal Agent, the Governmental Lender, Bond Counsel, the Funding Lender Representative, Freddie Mac and the Loan Servicer.

Section 3.02. *Terms of the Project Loan; Servicing.*

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of \$[_____]; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) The Funding Lender Representative may appoint a Loan Servicer to service the Loans for all or a portion of the term of the Loans. The initial Loan Servicer of the Loans is JLL Real Estate Capital, LLC who shall service the Loans pursuant to the terms of the Freddie Mac Commitment and the Guide. The Funding Lender Representative may remove a Loan Servicer or appoint a replacement Loan Servicer, in its discretion, by written notice provided to the Governmental Lender, the Fiscal Agent and the Borrower. Any successor Loan Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to the Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that the Loan Servicer services the Loans, the Borrower shall make all payments in connection with the Project Loan to the Loan Servicer, and the Loan Servicer will:

(i) retain the allocable portion of the monthly Servicing Fee (if any) for its own account;

(ii) remit to the Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan with written notice thereof to the Fiscal Agent, together, with any other amounts due to the Funding Lender;

(iii) remit to the Fiscal Agent the Fiscal Agent's Ordinary Fees and Expenses, together with any other amounts due to the Fiscal Agent; and

(iv) remit to the Governmental Lender the Governmental Lender Fee with written notice thereof to the Fiscal Agent, together with any other amounts due to the Governmental Lender.

During any period in which there is no Loan Servicer, all notices to be sent to the Loan Servicer shall be sent to the Funding Lender Representative (to the extent not already provided) and all amounts to be paid to the Loan Servicer by the Borrower shall be paid directly to the Fiscal Agent (unless otherwise directed by the Funding Lender Representative).

(d) The Governmental Lender, the Fiscal Agent and the Borrower hereby acknowledge and agree that:

(i) the Funding Lender Representative has appointed the Loan Servicer to service and administer the Project Loan.

(ii) the selection or removal of any Loan Servicer is in the sole and absolute discretion of the Funding Lender Representative.

(iii) none of the Governmental Lender, the Fiscal Agent or the Borrower shall terminate or attempt to terminate any Loan Servicer as the Loan Servicer for the Project Loan or appoint or attempt to appoint a substitute Loan Servicer for the Project Loan.

(iv) the Guide is subject to amendment without the consent of the Fiscal Agent, the Governmental Lender or the Borrower.

(v) none of the Fiscal Agent, the Governmental Lender or the Borrower shall have any rights under, or be a third party beneficiary of, the Guide.

Section 3.03. Initial Deposits. On the Delivery Date, the proceeds of the Funding Loan shall be deposited in the Project Account of the Project Loan Fund of which \$[] shall be transferred from the Project Account to the Escrow Agent as provided in Section 2.11(d) of the Funding Loan Agreement. On the Delivery Date, the Borrower will deposit (i) with Fiscal Agent upon closing of the Project Loan, the sum of (A) \$[] for credit to the Costs of Issuance Fund and (ii) with Loan Servicer the Stub Payment Amount. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan Fund are to be disbursed to refund a portion of the Original Bond or otherwise as provided in Section 2.11(d) of the Funding Loan Agreement.

Section 3.04. Pledge and Assignment to Fiscal Agent. The parties hereto acknowledge, and the Borrower consents to, the pledge and assignment by the Governmental Lender to the Fiscal Agent pursuant to the Funding Loan Agreement of all of the Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, Prepayment Premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

Section 3.05. *Investment of Funds.* Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan Agreement shall be invested or reinvested by the Fiscal Agent in Qualified Investments in accordance with Section 4.07 of the Funding Loan Agreement.

Section 3.06. *Damage; Destruction and Eminent Domain.* If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Governmental Lender, the Borrower, the Fiscal Agent or the Loan Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

Section 3.07. *Enforcement of Financing Documents.* The Fiscal Agent or the Funding Lender Representative may enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

Section 3.08. *Grant of Security Interest.* To the extent not inconsistent with the Security Instrument and as security for payment and the performance by the Borrower of all other terms, conditions and provisions of the Financing Documents, the Borrower hereby pledges and assigns to the Fiscal Agent, and grants to the Fiscal Agent, a security interest in all the Borrower's right, title and interest in and to all payments to or moneys held in the funds and accounts created and held by the Fiscal Agent or the Loan Servicer for the Project for the benefit of the holder(s) of the Governmental Note. This Project Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC.

ARTICLE IV

LOAN PAYMENTS

Section 4.01. *Payments Under the Project Note; Independent Obligation of Borrower.*

(a) **Payment Obligations.** The Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable the Fiscal Agent, on behalf of the Governmental Lender, or the Loan Servicer, to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with Prepayment Premium, if applicable), acceleration or otherwise. To ensure such timely payment, the Loan Servicer shall collect from the Borrower, and the Borrower shall provide to the Loan Servicer the foregoing payments not less than two Business Days prior to each respective Project Loan Payment Date.

The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent obligation of the Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by the Borrower under and pursuant to the Project Note shall be credited against the Borrower's

obligations hereunder on a dollar for dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of the Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) **Obligations Unconditional; No Set-Off.** The obligation of the Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project Loan Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the Property Jurisdiction or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender or the Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) **Payments from Borrower to Fiscal Agent or Loan Servicer.** Each payment by the Borrower hereunder or under the Project Note shall be made in immediately available funds to the Loan Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to the Fiscal Agent if there is no Loan Servicer or if the Borrower is so directed in writing by the Funding Lender Representative. Each such payment shall be made to the Fiscal Agent or the Loan Servicer, as applicable, by deposit to such account as the Fiscal Agent or the Loan Servicer may designate by written notice to the Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

Section 4.02. *Additional Payments Under the Project Note and this Project Loan Agreement.*

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by the Borrower under the Project Note include certain money to be paid in respect of, among other things, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, or amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of the Borrower described in Section 3.03, the Borrower shall pay (or cause to be paid by the Loan Servicer) or the Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Costs of Issuance Fund, as applicable) or caused to be paid by the Escrow Agent (as provided for in the Settlement Statement), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) On the Delivery Date, from money of the Borrower to Freddie Mac, all third party and out-of-pocket expenses of Freddie Mac (including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(ii) On the Delivery Date, from money of the Borrower to the Governmental Lender, a processing fee in accordance with Section 7(o) of the TEL Regulatory Agreement, together with all third party and out-of-pocket expenses of the Governmental Lender (including but not limited to the fees and expenses of Bond Counsel and counsel to the Governmental Lender) in connection with the Loans and the issuance of the Governmental Note.

(iii) On the Delivery Date, from money of the Borrower to the Loan Servicer, its commitment fees and application fees, together with all third party and out-of-pocket expenses of the Loan Servicer (including but not limited to the fees and expenses of counsel to the Loan Servicer, if any) in connection with the Loans.

(iv) On the Delivery Date, from money on deposit in the Costs of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Fiscal Agent, an acceptance fee, its legal fee, and its first year of Fiscal Agent's Ordinary Fees and Expenses in an amount equal to \$[] and to CDIAC a fee of \$[] upon receipt of an invoice therefor.

(v) To the Fiscal Agent, the Fiscal Agent's Ordinary Fees and Expenses and the Fiscal Agent's Extraordinary Fees and Expenses when due from time to time.

(vi) To the Governmental Lender, the Governmental Lender Fee when due and any extraordinary expenses not covered by the Governmental Lender Fee that the Governmental Lender may incur in connection with the Financing Documents or the Project from time to time.

(vii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(viii) To the Funding Lender Representative, any amount due and owing to the Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(ix) To the Loan Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of the Loan Servicer as provided in the Continuing Covenant Agreement.

(x) To the Loan Servicer, the amounts required to be deposited in respect of reserves and impositions required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xi) If the Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to the Fiscal Agent, within two Business Days of receipt from the Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

Section 4.03. *Payments to Rebate Fund.* The Borrower shall pay when due to the Fiscal Agent at the Principal Office of the Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.10 of the Funding Loan Agreement.

Section 4.04. *Prepayment.*

(a) **Optional Prepayment of the Project Loan.** The Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) **Mandatory Prepayment of the Project Loan.** The Borrower shall be required to prepay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) **Defeasance of the Funding Loan.** In addition, prior to the Window Period, the Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, the Borrower will give written notice (a “**Defeasance Notice**”) to the Funding Lender Representative, the Loan Servicer, the Governmental Lender and the Fiscal Agent of the date the Borrower desires to defease the Funding Loan (the “**Defeasance Date**”). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, the Borrower shall cause to be paid to the Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, the Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and the Borrower shall be entitled to the release of the Security Instrument, the Pledged Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

Section 4.05. *Borrower’s Obligations Upon Prepayment.* In the event of any prepayment, the Borrower will timely pay, or cause to be paid through the Loan Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and Prepayment Premium, if any. In addition, the Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

Section 4.06. *Limits on Personal Liability.*

(a) Except as otherwise set forth in Section 14 of the Project Note and subsection 4.06(b) below, the obligations of the Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of the Borrower which shall be enforced only against the Project and other property of the Borrower encumbered by the Financing Documents and not personally against the Borrower or any partner of the Borrower or any successor or assign of the Borrower. However, nothing in this Section 4.06 shall limit the right of the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket attorneys’ fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that the Loan Servicer or the Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of the Borrower shall be and remain the joint and several full

recourse obligations of the Borrower and each of the Borrower's general partners: (i) the Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(v), and (b)(vi) of Section 4.02 hereof; (ii) the Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04 and 4.03 of this Project Loan Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

Section 4.07. Reliance by Governmental Lender. Anything in the Funding Loan Agreement to the contrary notwithstanding, it is expressly understood by the parties to this Project Loan Agreement that (a) the Governmental Lender may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Borrower, the Funding Lender or any Servicer as to the existence of any fact or state of affairs, (b) the Governmental Lender shall not be under any obligation under the Funding Loan Agreement or this Agreement to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender or by any Loan Servicer and (c) none of the provisions of the Funding Loan Agreement, this Project Loan Agreement, the Regulatory Agreement or any Project Loan Document shall require the Governmental Lender 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 Funding Loan Agreement, this Project Loan Agreement, the Regulatory Agreement and any Project 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 Project Loan Agreement, neither the Borrower nor the Funding Lender shall look to the Governmental Lender 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 bondholder as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under this Project Loan Agreement, the Governmental Note, the Regulatory Agreement, any of the Project 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 Governmental Lender in any certificate of the Governmental Lender and the opinion of counsel to the Governmental Lender delivered on the Closing Date.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.01. Performance of Obligations. The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Section 5.02. Compliance With Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.03. *Funding Loan Agreement Provisions.* The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by the Borrower. Whenever the Funding Loan Agreement by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Funding Loan Agreement, and the Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if the Borrower were a party to the Funding Loan Agreement.

Section 5.04. *Borrower to Maintain Its Existence; Certification of No Default.*

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Fiscal Agent a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

Section 5.05. *Borrower to Remain Qualified in Property Jurisdiction and Appoint Agent.* The Borrower will remain duly qualified to transact business in the Property Jurisdiction and will maintain an agent in the Property Jurisdiction on whom service of process may be made in connection with any actions against the Borrower.

Section 5.06. *Sale or Other Transfer of Project.* The Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and upon receipt of the prior written consent of the Governmental Lender (and payment of any fees) and the Funding Lender Representative.

Section 5.07. *Right to Perform Borrower's Obligations.* In the event the Borrower fails to perform any of its obligations under this Project Loan Agreement, the Governmental Lender, the Fiscal Agent, the Loan Servicer and/or the Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

Section 5.08. *Notice of Certain Events.* The Borrower shall promptly advise the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Loan Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature

and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.09. *Survival of Covenants.* The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to the Fiscal Agent, the resignation or removal of the Fiscal Agent.

Section 5.10. *Access to Project; Records.* Subject to reasonable notice and the rights of tenants at the Project, the Governmental Lender, the Fiscal Agent, the Loan Servicer and the Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours to do any of the following:

(a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents;

(b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; and

(c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Governmental Lender, the Fiscal Agent, the Loan Servicer and the Funding Lender Representative, as the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative or the respective duly authorized agents of each, may reasonably require.

The Borrower shall make available to the Governmental Lender, the Fiscal Agent, the Loan Servicer and the Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

Section 5.11. *TEL Regulatory Agreement.* The covenants of the Borrower in the TEL Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the Governmental Lender and the Funding Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the TEL Regulatory Agreement. The Borrower covenants to file of record the TEL Regulatory Agreement and such other documents, and to take such other steps as are necessary in order to assure that the restrictions contained in the TEL Regulatory Agreement will, subject to the terms of the TEL Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the TEL Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, the Governmental Lender and the Fiscal Agent shall

have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the TEL Regulatory Agreement.

Section 5.12. *Damage, Destruction and Condemnation.* If prior to payment in full of the Funding Loan (or provision for payment in full of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

Section 5.13. *[Reserved]*.

Section 5.14. *Filing of Financing Statements.* The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of the Governmental Lender, the Fiscal Agent and the Funding Lender in connection with such security interests. The Borrower shall cooperate with the Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements; provided, however, that the Fiscal Agent shall only file or record, or cause to be filed or recorded, those UCC continuation statements on which the Fiscal Agent is named as a secured party or additional secured party for financing statements that have been delivered to the Fiscal Agent, at the Borrower's expense.

ARTICLE VI

INDEMNIFICATION

Section 6.01. *Indemnification.*

(a) The Borrower releases the Governmental Lender, the Fiscal Agent, the Funding Lender, the Loan Servicer and their respective officers, directors, agents, officials, employees, counsel, attorneys and agents, past, present and future (and as to Governmental Lender, members of its governing body) and any person who controls the Governmental Lender, the Fiscal Agent, the Funding Lender and the Loan Servicer within the meaning of the Securities Act, from, and covenants and agrees, without limiting the indemnity provided in the Regulatory Agreement, to indemnify, hold harmless and defend the Governmental Lender, the Fiscal Agent, the Funding Lender, the Loan Servicer 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, (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:

(i) the transactions provided for in the Project Loan Documents or the Funding Loan Agreement or otherwise in connection with the Project, the Governmental Note, the Project Loan or the execution and delivery or amendment of any other document entered into in connection with the transactions provided for in the Funding Loan Agreement or the Project Loan Documents (however in no case shall payment of the Project Note be a recourse obligation);

(ii) the approval of the financing for the Project or the making of the Project Loan;

(iii) the issuance and sale of the Governmental Note or any certifications or representations made by any person other than the party seeking indemnification;

(iv) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Funding Loan Agreement, the Project Loan Documents or any other documents relating to the Project or the Governmental Note 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 Project Note be a recourse obligation);

(v) the carrying out by Borrower of any of the transactions provided for in the Funding Loan Agreement or the Loan Documents;

(vi) the Fiscal Agent's acceptance or administration of the trusts created by the Funding Loan Agreement or the exercise of its powers or duties under the Funding Loan Agreement or under this Project Loan Agreement, the Regulatory Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Funding Loan Agreement or the Project Loan Documents except for claims arising from the Fiscal Agent's administration where such is a result of actions contrary to the Fiscal Agent's duties and obligations;

(vii) any and all claims arising in connection with the issuance and sale of the Governmental Note 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 Governmental Note (in connection with their issuance under the Funding Loan Agreement), the Project or 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 Governmental Note, 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 Governmental Note or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Governmental Note could be sold and the carrying out by the Borrower of any of the transactions contemplated by the Funding Loan Agreement or the Project Loan Documents;

(viii) the Borrower's failure to comply with any requirement of this Project Loan Agreement or the Regulatory Agreement (however in no case shall payment of the Project Note be a recourse obligation);

(ix) any act or omission of the Borrower or any of its agents, servants, employees or licensees in connection with the Project 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 Project Note be a recourse obligation);

(x) 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 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 Governmental Note or otherwise in connection with the transactions contemplated or otherwise in connection with the Project, the Governmental Note or the execution or amendment of any document relating to the Project or the Governmental Note;

(xi) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project;

(xii) 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);

(xiii) any lien or charge upon payments by the Borrower to the Governmental Lender and/or the Fiscal Agent hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Fiscal Agent in respect of any portion of the Project;

(xiv) the payment or prepayment, in whole or in part, of the Project Note;

(xv) any declaration of taxability of interest on the Governmental Note, or allegations (or regulatory inquiry) that interest on the Governmental Note is taxable, for State or federal tax purposes; and

(xvi) the Fiscal Agent's acceptance of the assignment for the benefit of the Funding Lender under the Assignment Agreement or administration of any of the Loan Documents, or the exercise or performance of any of its powers or duties thereunder or under any of the Project Loan Documents to which it is a party.

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 Fiscal Agent, the Funding Lender or the Loan Servicer 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 Governmental Lender or any of its related Indemnified Parties, to the extent such damages are caused by the active negligence or willful misconduct of the Governmental Lender.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under this Project Loan 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 Funding Lender, the Governmental Lender, and the Fiscal Agent, 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.

(b) 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.

(c) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Sections 4.05 and 7.04 hereof shall survive the final payment or defeasance of the Governmental Note and the Project Note. The provisions of this Section shall survive the termination of this Project Loan Agreement.

(d) In the event of any conflict between the provisions of this Section 6.01 and the provisions of Section 9 of the Regulatory Agreement, the provisions providing the most benefit and protection to the Indemnified Parties shall prevail. The provisions of this Section 6.01 shall in no way limit the indemnities set forth in the Regulatory Agreement, the Security Instrument and the Continuing Covenant Agreement.

Section 6.02. *Limitation With Respect to the Funding Lender.* Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that the Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, the Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that the Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to the Funding Lender (or its nominee), the Funding Lender’s (or its nominee’s) obligations under this Article VI shall be limited to acts and omissions of the Funding Lender (or its nominee) occurring during the period of the Funding Lender’s (or its nominee’s) ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. *Events of Default.* The following shall be “**Events of Default**” under this Project Loan Agreement, and the term “Event of Default” shall mean, whenever it is used in this Project Loan Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Project Loan Agreement, the Project Note or the Security Instrument at the times and in the amounts

required by this Project Loan Agreement, the Project Note and the Security Instrument, as applicable;

(c) The Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of 30 days after notice of such failure by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in the Funding Lender Representative's sole discretion, adversely affect the Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as the Borrower shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in the Funding Lender Representative's judgment, absent immediate exercise by the Funding Lender Representative of a right or remedy under this Project Loan Agreement, result in harm to the Funding Lender, impairment of this Project Loan Agreement or any other Financing Document; or

(d) The occurrence of a default under the Continuing Covenant Agreement, the Security Instrument or any other Financing Document (after taking into account any applicable cure period thereunder) shall at the discretion of the Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if the Fiscal Agent is provided written notice by the Funding Lender Representative that an Event of Default has occurred under such Financing Document and the Fiscal Agent is instructed by the Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

Section 7.02. Remedies on Default. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), may take any one or more of the following remedial steps:

(a) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may, without being required to give any notice (other than to the Governmental Lender or the Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the Property Jurisdiction, as supplemented and amended, or any other applicable laws.

(c) The Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) may take whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, the Governmental Lender and the Fiscal Agent may pursue remedies with respect to the Unassigned Rights.

Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

Section 7.03. *No Remedy Exclusive.* Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against the Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), at any time and from time to time, whether or not the Funding Lender has accelerated the Project Loan, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Financing Documents. No remedy conferred upon or reserved to the Funding Lender or the Fiscal Agent by this Project Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required by this Project Loan Agreement.

Section 7.04. *Agreement to Pay Attorneys' Fees and Expenses.* In the event the Borrower shall default under any of the provisions of this Project Loan Agreement and the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Project Loan Agreement or in the Project Note, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.05. *No Additional Waiver Implied by One Waiver.* In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06. *Control of Proceedings.*

(a) Notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of the Funding Lender Representative.

(b) The Governmental Lender and the Fiscal Agent covenant that they will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

(i) prosecute any action with respect to a lien on the Project; or

(ii) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Project Loan; or

(iii) interfere with or attempt to influence the exercise by the Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any default by the Borrower under the Financing Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender or the Fiscal Agent may take one or both of the following actions:

(i) specifically enforce the tax covenants of the Borrower specified in Sections 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof; or

(ii) specifically enforce the TEL Regulatory Agreement or seek injunctive relief against acts which may be in violation of the TEL Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Internal Revenue Code and state law (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may

the Governmental Lender or the Fiscal Agent seek any form of monetary damages from the Borrower in connection with such enforcement).

In addition, notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender and the Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of the Governmental Lender, the Fiscal Agent or any Indemnified Party related to the Governmental Lender or the Fiscal Agent under Section 6.01 (each a “Related Indemnified Party”) to enforce their respective rights against the Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of the Borrower to the Governmental Lender, the Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for the Fiscal Agent’s right to receive payment of the Fiscal Agent’s Extraordinary Fees and Expenses pursuant to Section 7.06 of the Funding Loan Agreement after an event of default with respect to the Funding Loan, which the Fiscal Agent’s Extraordinary Fees and Expenses shall be payable as provided thereunder). Accordingly, none of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

Section 7.07. *Assumption of Obligations.* In the event that the Fiscal Agent or the Funding Lender or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Project Loan Agreement, the Project Note, the TEL Regulatory Agreement, and any other Financing Documents to which the Borrower is a party or with respect to which it is a third-party beneficiary. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. *Notices.*

(a) Whenever in this Project Loan Agreement 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.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 11.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Instruction and Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Loan Servicer shall also be given to the Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to the Funding Lender Representative shall be given to the Loan Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice of written instructions and/or directions pursuant to this Project Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Loan Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Fiscal Agent hereunder within 10 Business Days of receiving a written request from the Funding Lender Representative for any such information or other communication.

Section 8.02. *Concerning Successors and Assigns.* All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Governmental Lender, the Fiscal Agent, the Loan Servicer, the Funding Lender and the Funding Lender Representative, as applicable.

Section 8.03. *Governing Law.* This Project Loan Agreement shall be construed in accordance with and governed by the internal laws of the Property Jurisdiction and, where applicable, the laws of the United States of America.

Section 8.04. *Modifications in Writing.* Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event

be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.05. *Further Assurances and Corrective Instruments.* The Governmental Lender, the Fiscal Agent and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required (including such supplements or further instruments requested by the Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

Section 8.06. *Captions.* The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

Section 8.07. *Severability.* The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.08. *Counterparts.* This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.09. *Amounts Remaining in Loan Payment Fund or Other Funds.* It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

Section 8.10. *Effective Date and Term.* This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the Delivery Date, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

Section 8.11. *Cross References.* Any reference in this Project Loan Agreement to an “Exhibit,” an “Article,” a “Section,” a “Subsection” or a “Paragraph” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All schedules and exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

Section 8.12. *Funding Lender Representative and Servicer as Third-Party Beneficiaries.* The parties hereto agree and acknowledge that the Funding Lender Representative and the Loan Servicer are third party beneficiaries of this Project Loan Agreement.

Section 8.13. *Supplemental Financings.* The Governmental Lender and the Fiscal Agent each acknowledges that the Loan Servicer (or another originating lender that is generally approved by Freddie Mac to sell mortgages to Freddie Mac) may make additional loans to the Borrower secured by additional mortgages on the Project (“**Additional Loans**”). The Governmental Lender and the Fiscal Agent each consents to the Additional Loans notwithstanding anything to the contrary in the Project Loan Documents, provided that such loans are subordinate to the repayment of the Project Loan by the Borrower. Nothing in this Section 8.13 is intended, nor will it be construed, to in any way limit the exercise by the Governmental Lender, in its capacity as maker of a Subordinate Loan (as defined in the Continuing covenants Agreement), to consent to Additional Loans.

Section 8.14. *Non-Liability of Governmental Lender.* The Governmental Lender shall not be obligated to pay the principal (or Prepayment Premium) of or interest on the Funding Loan, except from Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to this Project Loan Agreement. Neither the faith and credit nor the taxing power of the Property Jurisdiction or any political subdivision thereof, nor the faith and credit of the Governmental Lender is pledged to the payment of the principal (or Prepayment Premium) or interest on the Funding Loan. Any obligation or liability of the Governmental Lender created by or arising out of this Project Loan Agreement (including, without limitation, any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) shall not impose a debt or pecuniary liability upon the Governmental Lender or a charge upon its general credit, but shall be payable solely out of the moneys due and to become due under the Financing Documents (and not from any moneys due or to become due to the Governmental Lender pursuant to the Unassigned Rights). Neither the issuance of the Funding Loan nor the delivery of this Project Loan Agreement shall, directly or indirectly or contingently, obligate the Governmental Lender to make any appropriation for payment of the Funding Loan. No agreements or provisions contained in this Project Loan Agreement, the Funding Loan Agreement, any other Financing Document, or any agreement, covenant or undertaking by the Governmental Lender contained in any document executed by the Governmental Lender in connection with the Project or the issuance, sale and delivery of the Governmental Note shall give rise to any pecuniary liability of the Governmental Lender or a charge against its general credit or taxing powers, or shall obligate the Governmental Lender financially in any way. Nothing in the Funding Loan or this Project Loan Agreement or the proceedings of the Governmental Lender authorizing the Funding Loan or in the Act or the Law or in any other related document shall be construed to authorize the Governmental Lender to create a debt of the Governmental Lender within the meaning of any constitutional or statutory provision of the Property Jurisdiction. The Governmental Lender shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Project Loan Agreement, the Funding Loan or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Project Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender’s sole source of money to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Project Loan Agreement and the Project Note, together with investment income on certain funds and accounts held by the Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal

(or Prepayment Premium) and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Fiscal Agent, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Fiscal Agent, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Fiscal Agent, the Governmental Lender or any such third party, as the case may be, therefor.

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 Governmental Lender in his or her individual capacity, and neither any employee, attorney, director or officer of the Governmental Lender nor any officer thereof executing the Governmental Note shall be liable personally on the Governmental Note or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, attorney or agent of the Governmental Lender shall incur any personal liability with respect to any other action taken by him or her pursuant to this Project Loan 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 Project Loan Agreement nor any agreement, covenant or undertaking by the Governmental Lender contained in any document executed by Governmental Lender in connection with the Project or the issuance, sale and delivery of the Governmental Note shall give rise to any pecuniary liability of the Governmental Lender or a charge against its general credit or taxing powers, or shall obligate the Governmental Lender financially in any way.

THE GOVERNMENTAL NOTE 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 FUNDING LOAN AGREEMENT 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 GOVERNMENTAL NOTE OR OTHER COSTS INCIDENT THERETO. THE GOVERNMENTAL NOTE 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 Governmental Note, or for any claim based thereon or on this Project Loan Agreement or any other Project Loan Document, any Financing Document or any instrument or document executed and delivered by or on behalf of the Governmental Lender in connection with the transactions contemplated hereby, against the Governmental Lender or any officer, board member, employee or agent, past, present or future, of the Governmental Lender or any successor body, as such, either directly or through the Governmental Lender or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable

proceeding or otherwise and all such liability of the Governmental Lender or any such officer, board member, employee or agent, past, present or 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 Financing Documents and issuance of the Governmental Note and the delivery of other documents in connection herewith. No officer, board member, employee or agent, past, present or future, of the Governmental Lender or any successor body shall be personally liable on the Financing Documents, the Governmental Note or any other documents in connection herewith, nor shall the issuance of the Governmental Note be considered as misfeasance or malfeasance in office. The Governmental Note and the undertakings of the Governmental Lender under the Financing Documents do not constitute a pledge of the general credit or taxing power of the Governmental Lender, 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 a pecuniary liability of the State or any political subdivision thereof.

Section 8.15. *No Liability of Officers.* No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, attorney, agent or officer, as such, past, present, or future, of the Governmental Lender, either directly or through the Governmental Lender, or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan. 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 incorporator, member, director, commissioner, employee, attorney, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan, is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

Section 8.16. *Capacity of the Fiscal Agent.* The Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as the Fiscal Agent and shall be entitled to the rights, protections, and limitations from liability and immunities afforded it as the Fiscal Agent under the Funding Loan Agreement. The Fiscal Agent shall be responsible only for the duties of the Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

Section 8.17. *Reliance.* The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by the Governmental Lender, the Fiscal Agent, Bond Counsel, the Loan Servicer, the Funding Lender and the Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Governmental Lender and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the

Governmental Lender or the Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than the Governmental Lender) that:

(a) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Funding Lender or the Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by the Governmental Lender;

(b) the Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender Representative, the Loan Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Project Loan Agreement shall require the Governmental Lender or the Fiscal Agent to expend or risk its own funds (apart from the proceeds of the Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 8.18. *Business Tax Registration Certificate.* Subject to any exemptions available to it, the Borrower represents that it has obtained or will obtain the Business Tax Registration Certificate(s) required by the City of Los Angeles' Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Project Loan Agreement, the Borrower 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.

Section 8.19. *Child Support Assignment Orders.* This Project Loan Agreement is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, the Borrower certifies that it will (a) fully comply with all State and federal employment reporting requirements applicable to Child Support Assignment Orders; (b) that the principal partners(s) of the Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (c) 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) maintain such compliance throughout the term of this Project Loan Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of the 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 the Borrower to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Borrower under the terms of this Project Loan Agreement, subjecting the Borrower to the remedies provided herein where such failure shall

continue for more than 90 days after notice of such failure to the Borrower by the Governmental Lender. Any subcontract entered into by the Borrower relating to this Project Loan 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 to obtain compliance of its subcontractors shall constitute a default by the Borrower under the terms of this Project Loan Agreement, subjecting the Borrower to the remedies provided herein where such failure shall continue for more than 90 days after notice of such failure to the Borrower by the Governmental Lender.

The Borrower shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Borrower 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 of the Public Contract Code.

Section 8.20. *Americans with Disabilities Act.* The Borrower hereby certifies that it and any contractor and subcontractor will comply with the Accessibility Requirements (as defined in Exhibit I of the Regulatory Agreement). 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: (i) 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; (ii) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 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 § 40, Appendix A; (iii) the Fair Housing Act, 42 U.S.C. §§ 3601 3620; 24 C.F.R. Parts 100, 103, and 104, and its implementing regulations; and (iv) applicable California building codes. The 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 the Borrower, relating to this Project Loan Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this Section.

Section 8.21. *Nondiscrimination and Affirmative Action.* 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. The Borrower shall not discriminate in its employment practices against any employee or applicant for employment or deny of 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 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 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 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 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 Borrower relating to this Project Loan 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 Project Loan 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 8.22. *Disclosure of Border Wall Contracting Ordinance.* The Borrower shall comply with Los Angeles Administrative Code Section 10.50 et seq., "Disclosure of Border Wall Contracting." The Governmental Lender may declare a default under this Project Loan Agreement if the Governmental Lender determines that 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.

Section 8.23. *Pet Ownership in Publicly-Financed Housing Developments.* The Borrower shall comply with the Pet Ownership in Publicly-Financed Housing Developments Ordinance, Los Angeles Municipal Code Sections 51.20., et seq., as amended from time to time.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Project Loan Agreement all as of the date first set forth above.

CITY OF LOS ANGELES, as the
Governmental Lender

By Los Angeles Housing Department

By _____
Name: Craig Arceneaux
Title: Assistant General Manager

Approved as to form:

HYDEE FELDSTEIN SOTO, City Attorney:

By _____
Deputy/Assistant City Attorney

[GOVERNMENTAL LENDER’S SIGNATURE PAGE TO ROUSSEAU RESIDENCES APARTMENTS PROJECT LOAN AGREEMENT]

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Fiscal Agent

By _____

Name: Larry Swift

Title: Vice President

[FISCAL AGENT’S SIGNATURE PAGE TO ROUSSEAU RESIDENCES PROJECT LOAN AGREEMENT]

**ROUSSEAU RESIDENCES ASSOCIATES, A
CALIFORNIA LIMITED PARTNERSHIP, a
California limited partnership**

By: TPC Holdings IX, LLC, an Idaho limited liability company, its Administrative General Partner

By: Pacific West Communities, Inc., an Idaho corporation, its Manager

By: _____
Name: Caleb Roope
Title: President and CEO

By: Flexible PSH Solutions, Inc. a California Nonprofit Public Benefit Corporation, its Managing General Partner

By: _____
Name: John Molloy
Title: Chief Executive Officer

[BORROWER'S SIGNATURE PAGE TO ROUSSEAU RESIDENCES APARTMENTS PROJECT LOAN AGREEMENT]

FUNDING LOAN AGREEMENT

among

JLL REAL ESTATE CAPITAL, LLC,
as Initial Funding Lender

CITY OF LOS ANGELES,
as Governmental Lender

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Fiscal Agent

Relating to

Rousseau Residences
316 North Juanita Avenue
Los Angeles, CA 90004

Funding Loan Principal Amount: \$[_____]

Dated as of [_____] 1, 2026

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FUNDING LOAN AGREEMENT

Fixed Rate – TEL (Immediate) (Revised 4-20-2026)

THIS FUNDING LOAN AGREEMENT (this “**Funding Loan Agreement**”), dated as of [_____] 1, 2026, is made by and among the **CITY OF LOS ANGELES** (together with its successors and assigns, the “**Governmental Lender**”), a charter city and municipal corporation of the State of California (the “**State**”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, organized and operating under the laws of the United States of America, having a corporate trust office in Los Angeles, California, as fiscal agent (the “**Fiscal Agent**”), and **JLL REAL ESTATE CAPITAL LLC**, a Delaware limited liability company (in such capacity, the “**Initial Funding Lender**”). Capitalized terms are defined in Section 1.01 of this Funding Loan Agreement.

RECITALS

A. 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 of the Health and Safety Code of the State of California (the “**Act**”), the Governmental Lender is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, rehabilitation, construction and development of multifamily rental housing for persons of low and moderate income at prices or rental they can afford.

B. The Act and the Law authorize the Governmental Lender: (i) to make loans to provide financing for multifamily residential housing located within the jurisdiction of the Governmental Lender; (ii) to issue its revenue bonds, notes or other evidence of indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (iii) to pledge all or any part of the revenues and receipts to be received by the Governmental Lender from or in connection with such loans in order to secure the payment of the principal or prepayment amount of and interest on such bonds, debentures, notes or other evidence of indebtedness.

C. Pursuant to the Law and in accordance with the Act and an Indenture of Trust dated as of February 1, 2022 (the “**Indenture**”) among the Governmental Lender, as issuer, U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”), and Zions Bancorporation, N.A. dba California Bank & Trust, as initial bondowner representative (the “**Bondowner Representative**”), on February 10, 2022 (the “**Issue Date**”), the Governmental Lender issued and sold its \$14,000,000 City of Los Angeles Multifamily Housing Revenue Bond (Rousseau Residences) Series 2022E (the “**Original Bond**”), and used the proceeds thereof to make a loan to Rousseau Residences Associates, A California Limited Partnership, a California limited partnership (the “**Borrower**”), upon the terms and conditions of a promissory note dated the Issue Date from the Borrower to the Governmental Lender in the original principal amount of \$14,000,000, which note was endorsed from the Governmental Lender to the Trustee as security for the Original Bond, and a Loan Agreement dated as of February 1, 2022, among the

Governmental Lender, as issuer, the Bondowner Representative, and the Borrower, for the purpose of funding a portion of the costs of acquiring, constructing, and equipping a multifamily rental housing development located at 316 North Juanita Avenue, in Los Angeles, California and known as Rousseau Residences. The Land, Improvements, and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the “**Project.**”

D. Pursuant to the Project Loan Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Project Loan Agreement**”) among the Governmental Lender, the Fiscal Agent and the Borrower, at the request of the Borrower, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[_____] (the “**Project Loan**”) to refund the Original Bond and to provide for the permanent phase financing of the Project.

E. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan being made by the Initial Funding Lender to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$[_____] (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by the City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G dated [____], 2026 (the “**Delivery Date**”), executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, in the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the “**Governmental Note**”).

F. Freddie Mac has entered into a commitment with the Initial Funding Lender, dated [____], 2026 (as the same may be amended, modified or supplemented from time to time, the “**Freddie Mac Commitment**”) whereby Freddie Mac has agreed to purchase the Funding Loan from the Initial Funding Lender on the date of satisfaction of the conditions set forth therein (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement, the other Financing Documents to Freddie Mac.

G. On the Delivery Date, the proceeds of the Project Loan will be used to refund the Original Bond (the proceeds of which were used to finance the acquisition and construction of the Project) and to pay certain costs incurred in connection with the Loans.

H The Borrower’s payment obligations in respect of the Project Loan will be evidenced by a Project Note, dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the “**Project Note**”), delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

I. To secure the Borrower's obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Security Instrument**") granting a first priority mortgage and security interest in the Project. Pursuant to the Assignment, the Security Instrument will be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

J. As a condition to making the Funding Loan, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, the Borrower is entering into a Continuing Covenant Agreement, dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Continuing Covenant Agreement**") with the Initial Funding Lender, to set forth various other requirements with respect to the Loans and the Project, which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

K. On and after the Freddie Mac Purchase Date, Freddie Mac will act as the Funding Lender Representative with respect to the Loans. JLL Real Estate Capital, LLC will act as the initial Loan Servicer for the Loans on behalf of the Funding Lender Representative.

L. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to execute and deliver the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, Prepayment Premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

M. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as the Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by the Initial Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the

respective meanings specified below. Terms used herein (including when used in the Recitals) not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement and the Continuing Covenant Agreement.

“*Act*” is defined in the Recitals of this Funding Loan Agreement.

“*Additional Servicing Fee*” is defined in Section 2.09 hereof.

“*Administration Fund*” means the Administration Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Assignment*” means the Assignment of Security Instrument dated as of the Delivery Date by the Governmental Lender assigning its interest in the Security Instrument to the Fiscal Agent.

“*Authorized Officer*” means (a) when used with respect to the Governmental Lender, 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 any other officer or employee of the Governmental Lender designated to perform a specified act, to sign a specified document or to act generally on behalf of the Governmental Lender as evidenced by a written certificate furnished to the Funding Lender, the Fiscal Agent, and the Borrower containing the specimen signature of such person and signed on behalf of the Governmental Lender 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 such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of such Authorized Officer, (b) when used with respect to the Borrower, [John Molloy, chief executive officer of Flexible PSH Solutions, Inc.], and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Fiscal Agent, any authorized signatory of the Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of the Fiscal Agent, (d) when used with respect to the Loan Servicer, any Person or Persons duly designated by the Loan Servicer in writing to act on its behalf, and (e) when used with respect to the Funding Lender Representative, any Person who is authorized in writing to take the action in question on behalf of the Funding Lender Representative.

“*Bankruptcy Code*” means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., as amended from time to time.

“*Bond Counsel*” means (a) Kutak Rock LLP or (b) any other firm of attorneys selected by the Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer’s Municipal Marketplace and is acceptable to the Funding Lender Representative.

“*Borrower*” means the entity identified as the “Borrower” in the Recitals of this Funding Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

“Business Day” means any day other than a Saturday or a Sunday, or any other day on which the Fiscal Agent, the Funding Lender or the national banking associations are not open for business.

“Certificate of the Governmental Lender” and *“Request of the Governmental Lender”* mean, respectively, a written certificate or request signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender or such other Person as may be designated and authorized to sign for the Governmental Lender. 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.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Continuing Covenant Agreement” is defined in the Recitals of this Funding Loan Agreement.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that (i) are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of (A) 60 days prior to the date of a resolution of the Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (B) the Issue Date, and (iv) if previously paid and to be reimbursed with proceeds of the Loans, were: (A) Costs of Issuance of the Governmental Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed 20% of the issue price of the Governmental Note (as defined in Section 1.148-1 of the Treasury Regulations), or (C) capital expenditures with respect to the Project that are reimbursed no later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), *“Cost,” “Costs” or “Costs of the Project”* shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such affiliate 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 acquisition, construction or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

“Costs of Issuance Fund” means the Costs of Issuance Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Costs of Issuance” means, as applicable, (a) the fees (excluding ongoing fees), costs and expenses of (i) the Governmental Lender, the Governmental Lender’s counsel and the Governmental Lender’s financial advisor incurred in connection with the closing of the Funding Loan and issuance of the Governmental Note, including, without limitation, the Governmental Lender’s initial fee as described in Section 7(n) of the Regulatory Agreement, (ii) Bond Counsel, (iii) the Fiscal Agent and the Fiscal Agent’s counsel, (iv) the Loan Servicer and the Loan Servicer’s counsel, (v) the Funding Lender and the Funding Lender’s counsel (including both the Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), and (vi) Borrower’s counsel attributable to the funding of the Loans and the Borrower’s financial advisor, if any, and (b) all other “issuance costs” associated with the Funding Loan and the Project Loan within the meaning of Section 147(g) of the Code.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Fiscal Agent on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Project Loan.

“Cure Amount” is defined in Section 6.02 hereof.

“Default Rate” means the lower of (i) the Interest Rate, otherwise in effect notwithstanding the default plus 4% per annum; or (ii) the Maximum Interest Rate.

“Delivery Date” means the date identified as the “Delivery Date” in the Recitals of this Funding Loan Agreement, which is the date of funding of the Funding Loan and the delivery of the Governmental Note by the Governmental Lender to the Initial Funding Lender.

“Determination of Taxability” means, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and the Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by the Fiscal Agent or the Funding Lender Representative, at the request of the Governmental Lender, the Borrower, the Fiscal Agent or the Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in the gross income for federal income tax purposes of the Funding Lender or any former Funding Lender other than a Funding Lender who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (a) or (c) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (iii) one year from the date of initial determination.

“Electronic Instruction and Notice” means delivery of written instructions, directions and/or notice signed by an Authorized Officer in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 11.04 hereof (if any); provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 11.04 hereof.

“Escrow Agent” means the Title Company or, if applicable, a separate escrow company selected by the Borrower and acceptable to the Initial Funding Lender that will handle the collection and disbursement of funds in connection with the closing of the Loans and, if applicable, the acquisition of the Project.

“Event of Default” or *“event of default”* means any of those events specified in Section 7.01 of the Project Loan Agreement.

“Extraordinary Services” means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys’ or agents’ fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by the Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

“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 Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Governmental Lender and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Financing Documents” means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents, and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means the entity identified as the *“Fiscal Agent”* in the introductory paragraph of this Funding Loan Agreement, together with any successor Fiscal Agent(s) appointed hereunder.

“Fiscal Agent’s Extraordinary Fees and Expenses” means all those fees, expenses and reimbursements earned or incurred by the Fiscal Agent as described under Section 7.06 hereof for Extraordinary Services, as set forth in a detailed invoice to the Borrower, the Loan Servicer and the Funding Lender Representative.

“Fiscal Agent’s Ordinary Fees and Expenses” means the annual administration fee for the Fiscal Agent’s ordinary fees and expenses in rendering its services under this Funding Loan Agreement during each twelve month period, which fee is equal to (and shall not exceed) \$[_____] and shall be payable annually in advance on the Delivery Date and each [_____] 1 thereafter.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Commitment” is defined in the Recitals of this Funding Loan Agreement.

“Freddie Mac Purchase Date” is defined in the Recitals of this Funding Loan Agreement.

“Funding Lender” means any Person who is the holder of the Governmental Note.

“Funding Lender Representative” means the Funding Lender or any Person designated by the Funding Lender to act on behalf of the Funding Lender as provided in Section 11.05, or an assignee of such Person as provided in Section 11.05. The initial Funding Lender Representative shall be the Initial Funding Lender, and Freddie Mac shall become the Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

“Funding Loan” is defined in the Recitals of this Funding Loan Agreement.

“Funding Loan Agreement” means this Funding Loan Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Funding Loan Amortization Schedule” means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

“Funding Loan Payment Date” means (a) the first day of each calendar month, commencing [_____] 1, 2026, (b) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (c) the Maturity Date.

“Government Obligations” means investments meeting the requirements of clause (a) or (b) of the definition of “Qualified Investments” herein.

“Governmental Lender” means the entity identified as the “Governmental Lender” in the introductory paragraph of this Funding Loan Agreement.

“Governmental Lender Fee” means the ongoing fee of the Governmental Lender in connection with the making of the Project Loan as described in Section 7(n) of the Regulatory Agreement.

“*Governmental Note*” is defined in the Recitals of this Funding Loan Agreement.

“*Guide*” means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

“*Ineligible Purchaser*” shall mean any owner or operator of a multifamily housing facility within the City of Los Angeles which has either: (i) repeatedly violated the building or habitability codes of the City of Los Angeles; or (ii) been convicted of criminal violations relating to the ownership or operation of multifamily housing in the City of Los Angeles.

“*Initial Funding Lender*” means the entity identified as the “Initial Funding Lender” in the introductory paragraph of this Funding Loan Agreement.

“*Interest Rate*” means the interest rate of []% per annum; provided during the continuance of any Event of Default, the Interest Rate shall be the Default Rate.

“*Investment Income*” means the earnings and profits derived from the investment of money pursuant to Section 4.07 hereof.

“*Law*” shall have the meaning assigned thereto in the Recitals of this Funding Loan Agreement.

“*Loan Payment Fund*” means the Loan Payment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Loan Prepayment Fund*” means the Loan Prepayment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Loan Servicer*” means any entity appointed by the Funding Lender Representative to service the Loans and any successor in such capacity as appointed by the Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, the Loan Servicer shall be JLL Real Estate Capital, LLC.

“*Loans*” is defined in the Recitals of this Funding Loan Agreement.

“*Maturity Date*” means [August 1, 2040], which is the same as the Scheduled Maturity Date as defined in the Project Note.

“*Maximum Interest Rate*” means the lesser of (i) 12% or (ii) the rate of interest which results in the maximum amount of interest allowed by applicable law.

“*Net Proceeds*” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“*Notes*” means, together, the Project Note and the Governmental Note.

“*Person*” means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

“*Pledged Security*” is defined in Section 2.02 hereof.

“*Prepayment Premium*” means any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by the Borrower under Section 4(d) of the Project Note, in connection with a prepayment of the Project Loan.

“*Principal Office of the Fiscal Agent*” means the office of the Fiscal Agent referenced in Section 11.04(a) hereof, or such other office or offices as the Fiscal Agent may designate in writing from time to time, or the office of any successor to the Fiscal Agent where it principally conducts its business of serving as the Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

“*Project*” is defined in the Recitals of this Funding Loan Agreement.

“*Project Account*” means the Project Account of the Project Loan Fund established by Fiscal Agent pursuant to Section 2.11 hereof.

“*Project Loan*” is defined in the Recitals of this Funding Loan Agreement.

“*Project Loan Agreement*” is defined in the Recitals of this Funding Loan Agreement.

“*Project Loan Documents*” means the Security Instrument, the Project Note, the Project Loan Agreement, the TEL Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“*Project Loan Fund*” means the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

“*Project Note*” is defined in the Recitals of this Funding Loan Agreement.

“*Property Jurisdiction*” means the State of California.

“*Qualified Investments*” means any of the following if and to the extent permitted by law: (a) direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America; (c) senior debt obligations of Freddie Mac; (d) senior debt obligations of the Federal National Mortgage Association (i.e., Fannie Mae); (e) demand deposits or time deposits with, or certificates of deposit issued by, the Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital,

surplus and undivided profits of not less than \$50,000,000; provided that the Fiscal Agent or such other institution has been rated at least “VMIG-1”/“A-1+” by one of the Rating Agencies which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (f) investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by one of the Rating Agencies to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by one of the Rating Agencies, and which are approved by the Funding Lender Representative; (g) shares or units in any money market mutual fund rated “Aaa”/“AAA” by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Fiscal Agent or its affiliates or for which the Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations; (h)(i) tax-exempt obligations rated in the highest short term rating category by one of the Rating Agencies, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holder on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund; or (i) any other investments approved in writing by the Funding Lender Representative. For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index. Ratings of Qualified Investments shall be determined only at the time of purchase of such Qualified Investments and without regard to ratings subcategories.

“Qualified Transferee” is defined in Section 2.08 hereof.

“Rating Agencies” means Fitch, Inc., Moody’s Investors Service, Inc., or S&P Global Ratings, a division of S&P Global Inc., or any successor entity of the foregoing, or any other nationally recognized statistical rating organization.

“Rebatable Arbitrage” is defined in Section 4.10 hereof.

“Rebate Analyst” means a certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of

the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Governmental Lender, to make the rebate computations required under this Funding Loan Agreement and the Project Loan Agreement and the Tax Certificate. Initially, the Rebate Analyst will be Kutak Rock LLP.

“*Rebate Fund*” means the Rebate Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Rebate Year*” means each one-year period that ends at the close of business on the day in the calendar year that is selected by the Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by the Borrower before the earlier of the Maturity Date or the date that is five years after the Issue Date, each Rebate Year ends on each anniversary of the Issue Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

“*Resolution*” means, collectively, the resolutions adopted by the Governmental Lender authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

“*Responsible Banking Ordinance*” means Ordinance No. 182138 of the City of Los Angeles amending Chapter 5.1 of the Los Angeles Administrative Code.

“*Responsible Officer*” means any officer of the Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of the Fiscal Agent and the trusts created hereunder.

“*Revenue Fund*” means the Revenue Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“*Revenues*” means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit into and held in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

“*Security Instrument*” is defined in the Recitals of this Funding Loan Agreement.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Servicing Fee*” is defined in the Project Loan Agreement.

“*Settlement Statement*” means the settlement statement prepared by the Escrow Agent and executed by the Borrower setting forth the various funds to be collected and disbursed by the Escrow Agent on the Delivery Date.

“*Stub Payment Amount*” means an amount equal to the sum of (a) the interest payable on the Funding Loan and (b) the ongoing fees and expenses payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to, but not including, the first day of the calendar month immediately succeeding the Delivery Date.

“*Subordination Agreement*” means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

“*Tax Certificate*” means, collectively, (a) the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Delivery Date and executed by the Governmental Lender and the Borrower and (b) the Borrower Cost Certificate dated the Delivery Date and executed and delivered by the Borrower, in each case including all exhibits and other attachments thereto and in each case as may be amended, modified or supplemented from time to time.

“*TEL Regulatory Agreement*” means that certain Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of [_____] 1, 2026, by and among the Governmental Lender, the Borrower and the Fiscal Agent, as hereafter amended, modified, supplemented and restated.

“*Title Company*” means Commonwealth Land Title Company, the title company insuring the lien of the Security Instrument and issuing the lender’s title insurance policy in favor of the Fiscal Agent.

“*Transferee Representations Letter*” is defined in Section 2.08 hereof.

“*Treasury Regulations*” is defined in Section 5.07 hereof.

“*Unassigned Rights*” means all of the rights of the Governmental Lender and its directors, officers, commissioners, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

“*Uniform Commercial Code*” means the Uniform Commercial Code as promulgated in the applicable jurisdiction.

“*Window Period*” means the three consecutive month period prior to the Maturity Date.

Section 1.02. Interpretation. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. References to Articles, Sections, and other subdivisions of this Funding Loan Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall

otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

THE FUNDING LOAN

Section 2.01. *Terms.*

(a) Subject to Section 2.10 hereof, the Funding Loan shall be originated and funded by the Initial Funding Lender to the Governmental Lender on the Delivery Date in the original principal amount of \$[_____]. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement.

(b) [Reserved].

(c) [Reserved].

(d) The Funding Loan shall bear interest payable on each Funding Loan Payment Date at the Interest Rate and shall mature on the Maturity Date, subject to scheduled monthly principal payments as provided in Section 2.01(e) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on the Funding Loan shall be computed on the basis of a 360-day year and the actual number of days elapsed.

(e) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(f) Payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by the Funding Lender (unless otherwise directed by the Funding Lender).

(g) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with the Fiscal Agent to pay, and the Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(h) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event

that such court determines the Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, the Funding Lender shall apply, in its sole discretion, and set off such excess interest received by the Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

Section 2.02. Pledged Security. To secure the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by the Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, the Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the “**Pledged Security**”) for the benefit of the Funding Lender:

(a) All right, title and interest of the Governmental Lender in and to all Revenues;

(b) All right, title and interest of the Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance proceeds or condemnation awards, payments, settlements or other compensation to be paid in connection therewith), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Governmental Lender or any other Person is or may become entitled to do under said documents; and

(c) Except for funds, money or securities in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Funding Loan by the Governmental Lender or by anyone on its behalf or with its written consent to the Fiscal Agent, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The foregoing notwithstanding, if the Governmental Lender or its successors or assigns shall pay or cause to be paid to the Funding Lender in full the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if the Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Governmental Lender, cease, terminate and be void, and thereupon the Fiscal Agent shall cancel and discharge

the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.09 and 4.10 hereof and Article IX hereof, reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash held by the Fiscal Agent for the payment of interest on and principal of the Governmental Note; otherwise this Funding Loan Agreement is to be and shall remain in full force and effect.

Section 2.03. Limited Obligations.

(a) **Source of Payment of Funding Loan and Other Obligations.** THE GOVERNMENTAL NOTE 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 FUNDING LOAN AGREEMENT 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 GOVERNMENTAL LENDER NOTE OR OTHER COSTS INCIDENT THERETO. THE GOVERNMENTAL NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

(b) **Limitation of Liability to Revenues.** Notwithstanding anything contained in this Funding Loan Agreement, the Governmental Lender shall not be required to advance any moneys derived from the proceeds of taxes collected by the Governmental Lender, the State of California or by any political subdivision thereof or from any source of income of any of the foregoing other than the Pledged Security for any of the purposes mentioned in this Funding Loan Agreement, whether for the payment of the principal of or interest on the Governmental Note or for any other purpose of this Funding Loan Agreement.

(c) **Exempt From Individual Liability.** No recourse under or upon any obligation, covenant, warranty or agreement contained in this Funding Loan Agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, 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 Funding Loan Agreement, shall be had against the Mayor, the City Council or any of the members, officers, agents or employees of the Governmental Lender (past, present or future), either directly or through the Governmental Lender or otherwise, for the payment for or to the Governmental Lender or any receiver of the Governmental

Lender, or for or to the owner of the Governmental Note, or otherwise, of any sum that may be due and unpaid by the Governmental Lender upon the Governmental Note. 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 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 owner of the Governmental Note or otherwise of any sum that may remain due and unpaid upon the Governmental Note secured by this Funding Loan Agreement or any of them is, by the acceptance of the Governmental Note, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Note.

Anything in this Funding Loan Agreement to the contrary notwithstanding, it is expressly understood by the parties to this Funding Loan Agreement that (i) the Governmental Lender may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Loan Servicer, the Borrower or the owner of the Governmental Note as to the existence of any fact or state of affairs, (ii) the Governmental Lender shall not be under any obligation under this Funding Loan Agreement to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent or by the Loan Servicer, and (iii) none of the provisions of this Funding Loan Agreement shall require the Governmental Lender 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 Funding Loan Agreement, 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 Governmental Lender contained in this Funding Loan Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Governmental Lender or its Mayor or City Council in other than that person's official capacity. No member, officer, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Governmental Note or be subject to any personal liability or accountability by reason of the delivery of the Governmental Note.

It is recognized that notwithstanding any other provision of this Funding Loan Agreement, neither the Borrower, the Fiscal Agent nor any owner of the Governmental Note shall look to the Governmental Lender for damages suffered by the Borrower, the Fiscal Agent or such owner as a result of the failure of the Governmental Lender to perform any covenant, undertaking or obligation under this Funding Loan Agreement, the Project Loan Agreement, the Governmental Note or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Governmental Lender in any of such documents, or for any other reason. Although this Funding Loan Agreement recognizes that such documents shall not give rise to any pecuniary liability of the Governmental Lender, nothing contained in this Funding Loan Agreement shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Governmental

Lender) in any court or before any governmental body, agency or instrumentality or otherwise against the Governmental Lender or any of its officers or employees to enforce the provisions of any of such documents which the Governmental Lender is obligated to perform and the performance of which the Governmental Lender has not assigned to the Fiscal Agent or any other person provided, however, that as a condition precedent to the Governmental Lender proceeding pursuant to this Section 2.03, the Governmental Lender shall have received satisfactory indemnification.

Notwithstanding any other provision of this Funding Loan Agreement to the contrary:

THE GOVERNMENTAL NOTE IS ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT, AND IS A LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER. NEITHER THE CITY COUNCIL OF THE GOVERNMENTAL LENDER NOR ANY OFFICIAL OR EMPLOYEE OF THE GOVERNMENTAL LENDER NOR ANY PERSON EXECUTING THE GOVERNMENTAL NOTE SHALL BE LIABLE PERSONALLY ON THE GOVERNMENTAL NOTE OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS ISSUANCE. THE GOVERNMENTAL NOTE AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER, PAYABLE SOLELY FROM THE PLEDGED SECURITY AND ANY OTHER REVENUES, FUNDS AND ASSETS PLEDGED UNDER THIS FUNDING LOAN AGREEMENT AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE GOVERNMENTAL LENDER. NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE GOVERNMENTAL LENDER NOTE OR THE INTEREST THEREON OR OTHER COSTS INCIDENTAL THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. 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 GOVERNMENTAL LENDER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE GOVERNMENTAL NOTE OR OTHER COSTS INCIDENTAL THERETO. THE GOVERNMENTAL NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

Section 2.04. *Funding Loan Agreement Constitutes Contract.* In consideration of the origination and funding of the Funding Loan by the Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of the Governmental Lender with the Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

Section 2.05. *Form and Execution.* The Governmental Note shall be in substantially the form attached as Exhibit A. The Governmental Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of the Mayor of the Governmental Lender, and attested by the manual or facsimile signature of the City Treasurer of the Governmental Lender or such other officer or official of the Governmental Lender who, in accordance with the laws of the State, the bylaws or other governing documents of the

Governmental Lender, or practice or custom, regularly attests or certifies official acts and records of the Governmental Lender, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities and sealed with an impression or a facsimile of the seal of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of the Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of the Governmental Lender had been impressed on the Governmental Note. In case any officer of the Governmental Lender whose manual or facsimile signature shall appear on the Governmental Note shall cease to be such officer before the delivery thereof, 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 the Governmental Note may bear the facsimile signatures of, or may be signed by, such persons at the actual time of the execution thereof shall be the proper officers to sign the Governmental Note although at the date of such Governmental Note such persons may not have been such officers.

Section 2.06. Authentication. The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in Exhibit A, shall have been duly manually executed by an Authorized Officer of the Fiscal Agent; and such executed certificate of authentication upon the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Governmental Note. In the event the Governmental Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in Exhibit A in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by the Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of the Governmental Lender and the Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with the Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Governmental Lender and the Fiscal Agent with indemnity satisfactory to each of them. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note the Governmental Lender may pay the same without surrender thereof.

Section 2.08. Registration; Transfer of Funding Loan; Transferee Representations Letter.

(a) The Funding Loan shall be evidenced by a single instrument, fully registered as to principal and interest in the manner and with any additional designation as the Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be transferable only in whole upon the registration books of the Fiscal Agent. The Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein. The

Funding Loan shall initially be registered to the Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) The Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than 25% of the outstanding principal amount of the Funding Loan, provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an institutional “accredited investor” as that term is defined in Rule 501 of Regulation D under the Securities Act or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act (such “accredited investor” or “qualified institutional buyer” a “Qualified Transferee”) that delivers a letter to the Fiscal Agent and the Governmental Lender substantially in the form attached hereto as Exhibit E setting forth certain representations with respect to such Qualified Transferee (the “Transferee Representations Letter”) and which is not an Ineligible Purchaser. Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for the Funding Lender to (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better, provided that in such instance the controlling interest in the residual interest of such trust or pooling arrangement shall be a single qualified institutional buyer. In connection with any sale, assignment or transfer of the Governmental Note and Funding Loan, subject to the foregoing transfer restrictions, the transferor shall provide to the Fiscal Agent and the Governmental Lender written notice of such proposed transfer not less than 10 calendar days prior to such proposed transfer, during which time the Governmental Lender shall determine whether the proposed transferee is an Ineligible Purchaser. If the Governmental Lender fails to deliver written notice to the Fiscal Agent of such determination within 10 calendar days of receipt of notice of proposed transfer, the Fiscal Agent shall conclude that such transferee is not an Ineligible Purchaser and the Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Governmental Note and Funding Loan. It shall not be necessary to present, exchange or re-authenticate the Governmental Note in connection with any sale, assignment or transfer of the Funding Loan, provided that the Funding Lender shall provide the Fiscal Agent with the name and date of registration, address, and employer identification number of the assignee or transferee, so that the Fiscal Agent may maintain the registration records, together with any information necessary to allow the Fiscal Agent to comply with any applicable tax reporting obligations.

(c) If the transferee is a “Commercial Bank” as defined in the Responsible Banking Ordinance, such transferee shall deliver to the Governmental Lender an executed Responsible Banking Ordinance Certificate in the form of Exhibit F hereto.

Section 2.09. TEL Securitization; Allocation of Funding Loan Interest. In accordance with the provisions of Section 2.08 hereof, the Funding Lender may transfer the Funding Loan to

a Qualified Transferee in connection with the securitization of the Funding Loan, in which event the Funding Lender Representative may direct the Fiscal Agent to make all future payments with respect to the Funding Loan to the appointed master servicer for that securitization (or an account designated by such master servicer), and the Fiscal Agent shall accept such direction from the Funding Lender Representative. In the event that the Funding Lender transfers the Funding Loan to a Qualified Transferee in accordance with the provisions of Section 2.08 hereof, the Funding Lender Representative may also give notice to the Fiscal Agent that the Funding Lender has agreed to allow the Loan Servicer to retain a portion of the monthly interest payable on the Funding Loan as additional compensation for the servicing of the Funding Loan (an “**Additional Servicing Fee**”), which Additional Servicing Fee will equal no more than an annual two basis points with respect to the unpaid principal balance of the Governmental Note, in which event the Fiscal Agent shall accept and pay to the Funding Lender such lesser amount of interest received from the Loan Servicer and shall consider such payment to be in full compliance with the terms of the Governmental Note, the Project Note and all other Financing Documents with regard to the interest owed on the Funding Loan.

Section 2.10. Funding Loan Closing Conditions; Delivery of Governmental Note.

Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and the Governmental Lender shall only execute and deliver to the Fiscal Agent, and the Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to the Initial Funding Lender upon, receipt by the Fiscal Agent of all of the following:

- (a) executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Certificate;
- (b) an opinion of Bond Counsel or counsel to the Governmental Lender to the effect that the Governmental Lender is duly organized and existing under the laws of the Property Jurisdiction and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note and the other Financing Documents to which it is a party, and such documents are valid and binding special, limited obligations of the Governmental Lender enforceable in accordance with their terms subject to customary exceptions;
- (c) the proceeds of the Funding Loan from the original funding thereof by the Initial Funding Lender;
- (d) the executed Project Note and an endorsement of the Project Note by the Governmental Lender in favor of the Fiscal Agent;
- (e) a copy of the executed Security Instrument, the Assignment, and the Continuing Covenant Agreement;
- (f) an opinion of counsel to the Borrower to the effect that the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the Financing Documents to which it is a party, that its execution and delivery of and performance of its

covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms;

(g) a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excludable from the gross income of the holder thereof for federal income tax purposes and, where applicable, for state income tax purposes in the Property Jurisdiction and is not a tax preference item for purposes of the federal alternative minimum tax imposed on individuals.

(h) an opinion of Bond Counsel to the effect that the Governmental Note is exempt from registration under the Securities Act, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(i) a certified copy of the Resolution;

(j) the written request and authorization to the Fiscal Agent by the Governmental Lender to authenticate and deliver the Governmental Note to the Initial Funding Lender upon funding to the Fiscal Agent of the full amount of the Funding Loan;

(k) amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement or, if and as applicable, confirmation by the Escrow Agent of receipt of such amounts and any other funds to be received in accordance with the Settlement Statement;

(l) receipt by the Fiscal Agent of a Transferee Representations Letter from Initial Funding Lender; and

(m) confirmation that all conditions stated in Section 3.01 of the Project Loan Agreement have been satisfied.

Section 2.11. Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.

(a) The Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with the Fiscal Agent a Project Loan Fund and therein a Project Account and a Borrower Equity Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the Funding Loan shall be delivered by the Initial Funding Lender to the Fiscal Agent on behalf of the Governmental Lender on the Delivery Date to be disbursed in accordance with the Settlement Statement. Upon receipt, the Fiscal Agent shall deposit such proceeds to the credit of the Project Account of the Project Loan Fund. Amounts in the Project Loan Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in Section 3.01 of the Project Loan Agreement.

Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) The Governmental Lender shall cause the Borrower to deliver from sources other than the Loans (i) to the Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Costs of Issuance Fund and (ii) to the Loan Servicer, on or prior to the Delivery Date, the Stub Payment Amount.

(d) Upon the making of the initial deposits described above in this Section 2.11, the Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and the Fiscal Agent shall make the disbursements of amounts in the Project Fund to the Escrow Agent for disbursement in accordance with the Settlement Statement which funds will be used to refund a portion of the Original Bond with the proceeds of the Funding Loan.

Section 2.12. Direct Loan Payments to Funding Lender; Loan Servicer Disbursement of Fees.

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Loan Servicer is engaged with respect to the Loans, the Governmental Lender and the Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan, all fees due hereunder and under the Project Loan Agreement, and the ongoing fee due to the Governmental Lender under the Regulatory Agreement, shall be paid by the Borrower to the Loan Servicer. The Loan Servicer shall remit all payments collected from the Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to the Funding Lender, directly to the Funding Lender (without payment through the Fiscal Agent) per the instructions of the Funding Lender Representative. The Loan Servicer shall be entitled to retain its Servicing Fee (if any) collected from the Borrower and shall remit the Governmental Lender Fee to the Governmental Lender and shall remit the Fiscal Agent's Ordinary Fees and Expenses to the Fiscal Agent, together with any other amounts due to the Governmental Lender and the Fiscal Agent collected by the Loan Servicer from the Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section 2.12 shall be accompanied by sufficient information to identify the source and proper application of such payment. The Loan Servicer shall promptly notify the Fiscal Agent, the Funding Lender Representative and the Governmental Lender in writing of any failure of the Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project Loan Agreement, and the Fiscal Agent and the Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, the Funding Lender Representative shall notify the Fiscal Agent, the Governmental Lender and the Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to the Loan Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which the Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, the Fiscal Agent shall have no obligations to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of the Funding Lender Representative. Notwithstanding the foregoing, the Funding Lender Representative may elect to have the Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to the Fiscal Agent, the Borrower and the Governmental Lender.

Section 2.13. *[Reserved]*.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01. *Prepayment of the Funding Loan Prior to Maturity.*

(a) **Optional Prepayment.** The Funding Loan, together with accrued interest thereon and any Prepayment Premium, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) **Mandatory Prepayment.** The Funding Loan, together with accrued interest thereon and any Prepayment Premium, is subject to mandatory prepayment on any Business Day, in whole or in part, at the earliest practicable date upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 4(b) of the Project Note and receipt by the Fiscal Agent of a written direction by the Funding Lender Representative that the Funding Loan shall be subject to mandatory prepayment as a result thereof.

Section 3.02. *Notice of Prepayment.* Notice of the intended prepayment of the Funding Loan shall be given by the Fiscal Agent by first class mail, postage prepaid, electronic delivery or by overnight delivery service, to the Funding Lender. All such prepayment notices shall be given not less than 10 days (not less than 30 days in the case of optional prepayment) nor more than 60 days prior to the date fixed for prepayment. Notices of prepayment shall state all of the following:

- (a) the prepayment date;
- (b) the prepayment amount, and
- (c) the place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to the Loan Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event the Fiscal Agent is not collecting and remitting loan payments hereunder, the Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. *Pledge of Revenues and Assets; Establishment of Funds.* The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by the Fiscal Agent or by any Person authorized by the Fiscal Agent to deliver the Governmental Note. The Pledged Security so pledged and then or thereafter received by the Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, the Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund;
- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Costs of Issuance Fund; and
- (f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of the Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by the Fiscal Agent. The Fiscal Agent shall, at the written direction of an Authorized Officer of the Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Governmental Lender or the Fiscal Agent may deem necessary or useful for the

purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

Section 4.02. *[Reserved]*.

Section 4.03. *Application of Revenues.*

(a) All Revenues received by the Fiscal Agent shall be deposited by the Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except for each of the following:

(i) proceeds of the Funding Loan received by the Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof;

(ii) deposits into the Loan Prepayment Fund as required under subsection (c) of this Section 4.03;

(iii) Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and

(iv) amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Funding Loan Payment Date or any other date on which payment of principal of or interest on the Funding Loan becomes due and payable, the Fiscal Agent, out of money in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND: to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other than any extraordinary mandatory prepayment as described in Section 4.03(c)(i) or (iii) below).

(c) Promptly upon receipt, the Fiscal Agent shall deposit each of the following directly into the Loan Prepayment Fund:

(i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be

applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof; and

(ii) funds paid to the Fiscal Agent to be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a).

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Funding Loan Payment Date, the Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (i) the Revenue Fund; and (ii) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

Section 4.04. *Application of Loan Payment Fund.* Subject to Section 2.12 hereof, the Fiscal Agent shall charge the Loan Payment Fund, on each Funding Loan Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Funding Loan Payment Date as provided in Section 4.03(a) and (b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Funding Loan Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called for prepayment on such Funding Loan Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose.

Any Investment Income on amounts on deposit in the Loan Payment Fund shall be deposited by the Fiscal Agent upon receipt thereof in the Revenue Fund.

No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV.

Section 4.05. *Application of Loan Prepayment Fund.* Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Funding Loan Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund. On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by the Fiscal Agent to the Revenue Fund. No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV.

Section 4.06. *Administration Fund.* Subject to Section 2.12 hereof, the Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Loan Servicer (or the Borrower if no Loan Servicer exists for the Loans) designated for deposit

into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent and used:

FIRST, to pay to the Fiscal Agent when due the Fiscal Agent's Ordinary Fees and Expenses;

SECOND, to pay to the Governmental Lender when due the Governmental Lender Fee;

THIRD, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from the Rebate Analyst;

FOURTH, to pay to the Fiscal Agent any Fiscal Agent's Extraordinary Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and the Loan Servicer;

FIFTH, to pay to the Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to the Fiscal Agent and the Loan Servicer;

SIXTH, to pay to the Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by the Funding Lender Representative to the Fiscal Agent;

SEVENTH, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and

EIGHTH, to transfer any remaining balance after application as aforesaid to the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower and the Loan Servicer of such deficiency and of the amount of such deficiency and request payment within two Business Days to the Fiscal Agent of the amount of such deficiency. Upon payment by the Borrower or the Loan Servicer of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Fiscal Agent to the Revenue Fund. No amount shall be charged against the Administration Fund except as expressly provided in this Article IV.

Section 4.07. *Investment of Funds.* The money held by the Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Fiscal Agent,

at the written direction of the Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (i) six months from the date of investment and (ii) the date such money is needed; provided, that if the Fiscal Agent shall have entered into any investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. In the absence of written direction from the Borrower, the Fiscal Agent shall invest amounts on deposit in the funds and accounts established under this Funding Loan Agreement in Government Obligations or in investments of the type described in subparagraph (g) of the definition of Qualified Investments which shall have the same maturity and other restrictions as set forth above. Such investments may be made through the investment or securities department of the Fiscal Agent. The Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized and, in such capacity, the Fiscal Agent or such affiliate may charge its ordinary and customary fees for such trades, including account maintenance fees, which fees, for purposes of this Funding Loan Agreement, shall be treated as the Fiscal Agent's Extraordinary Fees and Expenses. The Fiscal Agent shall be entitled to assume, absent receipt by the Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter. In no event shall the Fiscal Agent be required to provide supervision, recommendations, or advice with respect to any investment. In the absence of written direction from the Borrower, the Fiscal Agent shall hold amounts on deposit in the funds and accounts established under this Funding Loan Agreement uninvested.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the Revenue Fund. Such investments shall be sold at the current market price obtainable (but not less than par) whenever it shall be necessary to do so in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Governmental Lender acknowledges that to the extent that regulations of the Office of the Comptroller of the Currency or other applicable regulatory agency grant the Governmental Lender the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Governmental Lender specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.08. Accounting Records. The Fiscal Agent shall maintain accurate books and records for all funds and accounts established hereunder.

Section 4.09. Amounts Remaining in Funds. After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Governmental Lender, the Fiscal Agent, the Rebate Analyst, the Funding Lender and the Loan Servicer and other amounts required to be paid hereunder or under any of the Project Loan Documents, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Funding Lender Representative or the Loan Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement and by the Rebate Analyst with respect to amounts due to the Rebate Analyst), any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower.

Section 4.10. Rebate Fund; Compliance with Tax Certificate. The Rebate Fund shall be established by the Fiscal Agent and held and applied as provided in this Section 4.10. 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 Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and neither the Governmental Lender, the Borrower nor the Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.10 and by the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Governmental Lender, 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 Governmental Lender, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, the Borrower 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 Treasury 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 Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “**Rebatable Arbitrage**”). Pursuant to Section 2.04 of the Project Loan Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender. In the event that the Borrower fails to provide such information to the Fiscal Agent and the Governmental Lender within 55 days of the end of each fifth Rebate Year, the Fiscal Agent, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Governmental Lender, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of the Governmental Lender, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Fiscal Agent from amounts provided by the Borrower, 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 Fiscal Agent shall pay, as directed by the Governmental Lender, Bond Counsel or the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

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

(b) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate 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 4.10 shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other 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 Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.10, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any rebate requirement, or provision made therefor satisfactory to the Fiscal Agent, shall be withdrawn and remitted to the Borrower.

The Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.10 as are required under Section 148(f) of the Code to the extent furnished to the Fiscal Agent. The Borrower shall or shall cause the Rebate Analyst to provide to the Governmental Lender and the Fiscal Agent copies of all rebate computations made pursuant to this Section 4.10. The Fiscal Agent shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by the Fiscal Agent as may be requested by the Borrower in order to enable the Borrower 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 Governmental Lender nor the Borrower 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 of interest on the Governmental Note from the gross income of the holder thereof for federal income tax purposes, a copy of which shall be provided to the Fiscal Agent and the Funding Lender Representative, at the expense of the Borrower.

Section 4.11. *[Reserved]*.

Section 4.12. *Reports from the Fiscal Agent.* The Fiscal Agent shall, on or before the 15th day of each month, file with the Funding Lender Representative, the Loan Servicer, the Governmental Lender (at its written request) and the Borrower a statement setting forth in respect of the preceding calendar month all of the following:

- (a) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of investment income on each fund and account;
- (b) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (c) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (d) any other information which the Funding Lender Representative or the Governmental Lender may reasonably request and to which the Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of the Funding Lender, the Fiscal Agent, at the cost of the Borrower, shall provide a copy of such statement to the Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of the Governmental Lender and the Funding Lender Representative or the Loan Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

Section 4.13. *Costs of Issuance Fund.* The Fiscal Agent shall use money on deposit to the credit of the Costs of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter as follows: (i) to the Fiscal Agent the sum of \$[_____] for its Fiscal Agent's Ordinary Fees and Expenses, acceptance fee and counsel fee and (ii) to pay the California Debt and Investment Advisory Commission ("CDIAC") the CDIAC fee of up to \$[_____] upon receipt of an invoice therefor. Investment Income on amounts on deposit in the Costs of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Costs of Issuance Fund six months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Fiscal Agent shall close the Cost of Issuance Fund.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01. *Payment of Principal and Interest.* The Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient

amounts to provide for the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

Section 5.02. *Performance of Covenants.* The Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

Section 5.03. *Instruments of Further Assurance.* The Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Fiscal Agent all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Governmental Lender or the Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence shall be deemed to modify or change the obligations of the Governmental Lender under this Section 5.03. The Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

The Governmental Lender will promptly notify the Fiscal Agent, the Funding Lender Representative and the Loan Servicer in writing of the occurrence of any of the following:

- (a) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Governmental Lender with respect to the Loans;
- (b) any change in the location of the Governmental Lender's principal office or any change in the location of the Governmental Lender's books and records relating to the transactions contemplated hereby;
- (c) the occurrence of any default or Event of Default of which the Governmental Lender has actual knowledge;
- (d) the commencement of any proceedings or any proceedings instituted by or against the Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes; or
- (e) the commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee, or similar official shall have been, or may be,

appointed or requested for the Governmental Lender or any of its assets relating to the Loans.

Section 5.04. *Inspection of Project Books.* The Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Fiscal Agent or the Funding Lender Representative may from time to time reasonably designate.

Section 5.05. *No Modification of Security; Additional Indebtedness.* The Governmental Lender covenants to and for the benefit of the Funding Lender that it will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (a) alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Governmental Lender is a party, or which has been assigned to the Governmental Lender, and which relates to or affects the security for the Loans or the payment of any amount owed under the Financing Documents; or
- (b) create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

Section 5.06. *Damage, Destruction or Condemnation.* Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b) hereof.

Section 5.07. *Tax Covenants.*

(a) **Governmental Lender's Covenants.** The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

- (i) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds and accounts in any manner which would cause the Governmental Note to be an “arbitrage bond” under Section 148 of the Code and the regulations issued under Section 148 of the Code (the “**Treasury Regulations**”) or which would otherwise cause the interest payable on the Governmental Note to be includable in the gross income of the holder thereof for federal income tax purposes;
- (ii) enforce or cause to be enforced all obligations of the Borrower under the TEL Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the TEL Regulatory Agreement within a reasonable period after it first discovers or becomes aware of any such violation;
- (iii) not take or cause to be taken any other action or actions, or fail to take any action or actions, if the same would cause the interest payable on the Governmental Note to be includable in the gross income of the holder thereof for federal income tax purposes;

(iv) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Funding Loan will be excludable from the gross income of the holder thereof for federal income tax purposes pursuant to the Code, except in the event where the Funding Lender is a “substantial user” of the facilities financed with the Loans or a “related person” within the meaning of the Code; and

(v) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Governmental Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code and the regulations issued under Section 149 of the Code.

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full. By its acceptance of this Funding Loan Agreement the Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to it.

(b) **Fiscal Agent’s Covenants.** The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate. This covenant shall extend through the term of the Funding Loan to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account. The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an “arbitrage bond” within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in the gross income of the holder thereof for federal income tax purposes; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, the Funding Lender Representative, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, the Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, Bond Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the

Funding Loan would cause the Governmental Note to become an “arbitrage bond,” then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower, the Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an “arbitrage bond,” and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower, the Funding Lender or the Funding Lender Representative for investments made in accordance with such instructions.

Section 5.08. Representations and Warranties of the Governmental Lender. The Governmental Lender hereby represents and warrants as follows:

(a) The Governmental Lender is a municipal corporation and charter city, organized and existing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to issue the Governmental Note and to execute and deliver this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The revenues and assets pledged for the repayment of the Funding Loan are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Funding Loan Agreement, and all action on the part of the Governmental Lender to that end has been duly and validly taken.

(d) The Financing Documents to which the Governmental Lender is a party have been validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights generally and the application of equitable principles.

ARTICLE VI

DEFAULTS UNDER PROJECT LOAN DOCUMENTS

Section 6.01. Default Under Project Loan Agreement; Acceleration. No Event of Default under the Project Loan Agreement shall constitute a default or event of default with respect to this Funding Loan Agreement or the Governmental Note. The Governmental Lender’s, the Fiscal Agent’s and the Funding Lender’s remedies with respect to a default under the Project Loan Documents shall be as set forth under the Project Loan Documents. The Funding Lender may, upon the acceleration of the Borrower’s obligations under the Project Loan Documents, and with prior written notice to the Governmental Lender, accelerate, or direct the Fiscal Agent to accelerate, the maturity of the Project Note and apply any funds available hereunder for such purpose as provided herein (after paying the fees and expenses of the Fiscal Agent and the Governmental Lender). The Governmental Note shall be deemed paid upon transfer, to or at the

direction of the Funding Lender, of the Project Loan Documents and all Pledged Security therefor free and clear of the lien of this Funding Loan Agreement.

The Governmental Lender shall cooperate with the Funding Lender and the Fiscal Agent in exercising rights and remedies under the Financing Documents and the Project Loan Documents, but only upon being satisfactorily indemnified by the Borrower for any fees or expenses relating thereto as provided in the Project Loan Agreement and Regulatory Agreement.

Section 6.02. Actions Under Borrower Loan Documents. Whether or not an Event of Default has occurred under any Project Loan Document, the Funding Lender, in its sole discretion, shall have the sole right to waive or forebear any term, condition, covenant or agreement in the Project Loan Documents applicable to the Borrower or any breach thereof, other than the covenant that would adversely impact the tax exempt status of the interest on the Governmental Note and provided that the Funding Lender shall have no right to waive and the Governmental Lender may seek specific performance by the Borrower to enforce the Unassigned Rights. With respect to any of its Unassigned Rights, the Governmental Lender may exercise such rights as permitted by Section 18 of the Regulatory Agreement in connection with a default thereunder.

ARTICLE VII

CONCERNING THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent; Acceptance. The Governmental Lender hereby appoints U.S. Bank Trust Company, National Association, as the Fiscal Agent hereunder. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Funding Loan Agreement by executing this Funding Loan Agreement.

Section 7.02. Standard of Care. The Fiscal Agent, prior to an Event of Default and after the curing or waiver of all such events which may have occurred, shall perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations should be read into this Funding Loan Agreement against the Fiscal Agent. The Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person's own affairs. For the avoidance of doubt, the permissive right of the Fiscal Agent to do things enumerated in this Funding Loan Agreement or the Project Loan Agreement shall not be construed as a duty.

No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and the Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) in the absence of bad faith on the part of the Fiscal Agent, the Fiscal Agent 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 Fiscal Agent by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of the Fiscal Agent except for willful misconduct or negligence by the officer or employee of the Fiscal Agent as the case may be; and

(ii) the Fiscal Agent 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 Funding Lender Representative relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement.

When the Fiscal Agent incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.03. *Reliance Upon Documents.* Except as otherwise provided in Section 7.01 hereof:

(a) the Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper party or parties, including any Electronic Instruction and Notice as permitted hereunder or under the Project Loan Agreement;

(b) any notice, request, direction, election, order or demand of the Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Governmental Lender may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of the Governmental Lender;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed),

and any resolution or certification of the Borrower may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Loan Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Loan Servicer by an Authorized Officer of the Loan Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Funding Lender Representative by any Authorized Officer of the Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed);

(f) in the administration of the trusts of this Funding Loan Agreement:

(i) the Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, custodians, nominees, receivers or attorneys appointed with due care, and

(ii) the Fiscal Agent may consult with counsel (who may be counsel for the Governmental Lender, the Loan Servicer or the Funding Lender Representative) concerning all matters of trusts hereof and duties hereunder, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(g) whenever in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Governmental Lender or the Borrower and such certificate shall in the absence of bad faith on the part of the Fiscal Agent be full warrant to the Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(h) the recitals herein and in the Governmental Note (except the Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon the Fiscal Agent. The Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of the Governmental Lender or the Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and the Fiscal Agent shall incur no liability or responsibility in respect of any of such matters;

(i) the Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence; and every provision of this Funding Loan Agreement relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section 7.03(i);

(j) the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with the Fiscal Agent hereunder, except with respect to any Event of Default. The Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default (except payment defaults under the Project Loan Agreement to the extent the Fiscal Agent is collecting loan payments hereunder) unless the Fiscal Agent shall receive from the Governmental Lender or the Funding Lender Representative written notice stating that a default or Event of Default has occurred and specifying the same, and in the absence of such notice the Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of the Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.03(j);

(k) the Fiscal Agent shall be under no duty to confirm or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Funding Lender; and

(l) the Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as the Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, unless the Funding Lender Representative shall have offered to the Fiscal Agent security or indemnity satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Fiscal Agent is authorized and directed to execute in its capacity as the Fiscal Agent, the Project Loan Agreement, the TEL Regulatory Agreement and the Subordination Agreement and shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the delivery of the Governmental Note and no responsibility for compliance with any state or federal securities laws in connection with the Governmental Note. In acting or omitting to act pursuant to the Project Loan Agreement, the TEL Regulatory Agreement or any other documents executed in

connection herewith, the Fiscal Agent shall be entitled to all of the rights, immunities and indemnities accorded to it under this Funding Loan Agreement, including, but not limited to, this Article VII.

The Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Fiscal Agent pursuant to this Section 7.03 shall remain in effect until the Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.16 hereof.

Notwithstanding anything contained herein or in the Security Instrument to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Fiscal Agent to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Fiscal Agent may require that a satisfactory indemnity bond, indemnity or other environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The Fiscal Agent shall not be required to take any action to foreclose or otherwise enforce the Security Instrument unless indemnified to its satisfaction and will not be required to foreclose if doing so will subject it to environmental liability or will require the approval of a governmental regulator that cannot be obtained.

Section 7.04. *Use of Proceeds.* The Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan or any other moneys paid over by the Fiscal Agent in accordance with the provisions of this Funding Loan Agreement except as provided herein.

Section 7.05. *Trust Imposed.* All money received by the Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.06. *Compensation of Fiscal Agent.* The Fiscal Agent shall be entitled to its Fiscal Agent's Ordinary Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Fiscal Agent shall be entitled to the Fiscal Agent's Extraordinary Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided the Fiscal Agent shall not perform any Extraordinary Services or incur any Fiscal Agent's Extraordinary Fees and Expenses without the consent of the Funding Lender Representative. If any property, other than cash, shall at any time

be held by the Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, the Fiscal Agent, 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 Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Fiscal Agent for its services and reimbursement to the Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06 and 4.11 hereof. The Governmental Lender shall have no liability for the Fiscal Agent's fees, costs or expenses. Subject to the provisions of Section 7.09 hereof, the Fiscal Agent agrees that it shall continue to perform its duties hereunder and under the Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Fiscal Agent's Ordinary Fees and Expenses or, if applicable, the Fiscal Agent's Extraordinary Fees and Expenses as required by the Project Loan Agreement.

The Borrower shall indemnify and hold harmless the Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against all of the following:

(a) any and all claims by or on behalf of any Person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans;

(b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the delivery of the Governmental Note or the Loans; and

(c) all costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any Person for damages caused by the gross negligence, willful misconduct or unlawful acts of such Person or which arise from events occurring after the Borrower ceases to own the Project.

In the event that any action or proceeding is brought or claim made against the Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses (except for matters attributable to the negligence or willful misconduct of such Person). The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.06 shall survive the termination of this Funding Loan Agreement.

Section 7.07. Qualifications of Fiscal Agent. There shall at all times be a Fiscal Agent hereunder which shall be a state banking corporation or a national banking association with the authority to accept trusts in the State and approved in writing by the Governmental Lender. Any successor Fiscal Agent shall have a combined capital and surplus of at least \$50,000,000 in its most recent published annual report of condition (or shall be a wholly owned subsidiary of a bank holding company, or a wholly owned subsidiary of a company that is a wholly owned subsidiary of a bank holding company, that has such combined capital and surplus as set forth in its most recent published annual report of condition, of at least \$500,000,000 of trust assets under management and has a combined capital surplus of at least \$2,000,000 as set forth in its most recent published annual report of condition) or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.11 hereof. In case at any time the Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.07 and another association or corporation is eligible, the Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.09 hereof.

Section 7.08. Merger of Fiscal Agent. Any association or corporation into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of the Fiscal Agent in the Loans. Notwithstanding the foregoing, any such successor Fiscal Agent shall cause written notice of such succession to be delivered to the Governmental Lender and the Funding Lender within 30 days after such succession.

Section 7.09. Resignation by the Fiscal Agent. The Fiscal Agent may at any time resign from the trusts hereby created by giving 60 days' written notice to the Governmental Lender, the Borrower, the Loan Servicer and the Funding Lender Representative. Such notice to the Governmental Lender, the Borrower, the Loan Servicer and the Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of the Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder; provided, however, that after giving notice of resignation, the Fiscal Agent may petition any court of competent jurisdiction for appointment of a temporary Fiscal Agent until a successor Fiscal Agent is appointed. The rights of the Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive the Fiscal Agent's resignation as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

Section 7.10. Removal of the Fiscal Agent. The Fiscal Agent may be removed at any time, either with or without cause, with the consent of the Funding Lender Representative (which consent of the Funding Lender Representative shall not be unreasonably withheld) with 30 days' notice by a written instrument signed by the Governmental Lender and delivered to the Fiscal Agent, the Loan Servicer and the Borrower. The Fiscal Agent may also be removed with 30 days'

notice by a written instrument signed by the Funding Lender Representative and delivered to the Fiscal Agent, the Loan Servicer, the Governmental Lender and the Borrower. In each case written notice of such removal shall be given to the Loan Servicer, the Borrower and to the Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but the Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder. The rights of the Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive the Fiscal Agent's removal as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

Section 7.11. *Appointment of Successor Fiscal Agent.*

(a) In case at any time the Fiscal Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and the Governmental Lender, with the written consent of the Funding Lender Representative, shall promptly appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Governmental Lender. If the Governmental Lender fails to appoint a successor Fiscal Agent within 10 days following receipt of notice of the resignation or removal of the Fiscal Agent pursuant to Section 7.09 or Section 7.10 hereunder, as applicable, the Funding Lender Representative may appoint a successor Fiscal Agent (from any institutions approved by the Governmental Lender to serve as a fiscal agent) with written notice thereof delivered to the Governmental Lender, the Borrower, the Loan Servicer, if any, and the retiring Fiscal Agent.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.11 within 60 days following delivery of all required notices of resignation given pursuant to Section 7.09 hereof or of removal of the Fiscal Agent pursuant to Section 7.10 hereof, the retiring Fiscal Agent may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.12. *Concerning Any Successor Fiscal Agent.* Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Governmental Lender, the Borrower or the Funding Lender Representative, or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as the Fiscal Agent hereunder to its

successor. Should any instrument in writing from the Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article VII, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Funding Lender.

Section 7.13. Successor Fiscal Agent. In the event of a change in the office of the Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be the Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

Section 7.14. Appointment of Co-Fiscal Agent or Separate Fiscal Agent. It is the intent of the Governmental Lender and the Fiscal Agent that there shall be no violation of any law of any jurisdiction (including particularly the laws of the Property Jurisdiction) denying or restricting the right of banking corporations or associations to transact business as the Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein or therein granted to the Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent, with the consent of the Governmental Lender and the Funding Lender Representative, appoint an additional individual or institution as a co-fiscal agent or separate fiscal agent.

In the event that the Fiscal Agent appoints an additional individual or institution as a co-fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of the Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co-fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.14. Such co-fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Governmental Lender and the Fiscal Agent.

Should any instrument in writing from the Governmental Lender be required by the co-fiscal agent or separate fiscal agent so appointed by the Fiscal Agent for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender, the Fiscal Agent and the Borrower. If the Governmental Lender shall fail to deliver the same within 30 days of such request, the Fiscal Agent is hereby appointed attorney-in-fact for the Governmental Lender to execute, acknowledge and deliver such instruments in the Governmental Lender's name and stead. In case any co-fiscal agent or separate fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co-fiscal agent or separate fiscal agent.

Every co- fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon the Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Fiscal Agent;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Fiscal Agent shall be conferred or imposed upon or exercised or performed by the Fiscal Agent, or by the Fiscal Agent and such co- fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co- fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co- fiscal agent or separate fiscal agent;

(c) any request in writing by the Fiscal Agent to any co- fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co- fiscal agent or separate fiscal agent;

(d) any co- fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to the Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Fiscal Agent at any time by an instrument in writing with the concurrence of the Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co- fiscal agent or separate fiscal agent appointed under this Section 7.14 and in case an Event of Default shall have occurred and be continuing, the Fiscal Agent shall have power to accept the resignation of or remove any such co- fiscal agent or separate fiscal agent without the concurrence of the Governmental Lender, and upon the request of the Fiscal Agent, the Governmental Lender shall join with the Fiscal

Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co- fiscal agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.14;

(f) no Fiscal Agent or co- fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, acknowledgment, waiver or other action in writing executed by the Funding Lender Representative and delivered to the Fiscal Agent shall be deemed to have been delivered to each such co- fiscal agent or separate fiscal agent; and

(h) any money, papers, securities or other items of personal property received by any such co- fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to the Fiscal Agent.

The total compensation of the Fiscal Agent and any co-fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.06 hereof.

Section 7.15. Notice of Certain Events. The Fiscal Agent shall give written notice to the Governmental Lender, the Loan Servicer and the Funding Lender Representative of any failure by the Borrower to comply with the terms of the TEL Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

Section 7.16. Filing of Financing Statements. The Fiscal Agent shall, at the expense of the Borrower, file or record or cause to be filed or recorded all continuation statements for financing statements that have been delivered to the Fiscal Agent on which the Fiscal Agent is named as a secured party or additional secured party for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the Uniform Commercial Code. Upon the filing of any such continuation statement the Fiscal Agent shall immediately notify the Governmental Lender, the Borrower, the Funding Lender Representative and the Loan Servicer that the same has been done. If direction is given by the Loan Servicer or the Funding Lender Representative, the Fiscal Agent shall file all continuation statements in accordance with such directions.

Notwithstanding anything to the contrary contained herein, the Fiscal Agent shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code and unless the Fiscal Agent shall have been notified by the Funding Lender that any such initial filing or description of collateral was or has become defective, the Fiscal Agent shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 7.16 and in filing any continuation statements in the same filing offices as the initial filings were made.

Section 7.17. *USA Patriot Act Requirements of the Fiscal Agent.* To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. For a non-individual Person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such Person's formation and existence as a legal entity. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

ARTICLE VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01. *Amendments to this Funding Loan Agreement.* Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Fiscal Agent and the Governmental Lender, and with the prior written consent of the Funding Lender Representative.

Section 8.02. *Amendments to Financing Documents Require Consent of Funding Lender Representative.* Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of the Funding Lender Representative. The Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by the Funding Lender Representative.

Section 8.03. *Opinion of Bond Counsel Required.* No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the TEL Regulatory Agreement shall become effective unless and until all of the following have occurred:

(a) the Funding Lender Representative shall have consented to the same in writing in its sole discretion;

(b) the Funding Lender Representative, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower:

(i) an opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in the gross income of the holder thereof for federal income tax purposes, and

(ii) an opinion of counsel acceptable to the Funding Lender Representative to the effect that any such proposed such amendment, change or modification is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01. *Discharge of Lien.*

(a) These presents and the estates and rights hereby granted shall cease, determine and be void if the Governmental Lender shall:

(i) pay or cause to be paid to the Funding Lender the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:

(A) by the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan; or

(B) prior to the Window Period, by the deposit to the account of the Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or

(C) by the delivery of the Governmental Note by the Funding Lender to the Fiscal Agent for cancellation; and

(ii) have paid all amounts due and owing under the other Financing Documents;

(iii) have paid all fees and expenses of and any other amounts due to the Fiscal Agent, the Governmental Lender, the Loan Servicer and the Rebate Analyst; and

(iv) keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part.

(b) Upon satisfaction of each of the requirements of Section 9.01(a), the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by the Fiscal Agent for the payment of principal of, interest and Prepayment Premium, if any, on the Governmental Note, and the payment of any amounts owed to the United States of America pursuant to Section 4.10 hereof.

(c) Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior

to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in Section 9.01(a) based on a deposit of moneys or securities with the Fiscal Agent pursuant to Section 9.01(a)(i)(B) if, under circumstances which do not cause interest on the Governmental Note to become includable in the gross income of the holder thereof for federal income tax purposes, each of the following conditions shall have been fulfilled:

(i) there shall be on deposit with the Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by the Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date;

(ii) the Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to the Fiscal Agent and the Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan;

(iii) the Fiscal Agent and the Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code:

(A) payment of such money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and

(B) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan.

(iv) the Fiscal Agent and the Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of this Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holder thereof for federal income tax purposes; and

(v) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the Funding Lender and the Loan Servicer under the Financing Documents have been fully paid.

Section 9.02. Discharge of Liability on Funding Loan. Upon the deposit with the Fiscal Agent, in trust, on or before the Maturity Date, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to the Maturity Date or the prepayment date of the Funding Loan) provided that, if the Funding Loan is

to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as provided in Article III or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, all liability of the Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter the Funding Lender shall be entitled to payment by the Governmental Lender, and the Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03. *Payment of Funding Loan After Discharge of Funding Loan Agreement.* Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the State, any money deposited with the Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or Prepayment Premium on the Governmental Note remaining unclaimed for two years after the maturity or earlier payment date: (a) shall be reported and disposed of by the Fiscal Agent in accordance with applicable unclaimed property laws; or (b) to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Governmental Lender and the Fiscal Agent with respect to such money shall cease, and the Funding Lender shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

MISCELLANEOUS

Section 11.01. *Servicing of the Loans.* The Funding Lender Representative may appoint a Loan Servicer (which may be the Funding Lender Representative if the Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

Section 11.02. *Limitation of Rights.* With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, the Funding Lender, the Funding Lender Representative, the Loan Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 11.03. *Construction of Conflicts; Severability.*

(a) Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excludable from the gross income of the holder thereof for federal income tax purposes

under Section 103(a) of the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

Section 11.04. *Notices.*

(a) Whenever in this Funding Loan Agreement 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.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Instruction and Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Governmental Lender: City of Los Angeles
Los Angeles Housing Department
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026
HIMS# 19-125944
Attention: Supervisor, Affordable Housing Bond
Program

With a copy to:

City of Los Angeles
Los Angeles Housing Department
P.O. Box 532729
Los Angeles, CA 90053-2729
HIMS# 19-125944
Attention: Asset Management Section

The Fiscal Agent: U.S. Bank Trust Company, National Association
One California Street, Suite 2600
San Francisco, CA 94111
Attention: Global Corporate Trust
Ref: LA MF (Rousseau Residences 2026G)
Telephone: (415) 393-7275
Facsimile: (415) 519-1673

The Borrower: Rousseau Residences Associates, A California Limited Partnership
c/o The Pacific Companies
430 East State Street, Suite 100
Eagle, ID 83616
Attention: Caleb Roope

and

McReynolds & McCormack, LLC
430 East State Street, Suite 140
Eagle, ID 83616
Attention: Clay McReynolds
Telephone: (208) 908-4861

and

TPC Holdings IX LLC
c/o The Pacific Companies
430 E State St, Suite 100
Eagle, ID 83616
Attention: Caleb Roope

and

Flexible PSH Solutions, Inc.
2102 Century Park Lane, Suite 413
Los Angeles, CA 90067
Attention: John Molloy
Telephone: (213) 248-7185

If to Initial Funding Lender
or Loan Servicer

JLL Real Estate Capital, LLC
[]
[]
Attention: []

If to the Funding Lender Representative (as of the Freddie Mac Purchase Date): Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, VA 22102
Attention: Multifamily Operations – Loan Accounting
Telephone: (703) 714-4177
Email: mfla@freddiemac.com

With a copy to (which copy shall not constitute notice to the Funding Lender Representative):

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: jennifer_davila@freddiemac.com
Telephone: (703) 903-2000

A duplicate copy of each notice or other communication given hereunder by any party to the Loan Servicer shall also be given to the Funding Lender Representative and by any party to the Funding Lender Representative to the Loan Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice of written instructions and/or directions pursuant to this Funding Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative and the Loan Servicer (i) prompt notice of the occurrence of any Event of Default of which it has actual knowledge and (ii) any written information or other written communication received by the Fiscal Agent hereunder within 10 Business Days of receiving a written request from the Funding Lender Representative and the Loan Servicer for any such information or other communication.

Section 11.05. *Funding Lender Representative.*

(a) The Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be the Funding Lender Representative. The Funding Lender Representative shall be entitled to all the rights and privileges of the Funding Lender hereunder and under the other Financing Documents.

(b) The Funding Lender Representative may provide written notice to the Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative, and such notice may be amended or rescinded by the Funding Lender Representative at any time by subsequent written notice. The Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by the Funding Lender to the Fiscal Agent, the Governmental Lender, the Loan Servicer and the Borrower. The removal and reappointment shall be

effective immediately upon receipt of such notice by the Fiscal Agent. The Funding Lender may appoint any Person to act as the Funding Lender Representative, including, without limitation, the Loan Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to the Fiscal Agent, the Funding Lender, the Governmental Lender, the Loan Servicer and the Borrower, all references to the Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to the Funding Lender until a successor Funding Lender Representative is appointed by the Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, the Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of the Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of the Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to the Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

Section 11.06. *Payments Due on Non-Business Days.* In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 11.07. *Counterparts.* This Funding Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.08. *Laws Governing Funding Loan Agreement.* The effect and meaning of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the Property Jurisdiction without regard to conflicts of laws principles.

Section 11.09. *Nondiscrimination and Affirmative Action.* The Fiscal Agent 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, California (the “City”). The Fiscal Agent shall not discriminate in its employment practices against any employee or applicant for employment regarding family and medical care leave, pregnancy disability leave, or reasonable accommodations 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent relating to this Funding Loan 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 Funding Loan 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 11.10. Successors and Assigns. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

Section 11.11. Business Tax Registration Certificate. Subject to any exemption available to it, the Fiscal Agent represents that it has obtained or will obtain the Business Tax Registration Certificate(s) required by the City of Los Angeles' Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Funding Loan Agreement, the Fiscal Agent 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 11.12. Child Support Assignment Orders. This Funding Loan Agreement is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, the Fiscal Agent certifies that: (a) it will fully comply with all State and federal employment reporting requirements applicable to Child Support Assignment Orders; (b) 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 (c) it will maintain such compliance throughout the term of this Funding Loan Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of the Fiscal Agent 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 Fiscal Agent to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Fiscal Agent under the terms of this Funding Loan Agreement subjecting the Fiscal Agent to the removal hereunder where such failure shall continue for more than 90 days after notice of such failure to the Fiscal Agent by the Governmental Lender. Any subcontract entered into by the Fiscal Agent relating to this Funding Loan 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 Fiscal Agent to obtain compliance of its subcontractors shall constitute a default by the Fiscal Agent under the terms of this Funding Loan Agreement subjecting the Fiscal Agent to the removal hereunder where such failure shall continue for more than 90 days after notice of such failure to the Fiscal Agent by the Governmental Lender.

The Fiscal Agent shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Fiscal Agent 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 Section 7110 of the Public Contract Code.

Section 11.13. Americans with Disabilities Act. The Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent, relating to this Funding Loan Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section.

Section 11.14. Responsible Banking Ordinance Filing. If it is a commercial bank, the Initial Funding Lender shall file with the City Treasurer of the Governmental Lender 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 Initial Funding Lender represents that it has, prior to the Closing Date, filed the report due by July 1, 2026, under the Responsible Banking Ordinance for calendar year 2025.

Section 11.15. Disclosure of Border Wall Contracting Ordinance. The Fiscal Agent shall comply with Los Angeles Administrative Code Section 10.50 et seq., “Disclosure of Border Wall Contracting.” The Governmental Lender may declare a default under this Funding Loan Agreement if the Governmental Lender determines that the Fiscal Agent 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Governmental Lender, the Initial Funding Lender and the Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

CITY OF LOS ANGELES, as Governmental
Lender

By: Los Angeles Housing Department

By: _____
Name: Craig Arceneaux
Title: Assistant General Manager

Approved as to form:

HYDEE FELDSTEIN SOTO,
City Attorney

Deputy/Assistant City Attorney

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO ROUSSEAU RESIDENCES FUNDING LOAN AGREEMENT]

JLL REAL ESTATE CAPITAL, LLC, as
Initial Funding Lender

By _____
Name _____
Title _____

[INITIAL FUNDING LENDER'S SIGNATURE PAGE TO ROUSSEAU RESIDENCES FUNDING LOAN AGREEMENT]

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Fiscal Agent**

By _____

Name: Larry Swift

Title: Vice President

[FISCAL AGENT'S SIGNATURE PAGE TO ROUSSEAU RESIDENCES FUNDING LOAN AGREEMENT]

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

**CITY OF LOS ANGELES
MULTIFAMILY HOUSING REVENUE REFUNDING NOTE
(ROUSSEAU RESIDENCES)
SERIES 2026G**

US \$[_____]

[_____] 1, 2026

FOR VALUE RECEIVED, the undersigned, City of Los Angeles (the “**Obligor**” or “**Governmental Lender**”), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of JLL Real Estate Capital, LLC (the “**Funding Lender**”), and its assigns, the principal sum of [_____] (US \$[_____]), plus Prepayment Premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G (this “**Governmental Note**”) is being delivered pursuant to that certain Funding Loan Agreement dated as of [_____] 1, 2026 (together with any and all amendments, modifications, supplements and restatements, the “**Funding Loan Agreement**”), among the Funding Lender, the Obligor and U.S. Bank Trust Company, National Association (the “**Fiscal Agent**”), pursuant to which the Obligor has incurred a loan in the original principal amount of \$[_____] (the “**Funding Loan**”), and this Governmental Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Rousseau Residences Associates, A California Limited Partnership, a California limited partnership (the “**Borrower**”) pursuant to the Project Loan Agreement dated as of [_____] 1, 2026 (the “**Project Loan Agreement**”), among the Obligor, the Borrower and the Fiscal Agent.

1. **Defined Terms.** As used in this Governmental Note, (i) the term “Funding Lender” means the holder of this Governmental Note, and (ii) the term “Indebtedness” means the principal of, Prepayment Premium, if any, and interest on or any other amounts due at any time under this Governmental Note or the Funding Loan Agreement. “Event of Default” and other capitalized terms used but not defined in this Governmental Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest.** The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing [_____] 1, 2026, interest on this Governmental Note at the rate of [_____] % per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the “**Interest Rate**”) on the outstanding principal balance of this Governmental Note, and shall also pay interest on this Governmental Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Governmental Note subject to prepayment. Interest on this Governmental Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Governmental Note in full on [August 1, 2040] (the “**Maturity Date**”) and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. **Manner of Payment.** All payments under this Governmental Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. **Application of Payments.** If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender’s discretion. Neither the Funding Lender’s acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender’s application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Governmental Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor, except as required by the Funding Loan Agreement (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Prepayment; Prepayment Premium.** This Governmental Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. **Forbearance.** Any forbearance by the Funding Lender in exercising any right or remedy under this Governmental Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender’s right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Governmental Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Governmental Note and all other third-party obligors.

10. **Loan Charges.** Neither this Governmental Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the Maximum Interest Rate. If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to the Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Governmental Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Governmental Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Governmental Note.

11. **Governing Law.** This Governmental Note shall be governed by the internal law of the Property Jurisdiction.

12. **Captions.** The captions of the paragraphs of this Governmental Note are for convenience only and shall be disregarded in construing this Governmental Note.

13. **Address for Payment.** All payments due under this Governmental Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Loan Servicer.

14. **Default Rate.** So long as (a) any monthly installment under this Governmental Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Governmental Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the “**Default Rate**”) equal to the lesser of (i) the Interest Rate, otherwise in effect notwithstanding the default plus four percent per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. **Limited Obligation.** **THIS NOTE IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER, OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY**

FROM THE PROJECT REVENUES AND PROPERTY PLEDGED THEREFOR IN THE FUNDING LOAN AGREEMENT AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE GOVERNMENTAL LENDER. NEITHER THE GOVERNMENTAL LENDER, 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 GOVERNMENTAL LENDER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT THERETO. THIS NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, WARRANTY OR AGREEMENT CONTAINED IN THE FUNDING LOAN AGREEMENT OR IN THIS NOTE, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE GOVERNMENTAL LENDER, 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 FUNDING LOAN AGREEMENT, SHALL BE HAD AGAINST THE MAYOR, THE CITY COUNCIL OR ANY OF THE MEMBERS, OFFICERS, AGENTS OR EMPLOYEES OF THE GOVERNMENTAL LENDER, AS SUCH, PAST, PRESENT OR FUTURE OF THE GOVERNMENTAL LENDER, EITHER DIRECTLY OR THROUGH THE GOVERNMENTAL LENDER OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE GOVERNMENTAL LENDER OR ANY RECEIVER OF THE GOVERNMENTAL LENDER, OR FOR OR TO THE OWNER OF THIS NOTE, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE GOVERNMENTAL LENDER UPON THIS NOTE. 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 GOVERNMENTAL LENDER, 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 FUNDING LOAN NOTE OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THIS NOTE SECURED BY THE FUNDING LOAN AGREEMENT OR ANY OF THEM IS, BY THE ACCEPTANCE OF THIS NOTE, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE FUNDING LOAN AGREEMENT AND THE ISSUANCE OF THIS NOTE.

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

THIS NOTE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 2.08 OF THE FUNDING LOAN AGREEMENT, AND

**ANY SUCH TRANSFER SHALL BE RECORDED IN THE NOTE REGISTER
MAINTAINED BY THE FISCAL AGENT.**

[Signature page follows]

IN WITNESS WHEREOF, the Obligor has caused this Governmental Note to be duly executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Treasurer.

(SEAL)

CITY OF LOS ANGELES

City Treasurer

By _____
Mayor

CERTIFICATE OF AUTHENTICATION

This Governmental Note is issued under the provisions of and described in the within-mentioned Funding Loan Agreement.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Fiscal Agent

By _____
Authorized Signer

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE
[To Be Provided]

EXHIBIT B

FORM OF NOTICE OF APPOINTMENT OF FUNDING LENDER REPRESENTATIVE

U.S. Bank Trust Company, National Association
One California Street, Suite 2600
San Francisco, CA 94111
Attention: Global Corporate Trust

Rousseau Residences Associates, A California Limited Partnership
c/o The Pacific Companies
430 East State Street, Suite 100
Eagle, ID 83616
Attention: Caleb Roope

City of Los Angeles
Los Angeles Housing Department
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026

JLL Real Estate Capital, LLC

[]

[]

Attention: []

Re: Rousseau Residences

Ladies and Gentlemen:

The undersigned is the holder (the “**Funding Lender**”) of the City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G dated [], 2026 (the “**Governmental Note**”) delivered pursuant to the Funding Loan Agreement dated as of [] 1, 2026 (the “**Funding Loan Agreement**”), among JLL Real Estate Capital, LLC, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the City of Los Angeles (the “**Governmental Lender**”) and U.S. Bank Trust Company, National Association (the “**Fiscal Agent**”). Pursuant to Section 11.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by the Fiscal Agent, the Funding Lender Representative appointed under Section 11.05 of the Funding Loan Agreement shall be _____. [The person or entity previously appointed as the Funding Lender Representative shall upon the effectiveness of this notice no longer have any further rights or obligations as the Funding Lender Representative.]

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____
_____	_____

Additional individuals may be given such authority by written notice to you from the Funding Lender Representative or from the Funding Lender.

This notice is dated as of the _____ day of _____, _____.

JLL REAL ESTATE CAPITAL, LLC, as
Initial Funding Lender

By _____
Name _____
Title _____

EXHIBIT C
[RESERVED]

EXHIBIT D
[RESERVED]

EXHIBIT E

FORM OF TRANSFeree REPRESENTATIONS LETTER

[TO BE PREPARED ON LETTERHEAD OF TRANSFeree]

[DATE]

City of Los Angeles
Los Angeles Housing Department
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026

U.S. Bank Trust Company, National Association
One California Street, Suite 2600
San Francisco, CA 94111
Attention: Global Corporate Trust

Re: City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G

Ladies and Gentlemen:

The undersigned (the “Funding Lender”) hereby acknowledges receipt of the City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G dated [____], 2026 (the “Governmental Note”) delivered pursuant to the Funding Loan Agreement dated as of [____] 1, 2026 (the “Funding Loan Agreement”), among JLL Real Estate Capital, LLC, in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the City of Los Angeles (the “Governmental Lender”) and U.S. Bank Trust Company, National Association (the “Fiscal Agent”). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination/purchase] of the Funding Loan evidenced by the Governmental Note by the Funding Lender, the Funding Lender hereby makes the following representations upon which you may rely:

1. The Funding Lender has authority to [originate/purchase] the Funding Loan evidenced by the Governmental Note and to execute this letter, and any other instruments and documents required to be executed by the Funding Lender in connection with the [origination/purchase] of the Funding Loan evidenced by the Governmental Note.

2. The Funding Lender is an “accredited investor” under Regulation D of the Securities Act of 1933 (the “Securities Act”) or a “qualified institutional buyer” under Rule 144(a) of said Securities Act (such “accredited investor” or “qualified institutional buyer”, a “Qualified Transferee”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be

able to evaluate the risks and merits of the investment represented by the Funding Loan and the Governmental Note. The Funding Lender is able to bear the economic risk of such investment.

3. The Funding Lender acknowledges that it is [originating/purchasing] the Funding Loan evidenced by the Governmental Note for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan or the Governmental Note (except as set forth below); provided, however, that the Funding Lender may, notwithstanding the foregoing and the terms of Paragraph 4 below, (i) transfer the Funding Loan and the Governmental Note in whole to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan in whole to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better provided that in such instance the controlling interest in the residual interest of such trust or pooling arrangement shall be a single qualified institutional buyer [INSERT FOR INITIAL FUNDING LENDER TRANSFEREE REPRESENTATION LETTER:; provided, further, however, the Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to JLL Real Estate Capital, LLC on the Conversion Date and thereafter delivered to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) pursuant to the forward commitment dated [_____] (the “Freddie Mac Commitment”)] [INSERT FOR FREDDIE MAC SELLER/SERVICER TRANSFEREE REPRESENTATION LETTER:; provided, further, however, the Funding Lender is purchasing the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) pursuant to the commitment dated [____], 2026 (the “Freddie Mac Commitment”)]].

4. In addition to the right to sell or transfer the Funding Loan and the Governmental Note as set forth in Paragraph 3 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan and Governmental Note in whole, subject, as required under the Funding Loan Agreement, to (a) the delivery to the Governmental Lender and Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender, and (b) the prior written consent of the Governmental Lender to the extent required by the Funding Loan Agreement.

5. The Funding Lender understands that the Governmental Note is not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service (d) will be delivered in a form which may not be readily marketable, and (e) is a speculative investment and that there is a high degree of risk in such investment.

6. The Funding Lender understands that (a) the Funding Loan and the Governmental Note are not secured by any pledge of any moneys received or to be received from taxation by the State of California or any political subdivision thereof, (b) the Funding Loan and Governmental Lender Note do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender, the State of California or any political subdivision thereof; (c) the liability of the Governmental Lender with respect to the Funding Loan and Governmental Note are limited to the Pledged Security as set forth in the Funding Loan Agreement; and (d) the Governmental Lender has no continuing obligations with respect thereto except as expressly set forth in the Funding Loan Agreement.

7. The Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, which it considers necessary to make an informed decision in connection with the [origination/purchase] of the Funding Loan as evidenced by the Governmental Note. The Funding Lender has not relied upon the Governmental Lender for any information in connection with its purchase of the Funding Loan. nor has it looked to, nor expected the Governmental Lender to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Funding Loan Agreement and the Project Loan Agreement, or the adequacy of the funds pledged to the Fiscal Agent or Funding Lender to secure repayment of the Governmental Note. The Funding Lender waives the requirement of any “due diligence investigation or inquiry” by the Governmental Lender, by each employee of the Governmental Lender, by each member of the City Council of the Governmental Lender.

8. The Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the Governmental Note and the security therefor, and other material factors affecting the security and payment of the Funding Loan and Governmental Note. The Funding Lender is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan and the Governmental Note.

9. The Funding Lender agrees to indemnify and hold harmless the Governmental Lender, its officers, employees and agents and the members of the governing board of the Governmental Lender, past, present and future, with respect to any claim asserted against any of them that is based upon the Funding Lender’s sale, transfer or other disposition of its interest in the Funding Loan in violation of the provisions hereof or of the Funding Loan Agreement or any inaccuracy in any statement made by the Funding Lender in these representations.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

JLL REAL ESTATE CAPITAL, LLC

By _____
Name _____
Title _____

[SIGNATURE PAGE TO TRANSFEREE REPRESENTATIONS LETTER]

EXHIBIT F

FORM OF RESPONSIBLE BANKING ORDINANCE CERTIFICATE

**RESPONSIBLE BANKING ORDINANCE
REPRESENTATIONS AND COVENANTS OF BANK**

[_____, 20__]

City of Los Angeles
Los Angeles, California

\$(_____)
City of Los Angeles
Multifamily Housing Revenue Refunding Note
(Rousseau Residences)
Series 2026G

Ladies and Gentlemen:

The undersigned, on behalf of JLL Real Estate Capital, LLC (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 above-captioned note.

(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 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: _____

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

KUTAK ROCK LLP
1650 FARNAM STREET
OMAHA, NE 68102
ATTENTION: MICHELLE E. PERNICEK, ESQ.

**AMENDED AND RESTATED REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

by and among

CITY OF LOS ANGELES,
as City

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Fiscal Agent

and

ROUSSEAU RESIDENCES ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
as Borrower

relating to

**\$[_____]
City of Los Angeles
Multifamily Housing Revenue Refunding Note
(Rousseau Residences)
Series 2026G**

Dated as of [_____] 1, 2026

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**AMENDED AND RESTATED REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this “Agreement” or this “Regulatory Agreement”) is made and entered into and dated as of [_____] 1, 2026, 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 TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, in its capacity as fiscal agent (the “Fiscal Agent”) under the Funding Loan Agreement dated as of the date hereof, by and among the City, JLL Real Estate Capital, LLC, as initial funding lender, and the Fiscal Agent, with an office in Los Angeles, California, and **ROUSSEAU RESIDENCES ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP**, 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 May 18, 2021, the City indicated its intent to provide for the issuance of revenue bonds or notes to finance a portion of the acquisition, construction and equipping of Rousseau Residences, a multifamily residential rental housing project to be located in the City of Los Angeles at 316 North Juanita Avenue on the site more particularly described in Exhibit A attached hereto (the “Project”) and the City Council of the City subsequently adopted resolutions (together, the “Resolution”) authorizing the issuance of its revenue bonds or notes for such purpose; and

WHEREAS, in furtherance of the purposes of the Law, the Act, and the related Resolution, and as a part of the City’s program of financing housing, the City issued pursuant to the Indenture of Trust dated as of February 1, 2022 (the “Indenture”) \$14,000,000 maximum principal amount of its Multifamily Housing Revenue Bond (Rousseau Residences) Series 2022E (the “Bond”) the proceeds of which were used to fund a loan to the Borrower to finance a portion of the acquisition, construction and equipping of the Project; and

WHEREAS, subsequent to the issuance of the Bond, in furtherance of the purposes of the Law and in accordance with the Act and the related Resolution, and as part of the City’s program of financing housing, the City has issued pursuant to the Funding Loan Agreement its \$[_____] principal amount of its Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G (the “Note”) the proceeds of which will be used to fund a loan (the “Project Loan”) to the Borrower to refund the Bond and provide for permanent financing of the Project; and

WHEREAS, in order for interest on the Note 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, in connection with the issuance of the Bond, the City, the Fiscal Agent, and the Borrower entered into that Regulatory Agreement and Declaration of Restrictive Covenants dated as of February 1, 2022 (the “2022 Regulatory Agreement”) which was recorded in the official records of the County of Los Angeles on February 11, 2022, as Instrument No. 20220173528; and

WHEREAS, in connection with the issuance of the Note, the City, the Fiscal Agent and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the 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”); and

WHEREAS, the City, the Fiscal Agent, and the Borrower desire, as evidenced by their execution of this Regulatory Agreement, to fully amend and restate the 2022 Regulatory Agreements in whole with the provisions of this Regulatory Agreement effective as of the date hereof; and

WHEREAS, the City and the Fiscal Agent have received an opinion of Bond Counsel as required by the 2022 Regulatory Agreements regarding the amendment and restatement thereof pursuant to this Regulatory Agreement;

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 Fiscal Agent 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 Funding Loan Agreement or the Project 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 Note 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 Amended and Restated 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 Fiscal Agent 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 Fiscal Agent 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 (Rousseau Residences) Series 2022E authorized, authenticated and delivered under the Indenture, as defined in the recitals hereto.

“*Bond Counsel*” means (i) Kutak Rock LLP or (ii) 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 Fiscal Agent.

“*Bondowner Representative*” means Zions Bancorporation, N.A. dba California Bank & Trust, a national banking corporation, and any successor entity pursuant to the Indenture.

“*Borrower*” means Rousseau Residences Associates, A California Limited Partnership, 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. 21-164, adopted on August 11, 2021, and revised on September 23, 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 Fiscal Agent 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 the 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*” means February 10, 2022, the date upon which the Bond was 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 Fiscal Agent and CDLAC on [_____].

“*Costs of Issuance*” means the costs of issuing the Note as set forth in the Funding Loan Agreement.

“*Delivery Date*” has the meaning set forth in the Funding Loan Agreement.

“*Determination of Taxability*” means either (a) refusal by the Borrower to consent to any amendment or supplement hereto or to the Funding Loan Agreement which, in the written opinion

of Bond Counsel delivered to the City, the Fiscal Agent, the Funding Lender and the Borrower, is necessary or advisable to maintain the exclusion of interest on the Note from gross income for federal income tax purposes; or (b) any of (i) the enactment of applicable legislation of which the Fiscal Agent has actual knowledge, (ii) a final judgment or order of a court of original or appellate jurisdiction of which the Fiscal Agent has actual knowledge, (iii) a final ruling or decision of the Internal Revenue Service of which the Fiscal Agent has actual knowledge or (iv) the filing with the Fiscal Agent of an opinion of Bond Counsel, in each case to the effect that the interest on the Note (other than interest on the Note for any period during which such Note is held by a “substantial user” of any facility financed with the proceeds of the Note 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.

“*Fiscal Agent*” means U.S. Bank Trust Company, National Association, in its capacity as fiscal agent under the Funding Loan Agreement, together with its successors and assigns.

“*Funding Lender*” means the party identified as the owner of the Note on the registration books maintained by the Fiscal Agent on behalf of the City.

“*Funding Loan Agreement*” means the Funding Loan Agreement dated as of [_____] 1, 2026, by and among the City, the Funding Lender and the Fiscal Agent relating to the the Note, as amended, modified, supplemented or restated from time to time.

“*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 such form as may from time to time be provided by the City to the Borrower and, with respect to recertifications such form as may, from time to time, be provided by the City to the Borrower.

“*Indenture*” means the Indenture of Trust dated as of February 1, 2022, by and among the City, the Fiscal Agent, as trustee, and the Bondowner Representative, relating to the issuance of the Bond, as amended, modified, supplemented or restated from time to time.

“*Inducement Date*” means May 18, 2021.

“*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% or less 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 Note, representing the total purchase price of the Note, including any premium paid as part of the purchase price of the Note, but excluding the accrued interest, if any, on the Note paid by the initial purchaser of the Note.

“*Note*” has the meaning set forth in the recitals hereto.

“*Note Documents*” means the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement, the Tax Certificate and any other document now or hereafter executed by the Borrower, the City, the Fiscal Agent or the Noteholder in connection with the Note.

“*Noteholder*” or “*Owner*” or “*Holder*” means the party identified as the owner of the Note on the registration books maintained by the Fiscal Agent on behalf of the City.

“*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 316 North Juanita Avenue in the City of Los Angeles, California and all rights and appurtenances thereunto appertaining, as more particularly described in Exhibit A attached 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 Note 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 Note 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, (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates, or (d) the date which is 55 years from the date on which 50% of the dwelling units in the Project are first occupied.

“*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, collectively, that 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 and that Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Delivery Date, each 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 Note, that such interest is excluded from gross income for federal income tax purposes (other than interest on the Note for any period during which the Note is held by a “substantial user” of any facility financed with the proceeds of the Note 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.

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 I, 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 Fiscal Agent as follows:

(a) The Borrower has incurred a substantial binding obligation to commence the acquisition of the Project Site and 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 Project Loan financed from proceeds of the Note.

(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 has commenced 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 Note 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 Project 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 Note proceeds pursuant to the Funding Loan Agreement and the Project 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 Note 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 Project Loan; provided, however, that if the Borrower provides the Fiscal Agent with an opinion of Bond Counsel to the effect that the Tax-exempt status of interest on the Note 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 Note 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 Note 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 Note 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 foregoing two sentences shall not apply to “preliminary expenditures” within the meaning of Regulations Section 1.150-2(f)(2) that do not exceed 20% of the aggregate amount of the Bond. 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 Project 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 Note to be applied in a manner contrary to the Funding Loan Agreement, the Project Loan Agreement, the Law, the Act or the Code.

(h) [Reserved].

(i) The Borrower agrees to spend additional moneys for payment of any costs of the Project sufficient to reduce the portion of Note 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 Note 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 (other than “preliminary expenditures” within the meaning of Regulations Section 1.150-2(f)(2) which do not exceed 20% of the aggregate amount of the Bond and which are 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 Section 1.103-8(a)(1)) so that the amount of Note proceeds expended on such Qualified Project Costs is at least 97% of the amount of Note proceeds spent for all purposes related to the Project, except that, upon receipt by the

Borrower, the Fiscal Agent and the City of an approving opinion of Bond Counsel, the percentage of such amounts so used may be 95%.

(j) No Note 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 Section 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 attached 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, (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 the 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 Funding Loan Agreement and the Project Loan Agreement, it will either prepay the Project 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, 1910 Sunset Boulevard, Suite 300, Los Angeles, California 90026), and a copy to CDLAC, the Funding Lender and the Fiscal Agent, 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 [] and [] 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 Fiscal Agent, 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 Fiscal Agent, no later than the fifteenth day of each month following the receipt by the Fiscal Agent 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 [] and [] 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 51 units plus 1 manager unit of which at least 51 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	51	0	51
2-bedroom	0	1	1
Total	51	1	52

Section 5. Tax-exempt Status of the Note. The Borrower and the City make the following representations, warranties and agreements for the benefit of the holder of the Note 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 Note 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 Note 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 Fiscal Agent, with a copy to the Borrower and the Funding Lender, 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 Fiscal Agent, with a copy to the Borrower and the Funding Lender, 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 Note 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 Note in an amount related to the amount of the Project 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, all provisions in the Health and Safety Code of the State of California applicable to “affordable housing units” as defined therein 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 42(g)(2)(C) of the Code.

(b) The Gross Rents (as defined in the Code of California Regulations Section 5170) 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 42(g)(2)(C) of the Code.

(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 any annual report information required by California Government Code Section 8855(k)(1) until the later of the date the Note is no longer outstanding or the proceeds of the Note have been fully spent.

(d) No portion of the Note 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 Note, 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 Note 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, 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 greatest 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 ending at the expiration of the Qualified Project Period. 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 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 and the Delivery Date, as applicable, pay to the City its initial fees and thereafter pay to the City its ongoing fees with respect to the issuance of each Bond and the Note as follows. On the Delivery Date, the Borrower shall pay the City an initial fee immediately upon the issuance of the Note equal to \$[] (0.25% of the original principal amount of the Note issued under the Funding Loan Agreement (\$[])). The City acknowledges receipt on the Closing

Date of the sum of \$35,000 (0.25% of the aggregate maximum principal amount of the Bond issuable under the Indenture (\$14,000,000)). 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 February and August commencing August 1, 2022, for the period from the date of issuance of the Bond through the end of the Qualified Project Period, prorated for the initial and any subsequent partial period, a semiannual amount equal to the greater of \$1,500 or one half of 0.125% of the principal amount of the Note Outstanding under the Funding Loan Agreement on the Delivery 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 Note from gross income for federal income tax purposes. Throughout the term of this Agreement, the Fiscal Agent, the City, or any servicer of the Project Loan, as applicable, shall provide an invoice to the Borrower monthly or at least 30 days prior to the due date of each such payment (a copy of which shall be provided to the City), and the Borrower shall remit such payments to the Fiscal Agent, the City, or such servicer of the Project Loan, as applicable. Funds received by the Fiscal Agent or any servicer of the Project Loan shall be paid to the City when due. In the event of any prepayment of the Note in whole, prior to the end of the Qualified Project Period, 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 end of the Qualified Project Period, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Note from gross income for federal income tax purposes; or (B) enter into an agreement with a corporate trustee or fiscal agent acceptable to the City requiring the trustee or fiscal agent 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 November 1, the annual fee described above. The Borrower shall bear the cost of such trustee or fiscal agent through the term of this Regulatory Agreement. The Borrower shall not be required to pay the fee described in the preceding sentences if the Note 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 the greater of (i) \$5,000 or (ii) 0.125% of the permanent principal amount of the Note, 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 Note. 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 Fiscal Agent shall report to the City in writing semiannually, within 10 days of each June 30 and December 31, the principal amount of the Note 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 others or domestic partners); 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 Note 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 Note 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 online 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 Note 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 Note 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 Fiscal Agent 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 Fiscal Agent and the Borrower (with a copy to the Funding Lender), 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 Note, 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 Fiscal Agent and the Borrower (with a copy to the Funding Lender), 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 Fiscal Agent 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 Note. 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Note made or given to the City or the Fiscal Agent, or any underwriters or purchaser of the Note, 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 Note or the Tax-exempt status of interest on the Note; (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 Fiscal Agent, its negligence, fraud or willful misconduct. The Borrower also shall pay and discharge and shall indemnify and hold harmless the City and the Fiscal Agent from (i) any lien or charge upon payments by the Borrower to the City and the Fiscal Agent hereunder or under the Note 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Note or any other document or agreement relating thereto. In the event of any audit or inquiry regarding the Note 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 Fiscal Agent shall not be indemnified for income tax, franchise tax or similar tax liability relating to the Fiscal Agent's own income and operations.

Section 10. Consideration. The City has issued the Note 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 Note 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 Note and in the exemption from federal income taxation and California personal income taxation of the interest on the Note. In performing their duties and obligations hereunder, the City and the Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Project Loan, the granting by the Borrower of a deed-in-lieu of foreclosure, or any other comparable conversion of the Project 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 Project 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 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, (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 Fiscal Agent 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 Project 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 Note, (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 Security Instrument (as defined in the Funding Loan Agreement), or any of the other Note Documents to which the Borrower is a party, which requires the Borrower to obtain the consent of the Funding Lender 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 Funding Lender the right to accelerate the maturity of the Project Loan or any obligations of the Borrower under the Note Documents, or to take some other similar action with respect to the Project Loan or any obligations of the Borrower under the Note Documents, upon the sale, transfer or other disposition of the Project or any such other interest. Notwithstanding anything contained in this Section 13 to the contrary, neither the consent of the City nor delivery of items (a) through (h) of the preceding paragraph shall be required in the case of, and nothing in this Section 13 shall otherwise affect the right of the Funding Lender, the Fiscal Agent or a designee or third-party purchaser to effect, a foreclosure or deed in lieu of foreclosure, whereby the Funding Lender, the Fiscal Agent or a designee or third-party purchaser forecloses on the Project or accepts a deed in lieu of foreclosure or effects a comparable conversion of the Project Loan or the Note Documents. Consent of the City and delivery of items (a) through (h) of the preceding paragraph shall be required for any transfer of the Project subject to the purchase at a foreclosure or transfer pursuant to deed in lieu of foreclosure as described in the preceding sentence.

Notwithstanding the foregoing, if the Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent'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 the Fiscal Agent 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 Note, discharge of the Project Loan and termination of the Funding Loan Agreement and the Project Loan Agreement.

Notwithstanding the foregoing, the provisions of Section 9 hereof shall, in the case of the Fiscal Agent, survive the term of this Regulatory Agreement or the replacement of the Fiscal Agent, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Fiscal Agent's tenure as Fiscal Agent under the Funding Loan Agreement, 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 Fiscal Agent 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 Note 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 Fiscal Agent to the effect that the exclusion from gross income for federal income tax purposes of interest on the Note 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 Fiscal Agent, 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 Note 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 Note. The Fiscal Agent hereby consents to any correction of the default by the City on behalf of the Borrower. The City and the Fiscal Agent hereby consent 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 Fiscal Agent, as directed by the City and subject to the provisions of the Funding Loan Agreement relative to the Fiscal Agent'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 Fiscal Agent 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, the limited partners or the Fiscal Agent 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 Fiscal Agent or the City, of compliance with the requirements of Section 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 Project Loan Agreement, such rental shall be paid to the Fiscal Agent for credit against payments due under the Project Loan Agreement. The Fiscal Agent shall have the right, as directed by the City, in accordance with this Section 18 and the provisions of the Funding Loan Agreement, to exercise any or all of the rights or remedies of the City hereunder, provided that prior to taking any such action the Fiscal Agent shall give the City written notice of its intended action. All reasonable fees, costs and expenses of the City and the Fiscal Agent incurred in taking any action pursuant to this Section 18 shall be the sole responsibility of the Borrower.

After the Funding Loan Agreement 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 Fiscal Agent.

The obligations of the Borrower hereunder are not secured by a lien on the Project and the Project 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 Fiscal Agent. The Fiscal Agent shall act as specifically provided herein and in the Funding Loan Agreement. The Fiscal Agent is entering into this Regulatory Agreement solely in its capacity as fiscal agent under the Funding Loan Agreement, and the duties, powers, rights and liabilities of the Fiscal Agent in acting hereunder shall be subject to the provisions of the Funding Loan Agreement.

The City shall be responsible for monitoring and verifying compliance by the Borrower with the terms of this Regulatory Agreement. The Fiscal Agent 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 Note remains outstanding as provided in the Funding Loan Agreement, the Fiscal Agent shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent's rights, duties and obligations hereunder are governed in their entirety by the terms and provisions of the Funding Loan Agreement.

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 if applicable pursuant to Exhibit K, Freddie Mac 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 Note and is not contrary to the provisions of the Law or the Act and with the written consent of the Fiscal Agent.

The City, the Fiscal Agent 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 Note 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 Note.

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
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026
HIMS # 19-125944
Attention: Supervisor, Affordable Housing Bond Program

with a copy to: City of Los Angeles
Los Angeles Housing Department
P.O. Box 532729
Los Angeles, CA 90053-2729
HIMS # 19-125944
Attention: Asset Management Section

If to the Borrower: Rousseau Residences Associates, A California Limited Partnership
c/o The Pacific Companies
430 East State Street, Suite 100
Eagle, ID 83616
Attention: Caleb Roope

and

McReynolds & McCormack, LLC
430 East State Street, Suite 140
Eagle, ID 83616
Attention: Clay McReynolds
Telephone: (208) 908-4861

and

TPC Holdings IX LLC
c/o The Pacific Companies
430 East State Street, Suite 100
Eagle, ID 83616
Attention: Caleb Roope

and

Flexible PSH Solutions, Inc.
2102 Century Park Lane, Suite 413
Los Angeles, CA 90067
Attention: John Molloy
Telephone: (213) 248-7185

If to the Fiscal Agent: U.S. Bank Trust Company, National Association
One California Street, Suite 2600
San Francisco, CA 94111
Attention: Global Corporate Trust
Ref: LA MF (Rousseau Residences)
Telephone: (415) 393-7275
Facsimile: (415) 519-1673

If to CDLAC: California Debt Limit Allocation Committee
Room 213A
901 P Street
Sacramento, CA 95814
Attention: Executive Director
Email: CDLAC@treasurer.ca.gov

If to Investor Limited
Partner: Boston Financial Housing Investments SV LP
c/o Boston Financial Investment Management, LP
101 Arch Street, 13th Floor
Boston, MA 02110
Attention: Asset Management Department (Rousseau Residences)

with a copy to: Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116
Attention: Kristen M. Cassetta, Esq.

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 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 Fiscal Agent 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. The Fiscal Agent and the Borrower shall not discriminate in their employment practices against any employee or applicant for employment; denial of family and medical care leave; denial of pregnancy disability leave or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, transgender status, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. The Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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) define 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 Fiscal Agent 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, each of the Fiscal Agent 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 Note 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent, as appropriate, under the terms of this Regulatory Agreement, subjecting (i) the Borrower to the remedies provided herein and (ii) the Fiscal Agent to termination under the Funding Loan Agreement where, in either case, such failure shall continue for more than 90 days after notice of such failure to the Borrower or the Fiscal Agent by the City. Any subcontract entered into by the Borrower or the Fiscal Agent 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 Fiscal Agent to obtain compliance of its subcontractors shall constitute a default by the Borrower or the Fiscal Agent, as appropriate, under the terms of this Regulatory Agreement, subjecting (A) the Borrower to the remedies provided herein and (B) the Fiscal Agent to termination under the Funding Loan Agreement where such failure shall continue for more than 90 days after notice of such failure to the Borrower or the Fiscal Agent by the City.

The Borrower and the Fiscal Agent shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Borrower and the Fiscal Agent 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 the Public Contract Code Section 7110.

Section 31. Americans with Disabilities Act. The Borrower and the Fiscal Agent 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 Fiscal Agent 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 Fiscal Agent, 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 to this Section 32. The Borrower acknowledges and agrees that failure to fully and accurately complete the required affidavit and disclosures of such ordinance 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 are 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 Qualified Project Period, 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 Qualified Project Period, 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, the Fiscal Agent 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 Note, (iii) any change in the name of the Project or the Project manager; (iv) any default under the Funding Loan Agreement, the Project 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 Note 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 Note 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 Fiscal Agent or to cause the City or the Fiscal Agent 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 Noteholder 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 Funding Lender, 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 Angeles 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 Fiscal Agent 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 Fiscal Agent 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.

Section 36. Amendment to 2022 Regulatory Agreement. The terms of this Regulatory Agreement amend and restate the terms of the 2022 Regulatory Agreement in whole as of the date hereof.

Section 37. Freddie Mac Rider. The provisions of the Freddie Mac Rider attached hereto as Exhibit K are incorporated by reference as if fully set forth herein. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of this Regulatory Agreement, the provisions of the Freddie Mac Rider shall control. The provisions of the Freddie Mac Rider shall be terminated automatically and without further action required of any party hereto, the Loan Servicer, or Freddie Mac following the Freddie Mac Purchase Date (each as defined in the Funding Loan Agreement) upon the earlier of (a) the date the Note is paid in full, retired, or otherwise discharged and (b) the date neither the Loan Servicer nor Freddie Mac is the Funding Lender or Funding Lender Representative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City, the Fiscal Agent 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: Craig Joseph Arceneaux

Title: Assistant General Manager

Approved as to form:

CITY OF LOS ANGELES
HYDEE FELDSTEIN SOTO,
City Attorney

Deputy/Assistant City Attorney

[Signature Page to *Rousseau Residences* A&R Regulatory Agreement]

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Fiscal Agent

By: _____
Name: Larry Swift
Title: Vice President

[Signature Page to *Rousseau Residences* A&R Regulatory Agreement]

**ROUSSEAU RESIDENCES ASSOCIATES, A
CALIFORNIA LIMITED PARTNERSHIP, a**
California limited partnership

By: TPC Holdings IX, LLC, an Idaho limited liability company, its Administrative General Partner

By: Pacific West Communities, Inc., an Idaho corporation, its Manager

By: _____
Name: Caleb Roope
Title: President and CEO

By: Flexible PSH Solutions, Inc. a California Nonprofit Public Benefit Corporation, its Managing General Partner

By: _____
Name: John Molloy
Title: Chief Executive Officer

[Signature Page to *Rousseau Residences* A&R 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 in and for said State, personally appeared _____

(here insert name(s) of signers), 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 in and for said State, personally appeared _____

(here insert name(s) of signers), 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

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State of California

County of _____)

On _____, before me, _____, a Notary Public in and for said State, personally appeared _____

(here insert name(s) of signers), 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 in and for said State, personally appeared _____

(here insert name(s) of signers), 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:

THOSE PORTIONS OF LOTS 12 THROUGH 14 OF BLOCK "V" OF THE DALTON HEIGHTS TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 25 PAGE 35 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 12, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE S 89° 50' 56" E 83.16 FEET;
THENCE N 00° 00' 00" E 116.23 FEET;
THENCE N 90° 00' 00" W 25.28 FEET;
THENCE N 00° 00' 00" E 20.20 FEET;
THENCE N 90° 00' 00" W 57.77 FEET;
THENCE S 00° 02' 34" W 136.22 FEET TO THE TRUE POINT OF BEGINNING

APN: 5501-001-800 (PORTION)

EXHIBIT B

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

FOR THE [MONTH/QUARTER] ENDING _____

\$[_____]

City of Los Angeles

Multifamily Housing Revenue Refunding Note

(Rousseau Residences)

Series 2026G

The undersigned, being the Authorized Borrower Representative of Rousseau Residences Associates, A California Limited Partnership, 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 Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of [_____] 1, 2026 (the “Regulatory Agreement”), among the Borrower, the City and U.S. Bank Trust Company, National Association, as Fiscal Agent relative to the property located at 316 North Juanita Avenue, 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 Project 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]

**ROUSSEAU RESIDENCES ASSOCIATES, A
CALIFORNIA LIMITED PARTNERSHIP, a**
California limited partnership

By: TPC Holdings IX, LLC, an Idaho limited
liability company, its Administrative General
Partner

By: Pacific West Communities, Inc., an Idaho
corporation, its Manager

By: _____
Name: Caleb Roope
Title: President and CEO

By: Flexible PSH Solutions, Inc. a California
Nonprofit Public Benefit Corporation, its
Managing General Partner

By: _____
Name: John Molloy
Title: Chief Executive Officer

[Signature Page to *Rousseau Residences* Certificate of Program Compliance]

EXHIBIT C
[RESERVED]

EXHIBIT D
[RESERVED]

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.: 21-550

3. Bond Issuer Change: _____ Yes _____ No _____
(If Note 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. 21-164 (the “Resolution”), adopted by the California Debt Limit Allocation Committee (the “Committee”) on August 11, 2021, and revised on September 23, 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 Resolution, which specifies that once the Note 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
[RESERVED]

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. LAHD will not issue a clearance for or issuance of a certificate of occupancy or final building permit sign off by the Los Angeles Building and Safety Department and release of a final retention payment unless: (a) corrections issued by LAHD are completed and approved; (b) LAHD approves the final Accessibility Report from CASp for the Project; (c) expert recommendation and City certification of compliance with applicable accessibility requirements are issued; and (d) neutral accessibility consultant verification and City certification of compliance with applicable accessibility requirements are issued.
- 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 Project Loan Agreement 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://www.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 62 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 Note 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 Funding Loan Agreement.

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 Note 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 Note.

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 the City 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 Note 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.

[Remainder of page intentionally left blank]

EXHIBIT J

FORM OF CERTIFICATE OF QUALIFIED PROJECT PERIOD

Project Name: Rousseau Residences

(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.: 21-550

Name of Note Issuer: City of Los Angeles

Name of Borrower: Rousseau Residences Associates, A California Limited Partnership

(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 Note were first occupied on _____, 20__; and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Note 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 Note Issuance Date.)

(a) Note was issued on _____, 20

(b) Date 12 months after the Note Issuance date _____, 20

Signature of Officer

Printed Name of Officer

Title of Officer

Phone Number

EXHIBIT K

FREDDIE MAC RIDER to Regulatory Agreement - TEL (Revised 6-27-2023)

THIS FREDDIE MAC RIDER (“**Rider**”) is attached to and forms a part of the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the “**Regulatory Agreement**”), dated as of [_____] 1, 2026, by and among the City of Los Angeles (the “**Governmental Lender**”), U.S. Bank Trust Company, National Association, as fiscal agent (together with any successor in such capacity, the “**Fiscal Agent**”), and Rousseau Residences Associates, A California Limited Partnership, a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “**Borrower**”).

1. **Definitions.** The terms used in this Rider (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Regulatory Agreement and the Funding Loan Agreement, as applicable.

“**Delivery Date**” means [_____] 1, 2026.

“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“**Funding Lender**” means any Person who is the holder of the Governmental Note, initially JLL Real Estate Capital, LLC, and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

“**Funding Loan Agreement**” means the Funding Loan Agreement, dated as [_____] 1, 2026, by and among the Governmental Lender, the Initial Funding Lender, and the Fiscal Agent, as such Funding Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Governmental Note**” means the City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G dated the Delivery Date, executed by the Governmental Lender and authenticated by the Fiscal Agent in favor of the Initial Funding Lender, pursuant to the Funding Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto.

“**Initial Funding Lender**” means JLL Real Estate Capital, LLC.

“**Loan Servicer**” means any entity appointed by the Funding Lender Representative to service the Loans and any successor in such capacity as appointed by the Funding Lender

Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, Loan Servicer shall be JLL Real Estate Capital, LLC.

“Project” means, collectively, the Land, Improvements, and Fixtures (each as defined in the Security Instrument).

“Project Loan” means the loan from the Governmental Lender to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent as security for the Funding Loan.

“Project Loan Agreement” means the Project Loan Agreement, dated as of [_____] 1, 2026, among the Borrower, the Governmental Lender, and the Fiscal Agent, as such Project Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Project Loan Documents” means the Security Instrument, the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“Project Note” means the Project Note, dated the Delivery Date, executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower’s payment obligations in respect of the Project Loan, and endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the Delivery Date, granting a first priority mortgage and security interest in the Project in favor of the Governmental Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

2. **Applicability.** The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.
3. **Indemnification.** Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither the Funding Lender nor

any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender's liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. **Sale or Transfer.** None of the following shall apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan; provided that the provisions of clauses (b) through (g) of Section 13 of the Regulatory Agreement, notwithstanding paragraph 9 hereof, shall survive foreclosure, deed in lieu of foreclosure or comparable conversion and shall apply to any transfer by Freddie Mac or a third party following foreclosure, deed in lieu of foreclosure or comparable conversion:
- (a) Restrictions on sale or transfer of the Project or of any interest in the Borrower.
 - (b) The Governmental Lender or the Fiscal Agent consents.
 - (c) Transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like.

No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the consent of the Funding Lender 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, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement to the contrary:

- (a) The occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents.
- (b) The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

No person other than the Funding Lender shall have the right either to declare the principal balance of the Project Note to be immediately due and payable or commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Loan Servicer and the Funding Lender, inform the Borrower, the Loan Servicer and the Funding Lender of each of the following:

- (a) The occurrence of such violation.
- (b) The nature of the violation.
- (c) Whether the violation (i) has been cured, (ii) has not been cured, but is curable within a reasonable period of time, or (iii) is incurable.

Notwithstanding the occurrence of such violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note, or to foreclose on the Security Instrument.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 through 7 and Section 33 are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.
10. **Third-Party Beneficiary.** The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender and/or the Fiscal Agent, or to cause the Governmental Lender or the Fiscal Agent to enforce, the terms of the Regulatory Agreement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.
11. **Notices.** Copies of all notices under the Regulatory Agreement shall be sent to Loan Servicer at the address set forth below or to such other address as Loan Servicer may from time to time designate:

JLL Real Estate Capital, LLC

[_____]

[_____]

Attention: [_____]

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation

8100 Jones Branch Drive

McLean, Virginia 22102

Attention: Multifamily Operations - Loan Accounting

Email: mfla@freddiemac.com

Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation

8200 Jones Branch Drive

McLean, Virginia 22102

Attention: Managing Associate General Counsel –

Multifamily Legal Division

Email: jennifer_davila@freddiemac.com

Telephone: (703) 903-2000

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the following good faith estimate is provided by JLL Real Estate Capital, LLC, at the request of Rousseau Residences Associates, A California Limited Partnership, to the City of Los Angeles (the "City") prior to the City's regular City Council (the "Council") meeting (the "Meeting") at which Meeting the Council will consider the authorization of conduit revenue obligations (the "Loan") as identified below.

1. Name of Borrower: Rousseau Residences Associates, A California Limited Partnership
2. Name of Bond Issue / Conduit Revenue Obligations: City of Los Angeles Multifamily Housing Revenue Refunding Note (Rousseau Residences) Series 2026G
3. Amount of Bond Issue/ Conduit Revenue Obligations: \$7,000,000
4. X Private Placement Lender or Bond Purchaser, ___ Underwriter or ___ Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Loan:
 - (A) The true interest cost of the Loan, which means the rate necessary to discount the amounts payable on the principal and interest payment dates to the purchase price received for the new issue of Loan (to the nearest ten-thousandth of one percent): 6.0200%.
 - (B) The finance charge of the Loan, which means the sum of all fees and charges paid to third parties: \$162,859.
 - (C) The amount of proceeds received by the public body for sale of the Loan less the finance charge of the Loan described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Loan: \$6,006,141.
 - (D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Loan plus the finance charge of the Loan described in subparagraph (B) not paid with the proceeds of the Loan (which total payment amount shall be calculated to the final maturity of the Loan): \$11,874,305.

This document has been made available to the public at the Meeting of the Council.