

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: October 20, 2022

CAO File No. 0220-00540-1629

Council File No. 19-0324

Council District: 7

To: The Mayor  
The Council

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

Reference: Los Angeles Housing Department transmittal dated October 7, 2022; Received by the City Administrative Officer on October 7, 2022; Additional Information Received through October 20, 2022

Subject: **REQUEST FOR AUTHORITY TO CONSIDER THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT MINUTES, RE-ISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE NOTES IN AN AMOUNT UP TO \$19,960,000, ISSUE SUPPLEMENTAL TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE NOTES IN AN AMOUNT UP TO \$2,220,000, AND EXECUTE RELATED FINANCING DOCUMENTS FOR THE SUMMIT VIEW APARTMENTS, A SUPPORTIVE HOUSING PROJECT**

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**RECOMMENDATIONS**

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

1. Note and file the Los Angeles Housing Department (LAHD) transmittal dated October 7, 2022 relative to the re-issuance and issuance of supplemental tax-exempt multifamily conduit revenue notes for the Summit View Apartments project;
2. Consider the results of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing held on September 29, 2022 for the Summit View Apartments project attached to this report;
3. Adopt the Resolution attached to this report, authorizing the reissuance of up to \$19,960,000 in tax-exempt multifamily conduit revenue notes and issuance of up to \$2,220,000 in supplemental tax-exempt multifamily conduit revenue notes for the Summit View Apartments project; and,
4. Authorize the General Manager of the LAHD, or designee, to negotiate and execute the relevant financing documents for the Summit View Apartments project, subject to the approval of the City Attorney as to form.

## SUMMARY

The Los Angeles Housing Department (LAHD) requests authority for various items related to the financing of the affordable housing development known as Summit View Apartments (Project). This includes the authority to: 1) re-issue tax-exempt multifamily housing conduit revenue notes in an amount not to exceed \$19,960,000, and 2) issue supplemental tax-exempt multifamily housing conduit revenue notes in an amount not to exceed \$2,220,000 for the Project. The LAHD also requests that the Council consider the minutes from the Project's September 29, 2022 Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing related to the re-issuance and supplemental issuance of notes. The Project will consist of the new construction of 48 units of supportive housing for individuals and families experiencing homelessness or chronic homelessness, and one unrestricted manager unit. The subject site is located at 11800 West Kagel Canyon Street (formerly known as 11681 Foothill Boulevard), Los Angeles, CA, 91342 in Council District 7.

The California Debt Limit Allocation Committee (CDLAC) awarded a tax-exempt bond allocation for the Project to the City on May 15, 2019 in an amount not to exceed \$19,960,000 and designated a November 12, 2019 issuance deadline. The LAHD requested and CDLAC granted one, five-day extension and one, 30-day extension, and designated December 19, 2019 as the revised issuance deadline. The City subsequently issued \$19,960,000 in tax-exempt notes on December 19, 2019. The LAHD reports that unexpected conditions have delayed the conversion to permanent financing and increased the Project's development costs, including construction delays and cost increases. As such, the borrower, 11681 Foothill, L.P. (Borrower), requested changes to the Loan Agreement and Construction and Permanent Loan Agreement to request an extension to the permanent conversion date, which triggers the reissuance of the initial \$19.96 million note since the new conversion date will cause a change in yield that exceeds the allowable limit without requiring a reissuance. The City, on behalf of the Borrower, also applied for a supplemental tax-exempt bond allocation to help the Project secure additional Low Income Housing Tax Credit equity to address construction cost increases. The CDLAC awarded a supplemental tax-exempt bond allocation for the Project on September 1, 2022 in an amount not to exceed \$2,220,000 and designated a February 28, 2023 issuance deadline. Additional information regarding the issuances can be found in the LAHD transmittal, dated October 7, 2022 (Report). Subsequent to the release of its Report, the LAHD provided a revised Bond Resolution to incorporate additional language related to the note attachments. The revised Resolution is attached to this report for Council's consideration and adoption. This Office concurs with the Department's recommendations, as amended, to include the revised Bond Resolution

The Project's financing includes a \$10,560,000 Proposition HHH Supportive Housing Loan (Prop HHH) funding commitment. While the tables in LAHD's Report show \$27,800 in deferred Prop HHH interest in the permanent financing stage, the LAHD confirmed that it will work with the Borrower to close the project's construction financing to minimize the use of Prop HHH deferred interest identified as a permanent source. All Prop HHH program income, regardless if it is received directly following the construction period as deferred interest income or through residual receipts income, is required to be deposited into an account to be used to fund additional Prop HHH loans via a continuing supportive housing loan program consistent with the Prop HHH goals and requirements.

The City's involvement in the issuance of multifamily housing conduit revenue bonds, or notes, is considered true conduit financing, in which the obligation for repayment of the bonds, or notes, is the responsibility of 11681 Foothill, L.P. The City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing.

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

### **FISCAL IMPACT STATEMENT**

There will be no impact to the General Fund as a result of the re-issuance and supplemental issuance of these multifamily conduit revenue notes (notes) for the Summit View Apartments (Project). The City is a conduit issuer and does not incur liability for the repayment of the notes, which are a limited obligation payable solely from the revenues of the Project, and the City is not, under any circumstances, obligated to make payments on the notes.

### **FINANCIAL POLICIES STATEMENT**

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

### **DEBT IMPACT STATEMENT**

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

*MWS:MOF:02230030c*

Attachments

**TEFRA PUBLIC HEARING MEETING MINUTES**  
**THURSDAY – SEPTEMBER 29, 2022**  
**9:00 AM**  
**LOS ANGELES HOUSING DEPARTMENT**  
**BY TELECONFERENCE**  
**FRANCISCO LOPEZ, CHAIR**

This meeting was conducted to meet the required Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) Public Hearing for Western Landing, Confianza, First Street North A Apartments (FSN A), The Journey, Ambrosia Apartments, Hope on Hyde Park, Hope on Broadway, Missouri Place, and Summit View Apartments.

This meeting was called to order on Thursday, September 29, 2022 at 9:00 a.m. via teleconference by the Los Angeles Housing Department.

A notice of this hearing was published in the Los Angeles Times on September 22, 2022 (the “Notice”). The purpose of this meeting was to hear public comments regarding the City of Los Angeles’ proposed issuance of multifamily housing revenue bonds or notes for the above referenced projects.

The Los Angeles Housing Department representatives present were Francisco Lopez, Carmen Velazquez, Cecilia Rosales, Dianne Mattingly, Donald Byers, Robert Vergara, and Adam R. Miller. 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 September 29, 2022 at Los Angeles, California.

CITY OF LOS ANGELES  
Los Angeles Housing Department  
**ANN SEWILL, General Manager**

Francisco  
Lopez

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Lopez  
Date: 2022.09.29 14:27:35  
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Francisco Lopez, Finance Development Officer II

**RESOLUTION**  
**CITY OF LOS ANGELES**

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF ONE OR MORE SERIES OF MULTIFAMILY NOTES BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY MORTGAGE REVENUE NOTE (SUMMIT VIEW APARTMENTS) SERIES 2022BB IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,220,000 TO PROVIDE FINANCING FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 20 HEREOF AND APPROVING AND AUTHORIZING MODIFICATION AGREEMENTS REGARDING THE CITY OF LOS ANGELES MULTIFAMILY MORTGAGE REVENUE NOTE (SUMMIT VIEW APARTMENTS) SERIES 2019M, EXECUTION AND DELIVERY OF 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 City Charter of the City (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 obligations for the purposes of providing financing for the acquisition, rehabilitation, construction, equipping and development of multifamily rental housing for persons of low and 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 now desires to issue its revenue note pursuant to the Law, and in accordance with the Act, to provide financing for the acquisition, rehabilitation, construction and equipping of the multifamily rental housing project described in paragraph 20 below (the “Project”); and

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

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

WHEREAS, 11681 Foothill L.P. (the “Owner”) has requested the City to authorize the issuance of the Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB with a principal amount not to exceed \$2,220,000 (the “2022 Note”) to finance additional costs of the Project; and

WHEREAS, the City proposes to use the proceeds of the 2022 Note to fund a loan to the Owner to finance a portion of the acquisition, rehabilitation, construction and equipping of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the 2022 Note; and

WHEREAS, MUFG Union Bank, N.A., or a subsidiary or affiliate thereof (the “Funding Lender”) has expressed its intention to make a loan (the “2022 Funding Loan”) to the City and as evidence for such loan acquire (or to cause a subsidiary or affiliate to acquire) the 2022 Note authorized hereby in whole, and this Council (the “City Council”) finds that the public interest and necessity require that the City at this time make arrangements for the issuance and delivery of such Note pursuant to the hereinafter defined 2022 Funding Loan Agreement and a Third Modification Agreement and Declaration of Additional Advance (the “Third Modification Agreement”) to set forth terms and conditions regarding the loan of proceeds of the 2022 Note; and

WHEREAS, the interest on the 2022 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 2022 Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the 2022 Note is required to be approved, following a public hearing, by an elected representative of the issuer of the 2022 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 2022 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 September 22, 2022, to the effect that a public hearing would be held on September 29, 2022 regarding the issuance of the 2022 Note and reissuance of the City’s \$19,960,000 Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M (the “2019 Note”); and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the 2022 Note and reissuance of the 2019 Note; and

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

WHEREAS, the Owner of the Project has caused the Funding Lender to provide to the City the following information as a good faith estimate of the cost of the 2022 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 2022 Note, (b) the finance charge of the 2022 Note, including all third party expenses, (c) the amount of proceeds received by the City for the issuance and delivery of the 2022 Note less the finance charge of the 2022 Note and any reserves or capitalized interest paid or funded with proceeds of the 2022 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; and

WHEREAS, the City has previously authorized and issued, pursuant to the Law and in accordance with the Act, 2019 Note to finance costs of the Project; and

WHEREAS, the Owner has requested that the City approve modifications to the Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 among the City, Funding Lender and the Owner (the “Loan Agreement”) and Borrower Note (as defined in the Loan Agreement) pursuant to a Second Modification Agreement among the City, the Funding Lender and the Owner (the “Second Modification Agreement”) to modify the Conversion Date and the maturity date of the Borrower Note; and

WHEREAS, the Funding Lender and Owner have agreed to extend the maturity date of the Borrower Note and the 2019 Note pursuant to the Second Modification Agreement and an Amendment to Funding Loan Agreement (the “Amendment to Funding Loan Agreement”) among the City, the Fiscal Agent and the Funding Lender; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize, execute and deliver as necessary the Second Modification Agreement and Amendment to Funding Loan Agreement and it is within the powers of the City to provide for such amendments; and

WHEREAS, the amendments effected by the Second Modification Agreement and the Amendment to Funding Loan Agreement will cause the 2019 Note to be “reissued” one or more times under the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the interest on the “reissued” 2019 Note may qualify for a federal tax exemption under Section 142(a)(7) of the Code, only if such reissued 2019 Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the procedural steps previously described in the recitals hereto, the City Council satisfied the requirements of Section 147(f) of the Code in connection with the reissuance of the 2019 Note; and

WHEREAS, the forms of the Second Modification Agreement and Amendment to Funding Loan Agreement have been presented to the City Council;

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 2022 Funding Loan Agreement (as hereinafter defined) a revenue note of the City, to be designated as “City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB” in a principal amount not to exceed \$2,220,000, is hereby authorized to be issued. The principal amount of the 2022 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 “2022 Funding Loan Agreement”), among the City, the Funding Lender and U.S. Bank Trust Company, National Association (the “Fiscal Agent”), in substantially the form attached hereto, is hereby approved along with any additions or supplements which may, in the determination of a Designated Officer, be necessary to document the issuance of the 2022 Note authorized hereunder. The Mayor of the City, the General Manager or any Interim General Manager, any Assistant General Manager, or any Acting Assistant General Manager, Interim Assistant General Manager, Executive Officer, Director or 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 hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the 2022 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 by the City Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the 2022 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 2022 Funding Loan Agreement with such additions, changes or corrections.

4. The proposed form of the Third Modification Agreement, providing for the loan of the proceeds of the 2022 Note, in substantially the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Third Modification Agreement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of said Third Modification Agreement with such additions, changes or corrections.

5. The proposed form of the 2022 Note, as set forth in the 2022 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 2022 Note in substantially such form and the Fiscal Agent is hereby authorized and directed to issue and deliver the 2022 Note to the Funding Lender in accordance with the 2022 Funding Loan Agreement. The date, maturity dates, 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 2022 Note shall be as provided in the 2022 Funding Loan Agreement as finally executed; provided, however, that the principal amount of the 2022 Note shall not exceed \$2,220,000, the interest rate on the 2022 Note shall not exceed 12% per annum (which limitation shall not apply to any default rate defined in the Loan Agreement), and the final maturity of the 2022 Note shall be no later than forty years from the date of issuance. The initial purchase price of the 2022 Note shall be 100% of the principal amount thereof to be paid as advances are made with respect to the 2022 Note by the Funding Lender. The 2022 Note may, if so provided

in the 2022 Funding Loan Agreement, be issued as a “draw-down” note to be funded over time as provided in the 2022 Funding Loan Agreement. Such Note may be delivered in temporary form pursuant to the 2022 Funding Loan Agreement if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the 2022 Note in definitive form can be prepared.

6. 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, which amends and restates in whole the regulatory agreement executed in connection with the issuance of the 2019 Note, substantially in the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval of the City Attorney, such approval to be conclusively evidenced by the execution of said Regulatory Agreement with such additions, changes or corrections. Any Designated Officer is hereby authorized and directed for and in the name and on behalf of the City to execute amendments to the Regulatory Agreement in order that interest on the 2019 Note and 2022 Note remains tax-exempt.

7. All actions heretofore taken by the officers and agents of the City with respect to the issuance and delivery of the 2022 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 2022 Funding Loan Agreement, the Third Modification 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 2022 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. 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 2022 Note be delivered directly to the Fiscal Agent, instead of the City Treasurer, to be deposited into the funds and accounts established under the 2022 Funding Loan Agreement.

9. Pursuant to Section 147(f) of the Code, the City Council hereby approves the issuance of the 2022 Note to finance the Project. It is intended that this Resolution constitute approval of the 2022 Note by the applicable elected representative of the issuer of the 2022 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).

10. 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.

11. The 2022 Note shall contain a recital that it is issued pursuant to the Law and in accordance with the Act.

12. Pursuant to and solely for the purposes of Section 147(f) of the Code, the City Council hereby approves the reissuance of the 2019 Note by the City in one or more series to finance the Project. It is intended that this Resolution constitute approval of the reissued 2019 Note: (a) by the applicable elected representative of the issuer of the 2019 Note and (b) by the applicable elected representative of the governmental unit having jurisdiction of the area in which the Project is located in accordance with said Section 147(f).

13. The execution and delivery on behalf of the City of the Second Modification Agreement substantially in the form presented to the City Council, for the purpose of (i) extending the conversion date (ii) making various ancillary or conforming changes to the Loan Agreement, (iii) extending the maturity date of the Borrower Note and (iv) consenting to the Second Modification Agreement as well as the Modification Agreement dated as of June 1, 2022 (which effects a reissuance) is hereby approved, and the Designated Officer of the City is hereby authorized and directed, for and on behalf of the City, to execute the Second Modification Agreement with such changes as such Designated Officer may approve upon consultation with the City Attorney and/or Bond Counsel and approval by the City Attorney, such approval by such Designated Officer to be conclusively evidenced by the execution of the Second Modification Agreement.

14. The execution and delivery on behalf of the City of the Amendment to Funding Loan Agreement substantially in the form presented to the City Council, for the purpose of extending the maturity date of the Borrower Note and the 2019 Note, is hereby approved, and each Designated Officer of the City is hereby authorized and directed, for and on behalf of the City, to execute the Amendment to Funding Loan Agreement with such changes as such Designated Officer may approve upon consultation with the City Attorney and/or Bond Counsel and approval by the City Attorney, such approval by such Designated Officer to be conclusively evidenced by the execution of the Amendment to Funding Loan Agreement.

15. All actions heretofore taken by the officers and agents of the City with respect to the reissuance of the 2019 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.

16. 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.

17. 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 2019 Note and 2022 Note, authorized by this Resolution.

18. Each Designated Officer and other properly authorized officials of the City as specifically authorized under this Resolution are hereby authorized, directed and empowered on behalf of the City and this Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the 2019 Note or the 2022 Note or the agreements relating thereto subsequent to their issuance.

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

20. The “Project” and “Owner” referred to herein are as follows:

<b>Project Name</b>	<b># of Units</b>	<b>Address</b>	<b>Owner</b>
Summit View Apartments	48 (plus 1 manager unit)	11800 W. Kagel Canyon Street (formerly known as 11681 Foothill Boulevard), Los Angeles, CA 91342	11681 Foothill, L.P.

[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 \_\_\_\_\_, 2022.

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT A  
FINANCING INFORMATION  
[ATTACHED]

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the following good faith estimate is provided by MUFG Union Bank, N.A., at the request of 11681 Foothill, L.P., 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: 11681 Foothill, L.P.
2. Name of Bond Issue / Conduit Revenue Obligations: City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M and 2022BB
3. Amount of Tax-Exempt Bond Issue / Conduit Revenue Obligations: \$2,220,000
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 Tax-Exempt Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Tax-Exempt Loan (to the nearest ten-thousandth of one percent): 3.39%.
  - (B) The finance charge of the Tax-Exempt Loan, which means the sum of all fees and charges paid to third parties: \$105,350.
  - (C) The amount of proceeds received by the public body for sale of the Tax-Exempt Loan less the finance charge of the bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Tax-Exempt Loan: \$2,114,650.
  - (D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the Tax-Exempt Loan plus the finance charge of the Tax-Exempt Loan described in subparagraph (B) not paid with the proceeds of the Tax-Exempt Loan (which total payment amount shall be calculated to the final maturity of the Tax-Exempt Loan): \$3,924,800.

This document has been made available to the public at the Meeting of the Council.

**FUNDING LOAN AGREEMENT**

by and among

**MUFG UNION BANK, N.A.,**  
as Funding Lender

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

and

**CITY OF LOS ANGELES,**  
as Governmental Lender

dated as of December 1, 2022

relating to:

\$2,220,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2022BB

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## **FUNDING LOAN AGREEMENT**

(Back to Back Loan Program)

**THIS FUNDING LOAN AGREEMENT**, dated as of December 1, 2022 (this “**Funding Loan Agreement**”), is by and among **MUFG UNION BANK, N.A.**, in its capacity as the funding lender hereunder (together with any successor to its rights, duties and obligations hereunder, the “**Bank**”), the **CITY OF LOS ANGELES**, a charter city and a municipal corporation of the State of California (together with any successor to its rights, duties and obligations hereunder, the “**City**” or “**Governmental Lender**”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, in its capacity as the fiscal agent hereunder (together with any successor to its rights, duties and obligations hereunder, the “**Fiscal Agent**”).

For and in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

### **ARTICLE I**

#### **DEFINITIONS AND INTERPRETATION**

1.1. Definitions. The following words and terms as used in this Agreement shall have the following meanings unless the context or use otherwise requires:

“**Act**” means Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented to apply to obligations incurred as of the Closing Date.

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

“**Approved Institutional Buyer**” means: (a) a “**qualified institutional buyer**” as defined in Rule 144A promulgated under the United States Securities Act of 1933, as in effect on the date hereof (the “**Securities Act**”), or commercial bank having a minimum capital surplus of \$5,000,000,000; (b) an institutional “**accredited investor**” as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act; (c) an entity that is directly or indirectly wholly owned or controlled by the Bank (being a financial institution described in (a) above); (d) an entity all of the investors in which are described in (a), (b) or (c) above; or (e) a custodian or trustee for a party or parties described in (a), (b) or (c) above.

“**Assignment of Deed of Trust**” means that certain Amended and Restated Assignment of Deed of Trust and Related Documents dated \_\_\_\_\_, 2022, executed by the Governmental Lender in favor of the Bank.

“**Authorized Representative**” shall mean: (i) as 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 or Acting Director—Finance and Development Division of the Housing Development Bureau 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 or Acting Director—Finance and Development Division of the Housing Development Bureau of the Los Angeles Housing Department. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of such Authorized Representative; (ii) as to the Borrower, Stephanie Klasky-Gamer, President and Chief Executive Officer of L.A. Family Housing Corporation and Rick Schroeder, President of Many Mansions; (iii) as to the Funding Lender, Brian Roberts, Managing Director of MUFG Union Bank, N.A.; and (iv) as to the Fiscal Agent, Julia Hommel, Vice President of U.S. Bank Trust Company, National Association. The Funding Lender, the Fiscal Agent, the Bank and the Borrower may from time to time deliver one or more additional certificates designating other Authorized Representative(s).

**“Bank”** means MUFG Union Bank, N.A., and its successors and assigns in its capacity as the Funding Lender hereunder.

**“Borrower”** means 11681 Foothill, L.P., a California limited partnership, and its permitted successors and assigns.

**“Borrower Loan”** means the mortgage loan originated by the Governmental Lender to the Borrower in the aggregate principal amount of \$2,220,000 pursuant to the terms of the Borrower Loan Agreement.

**“Borrower Loan Agreement”** means that certain Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program), dated as of December 1, 2019, by and among the Borrower, the Governmental Lender and the Bank, as amended and supplemented from time to time, pursuant to which the Borrower Loan is being made, as modified by that certain Modification Agreement dated June 1, 2022, and that certain Second Modification Agreement and Declaration of Additional Advance (Long Form) dated \_\_\_\_\_, 2022 (the “Borrower Loan Agreement Second Modification”).

**“Borrower Loan Documents”** shall have the meaning ascribed to it in the Borrower Loan Agreement.

**“Borrower Note”** means, that certain Promissory Note (Multifamily Housing Back to Back Loan Program) dated December [\_\_\_\_], 2022 in the original principal amount of \$2,220,000 evidencing the Borrower Loan, executed by the Borrower in favor of the Governmental Lender, as amended from time to time.

**“Borrower Representative”** means the President and Chief Executive Officer of the co-managing member of the general partner of the Borrower, the President of the co-managing member of the general Partner of the Borrower, or any other officer of the co-managing member of the general partner of the Borrower designated by the President and Chief Executive Officer of

the co-managing member of the general partner of the Borrower or the President of the co-managing member of the general partner of the Borrower to be a Borrower Representative for purposes of the Borrower Loan Documents.

**“Business Day”** means a day other than a Saturday or Sunday on which the Bank is open for business for the funding of corporate loans.

**“CDLAC”** means the California Debt Limit Allocation Committee or any successor thereto.

**“Closing Date”** means the date of issuance of the Funding Loan Note for purposes of the Code.

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

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

**“Conversion Date”** shall have the meaning given such term in the Borrower Loan Agreement.

**“County”** means the County of Los Angeles, California.

**“Deed of Trust”** means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Construction Trust Deed) (Multifamily Housing Back to Back Loan Program), executed by the Borrower and granting a security interest in the Development to the deed of trust trustee identified therein for the benefit of the Governmental Lender and the Bank to secure the Borrower’s obligations under the Borrower Note to repay the Borrower Loan, and all obligations related thereto under the Borrower Loan Agreement, as modified by that certain Second Modification Agreement and Declaration of Additional Advance (Short Form) dated \_\_\_\_\_, 2022 (the “Deed of Trust Modification”).

**“Development”** means the residential rental facility consisting of 49 units (including 1 manager unit) of multifamily rental housing to be located at 11800 W. Kagel Canyon Street in Los Angeles, California, on the sites described in the Deed of Trust and Exhibit A to the Regulatory Agreement.

**“Event of Default”** means any of the events described as an event of default in Section 9.1 hereof.

**“Fiscal Agent”** means U.S. Bank Trust Company, National Association and its successors and assigns in its capacity as the fiscal agent hereunder.

**“Fiscal Agent’s Fees”** means the ongoing fee of 0.016% of: (a) prior to the Conversion Date, the maximum principal amount of the Funding Loan Note and (b) following the Conversion Date, the outstanding principal amount of the Funding Loan Note, with an annual minimum fee of \$2,200, payable annually in arrears on each December 1, commencing December 1, 2023.

**“Funding Lender”** shall mean MUFG Union Bank, N.A., a national banking association, and any successor Funding Lender under this Funding Loan Agreement and the Funding Loan Documents.

**“Funding Loan”** means the loan originated hereunder by the Bank to the Governmental Lender in an aggregate principal amount of up to \$2,220,000, evidenced by the Funding Loan Note, for the purpose of enabling the Governmental Lender to make the Borrower Loan to the Borrower pursuant to the terms of the Borrower Loan Agreement.

**“Funding Loan Agreement”** means this Funding Loan Agreement, as amended and supplemented from time to time.

**“Funding Loan Documents”** means this Funding Loan Agreement, the Funding Loan Note, the Borrower Loan Agreement, the Regulatory Agreement, the Tax Certificate and the Assignment of Deed of Trust.

**“Funding Loan Note”** means the City of Los Angeles’ Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB which is issued on the Closing Date by the Governmental Lender in favor of the Bank, in the form attached hereto as Exhibit A, as amended and supplemented from time to time.

**“Governmental Lender”** means the City of Los Angeles, a charter city and municipal corporation of the State of California, and its successors and assigns.

**“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.

**“Law”** means Section 248 of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as supplemented and amended to the Closing Date.

**“Maximum Rate”** shall mean the lesser of: (i) 12% per annum; or (ii) the applicable maximum rate allowed by law.

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

**“Regulations”** means the tax regulations promulgated by the United States Department of the Treasury from time to time pursuant to the Code.

**“Regulatory Agreement”** means that Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2022, by and among the Governmental Lender, the Fiscal Agent and the Borrower, as amended and supplemented from time to time in accordance with its terms.

**“Representation Letter”** shall mean a representation letter in substantially the form attached to this Funding Loan Agreement as Exhibit B.

**“Requisition”** shall have the meaning ascribed to it in Section 9.6(c).

**“Reserved Rights”** means the Governmental Lender’s rights to enforce and receive payments of money directly and for its own purposes under Exhibit C and Sections 7.24, 7.27, 7.28, 7.29 and 11.4 (solely as such Sections relate to the Governmental Lender) of the Borrower Loan Agreement, the Governmental Lender’s rights to inspect and audit the books, records and premises of the Borrower and of the Development, its right to collect attorneys’ fees and related expenses, its right to enforce the Borrower’s covenants to comply with applicable federal tax law and State law (including the Law, the Act and the rules and regulations of the Governmental Lender), its right to receive fees and notices and to grant or withhold consents or waivers and to enforce its rights under the Regulatory Agreement and this Funding Loan Agreement, its rights to indemnification by the Borrower under Section 7.24 of the Borrower Loan Agreement and Section 9 of the Regulatory Agreement, and its rights to amend this Funding Loan Agreement and the Regulatory Agreement in accordance with the provisions hereof and thereof.

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

**“Security”** shall have the meaning ascribed to it in Section 7.1.

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

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

**“Tax Counsel”** means (a) Kutak Rock LLP, or (b) any attorney at law or other firm of attorneys selected by the Borrower and acceptable to the Governmental Lender and the Funding Lender of nationally recognized standing in matters pertaining to the federal tax status of interest on tax exempt obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Borrower.

1.2. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Funding Loan Agreement and all the terms and provisions

hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

1.3. Recitals, Titles and Headings. The terms and phrases used in the recitals of this Funding Loan Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all such terms and phrases for purposes of this Funding Loan Agreement shall be determined by references to Section 1.1 hereof. The titles and headings of the articles and sections of this Funding Loan 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 and shall never be considered or given any effect in construing this Funding Loan Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

## ARTICLE II

### **REPRESENTATIONS AND WARRANTIES**

2.1. Representations and Warranties of the Governmental Lender. The Governmental Lender makes the following representations and warranties:

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

(b) Under the provisions of the Law and the Act, the Governmental Lender has the power, and has taken all official actions necessary (i) to enter into the Funding Loan Documents to which it is a party, or (ii) to perform its obligations hereunder and thereunder, and (iii) to consummate all other transactions on its part contemplated by this Funding Loan Agreement.

(c) The Funding Loan Documents to which the Governmental Lender is a party have been duly executed and delivered by the Governmental Lender and the Governmental Lender has taken such actions as are necessary to cause the Funding Loan Documents to which it is a party, when executed by the other respective parties thereto, to be valid and binding limited obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally.

(d) The execution and delivery of Funding Loan Documents to which it is a party, the performance by it of its obligations hereunder and thereunder and the consummation of the transactions on its part contemplated hereby and thereby will not violate any law, rule, regulation or ordinance or any order, judgment or decree of any federal, state or local court, and do not conflict with, or constitute a breach of, or a default under the terms and conditions of, any agreement, instrument or commitment to which the Governmental Lender is a party or by which the Governmental Lender or any of its property is bound.

(e) The Governmental Lender has not been served with any action, suit, proceeding, inquiry or investigation and, to the knowledge of the Governmental Lender, no action, suit, proceeding, inquiry or investigation is threatened against the Governmental Lender, by or before any court, governmental agency or public board or body which: (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any members of the governing board of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party, or the loaning of the Funding Loan as herein set forth; (iii) affects or questions the validity or enforceability of the Funding Loan Documents; or (iv) questions the power or authority of the Governmental Lender to carry out the transactions on its part contemplated by the Funding Loan Documents.

(f) The revenues and receipts to be derived from the Borrower Loan Agreement and the Borrower Note have not been pledged by the Governmental Lender to secure any of its notes or bonds other than the Funding Loan evidenced by the Funding Loan Note.

(g) The Governmental Lender will not create, authorize or approve any mortgage, pledge, lien, charge or encumbrance of any kind on the Security or any part thereof prior to or on parity with the lien of this Funding Loan Agreement, except as expressly permitted or contemplated by the Funding Loan Documents.

(h) CDLAC has provided an allocation of the State of California's 2018 private activity bond volume cap under Section 146 of the Code to the Governmental Lender for the Funding Loan Note. The Governmental Lender has timely made the required carry forward election with respect to such allocation as required by the Code, and the Governmental Lender will comply with the requirements of the Code with respect to such allocation. The Governmental Lender has applied the alternative option under clause (2) of the first paragraph of Section 3.01 of IRS Notice 2011-63 with respect to the issue date of the Funding Loan Note; and, in connection therewith, has included the information on Form 8038 filed for the Funding Loan Note that is required by Section 3.03 of said Notice.

Nothing in this Funding Loan Agreement shall be construed as requiring the Governmental Lender to provide any financing for the Development other than the proceeds of the Funding Loan, or to provide sufficient moneys for all of the costs of the Development.

2.2. Representations, Warranties and Covenants of the Bank. The Bank as of the date hereof, represents, warrants and covenants that:

(a) The Bank is a national banking association, organized and existing under the laws of the United States and has full legal right, power and authority under the laws of the United States (i) to enter into this Funding Loan Agreement, the Borrower Loan Agreement and the Assignment Agreement, (ii) to perform its obligations hereunder, and (iii) to consummate the transactions on its part contemplated by this Funding Loan Agreement and the Borrower Loan Agreement.

(b) This Funding Loan Agreement, the Borrower Loan Agreement and the Assignment Agreement have been duly executed and delivered by the Bank and, when executed by the Governmental Lender and Borrower, as applicable, will constitute valid and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally.

(c) The execution and delivery of this Funding Loan Agreement, the Borrower Loan Agreement and the Assignment Agreement, the performance by the Bank of its obligations hereunder and thereunder and the consummation of the transactions on its part contemplated hereby and thereby will not violate any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court and do not conflict with, or constitute a breach of, or a default under, any document, instrument or commitment to which the Bank is a party or by which the Bank or any of its property is bound.

(d) The Bank has not been served with and, to the knowledge of the Bank, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Bank which (i) affects or seeks to prohibit, restrain or enjoin the loaning of the amounts set forth herein to the Governmental Lender or the execution and delivery of this Funding Loan Agreement, the Borrower Loan Agreement or the Assignment Agreement, (ii) affects or questions the validity or enforceability of this Funding Loan Agreement or the Borrower Loan Agreement, or (iii) questions the power or authority of the Bank to carry out the transactions on its part contemplated by, or to perform its obligations under, this Funding Loan Agreement and the Borrower Loan Agreement.

(e) Any certificate for the benefit of the Governmental Lender signed by a representative of the Bank and delivered pursuant to this Funding Loan Agreement, the other Funding Loan Documents or the Borrower Loan Agreement shall be deemed a representation and warranty by the Bank as to the statements made therein.

(f) The Bank shall advise the Fiscal Agent in writing of any amendment to the amortization schedules attached to the Borrower Loan Agreement.

### **ARTICLE III**

#### **THE FUNDING LOAN**

3.1. Closing of the Funding Loan. The closing of the Funding Loan shall not occur until the following conditions are met:

(a) the Bank shall have received an original executed counterpart of this Funding Loan Agreement, the Funding Loan Note, the Assignment of Deed of Trust, the Regulatory Agreement, the Deed of Trust Modification, the original of the Borrower Note endorsed by the Governmental Lender to the Bank, an opinion of Tax Counsel as to the validity of the Funding Loan Note and the exemption of interest thereon from gross income for federal income tax purposes and all of the Borrower Loan Documents;

(b) no Event of Default nor any event which with the passage of time and/or the giving of notice would constitute an Event of Default under this Funding Loan Agreement shall have occurred as evidenced by a certificate received from the Governmental Lender;

(c) the conditions to the closing of the Borrower Loan, the issuance of the Borrower Note and the initial disbursement of the portion of the Borrower Loan as set forth in Sections 4.1, 4.2 (including, but not limited to, Sections 4.2.2, 4.2.3, 4.2.6(b) and 4.2.9), and 5.1.1 of the Borrower Loan Agreement shall have been satisfied in full;

(d) counsel to the Borrower shall have delivered an opinion in form satisfactory to counsel to the Governmental Lender and counsel to the Bank regarding the enforceability against the Borrower of the Borrower Loan Documents to which the Borrower is a party;

(e) the initial owner of the Funding Loan Note shall have executed and delivered a letter in the form of Exhibit B hereto; and

(f) all legal matters incident to the transactions contemplated by this Funding Loan Agreement shall be concluded to the reasonable satisfaction of Tax Counsel, counsel to the Governmental Lender, counsel to the Bank and counsel to the Fiscal Agent.

3.2. Commitment To Execute the Funding Loan Note. The Governmental Lender agrees to execute and deliver the Funding Loan Note simultaneously with the execution of this Funding Loan Agreement, the Borrower Loan Agreement Second Modification, the Borrower Note, the Tax Certificate and the Regulatory Agreement.

3.3. Amount and Source of Funding Loan. The Bank hereby makes to the Governmental Lender and agrees to fund, and the Governmental Lender hereby accepts from the Bank, upon the terms and conditions set forth herein, the Funding Loan in an aggregate principal amount of up to \$2,220,000 and agrees to have the proceeds of the Funding Loan applied and disbursed in accordance with the provisions of this Funding Loan Agreement.

3.4. Disbursement of Funding Loan Proceeds.

(a) The Bank and the Governmental Lender hereby authorize and direct the funding and disbursement by the Bank of the initial principal amount of the Funding Loan in the amount of \$[ ] on the Closing Date, subject to the satisfaction of all the conditions specified in Section 3.1 above. On the date of execution and delivery of the Funding Loan Note, and the date of execution and delivery of the Borrower Note, the initial proceeds of the Funding Loan in the amount of \$[ ] shall be disbursed by the Bank, on behalf of the Governmental Lender, to the Fiscal Agent for disbursement to the escrow agent for the closing of the Borrower Loan to fund the Borrower Loan under and as provided in Section 5.1.2 of the Borrower Loan Agreement.

(b) The Bank and the Governmental Lender hereby authorize and direct the funding and disbursement of the remaining principal amount of the Funding Loan (not referenced in Section 3.4(a) above) by the Bank, on behalf of the Governmental Lender,

directly to the Fiscal Agent to fund the remaining principal of the Borrower Loan under and as provided in, and subject to the provisions of, Section 5 of the Borrower Loan Agreement (other than Section 5.1.1).

(c) Prior to the Conversion Date, the Bank shall disburse directly to the Bank on the first Business Day of each month, the accrued interest under the Funding Loan and the Bank will provide the Fiscal Agent with written notice of the amount disbursed pursuant to this Section 3.4(c).

(d) None of the Bank, the Governmental Lender, or the Fiscal Agent shall be responsible for the application by the Borrower of monies disbursed to or for the account of the Borrower in accordance with this Section 3.4.

(e) From and after the earlier of (i) the Conversion Date (as defined in the Borrower Loan Agreement), or (ii) December 31 of the year which is three years after the Closing Date, no further advances of the Funding Loan shall occur.

## ARTICLE IV

### **LIMITED LIABILITY; NOTE REGISTER**

4.1. Limited Liability. Notwithstanding any other provision of this Funding Loan Agreement to the contrary:

**THE FUNDING LOAN 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, 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 FUNDING LOAN NOTE OR OTHER COSTS INCIDENT THERETO. THE FUNDING LOAN NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.**

**EXCEPT TO THE LIMITED EXTENT PROVIDED ABOVE, NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE FUNDING LOAN NOTE OR FOR ANY CLAIM BASED THEREON OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS FUNDING LOAN AGREEMENT CONTAINED AGAINST THE GOVERNMENTAL LENDER, ANY PAST, PRESENT OR FUTURE MEMBER OF ITS GOVERNING BODY, ITS OFFICERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL ADVISORS, AGENTS OR STAFF OR THE OFFICERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL**

**ADVISORS, AGENTS OR STAFF OF ANY SUCCESSOR PUBLIC ENTITY, AS SUCH, EITHER DIRECTLY OR THROUGH THE GOVERNMENTAL LENDER OR ANY SUCCESSOR PUBLIC ENTITY, UNDER ANY RULE OF LAW OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF THE GOVERNMENTAL LENDER, ANY MEMBER OF ITS GOVERNING BODY AND ITS OFFICERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL ADVISORS, AGENTS AND STAFF IS HEREBY, AND BY THE ACCEPTANCE OF THE FUNDING LOAN NOTE, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND IN CONSIDERATION FOR, THE EXECUTION OF THIS FUNDING LOAN AGREEMENT AND THE ISSUANCE OF THE FUNDING LOAN NOTE.**

The Governmental Lender shall not be liable for payment of the principal of or interest on the Funding Loan Note or any other 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 Funding Loan Agreement, the Funding Loan Note or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Borrower Loan Agreement.

4.2. Note Register. The Funding Loan Note shall be in fully registered form. The Fiscal Agent shall maintain records (the “**Note Register**”) as to the owner of the Funding Loan Note. Any transfer by the Bank of its ownership of the Funding Loan Note (or by any subsequent transferee of the Funding Loan Note) shall be recorded by the Fiscal Agent in the Note Register. The Funding Loan Note shall not be transferred through the services of the Depository Trust Company or any other third-party registrar.

4.3. Transfer of Funding Loan Note.

(a) The Funding Loan Note and the Funding Loan may, in accordance with the terms of this Funding Loan Agreement but in any event subject to the provisions of Section 4.3(b) and (c) hereof, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Funding Loan Note for cancellation at the office of the Fiscal Agent, accompanied by a written instrument of transfer in a form acceptable to the Fiscal Agent, duly executed. Whenever the Funding Loan Note shall be surrendered for transfer, the Fiscal Agent shall authenticate and deliver to the transferee thereof a new Funding Loan Note in the name of the transferee as beneficiary thereof.

(b) Notwithstanding any other provision hereof, the Funding Loan Note may not be registered in the name of, or transferred to, any person except with the prior written consent of the Governmental Lender, which shall not be unreasonably or arbitrarily withheld, and only to an Approved Institutional Buyer that executes and delivers to the Governmental Lender and the Fiscal Agent a letter substantially in the form attached hereto as Exhibit B; provided, however, that no such letter is required to be executed and no prior written consent of the Governmental Lender shall be required in connection with a transfer of the Funding Loan Note to an Affiliate of the Bank.

Nothing contained in this Section 4.3(b) shall be deemed to limit or otherwise restrict the sale by any owner of the Funding Loan Note of any participation interests in the Funding Loan Note, provided that: (i) such owner shall remain the owner of record in the Note Register of the Fiscal Agent following the sale of any such participation interest; (ii) the purchaser of the participation interest is an Approved Institutional Buyer; (iii) any such participation shall be in a principal amount of at least \$250,000 or, if less, the then outstanding principal amount of the Funding Loan Note; and (iv) the purchaser of such participation interest shall provide a Representation Letter to the Governmental Lender and the Fiscal Agent substantially in the form of Exhibit B hereto.

(c) The Funding Loan Note may only be transferred in whole.

(d) In the case of a transfer of the Funding Loan Note and Funding Loan, subject to the foregoing transfer restrictions, the transferor shall provide to 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.

(e) The Governmental Lender may require the payment by the entity requesting any such transfer of any tax, fee or other governmental charge required to be paid with respect to such transfer. The cost of printing any new Funding Loan Note and any services rendered or any out-of-pocket expenses incurred by the Governmental Lender in connection therewith shall be paid by the transferor of the Funding Loan Note.

(f) The transferor of the Funding Loan Note shall indemnify and defend the Governmental Lender and the officers, directors, employees, attorneys and agents of the Governmental Lender, past, present and future, against any claim brought by any transferor or transferee of the Funding Loan Note in respect of the Borrower Loan Documents in the event that there occurs a transfer of the Funding Loan Note that is not permitted pursuant to this Section 4.3. Failure to comply with Section 4.3(b) shall cause any purported transfer to be null and void.

(g) If the transferee is a "Commercial Bank" as defined in the Responsible Banking Ordinance, the transferee shall deliver to the Governmental Lender an executed Responsible Banking Ordinance Certificate in the form of Exhibit D hereto.

## ARTICLE V

### **REPAYMENT OF THE FUNDING LOAN**

#### 5.1. Funding Loan Repayment.

(a) The Funding Loan shall be evidenced by the Funding Loan Note which shall be executed by the Governmental Lender in the form attached hereto as Exhibit A. The Governmental Lender agrees to pay to the Fiscal Agent, but only from amounts received

by the Governmental Lender from the Borrower pursuant to the Borrower Loan Agreement, 2022 the Borrower Note and the other Borrower Loan Documents, principal of, premium on (if any) and interest on the Funding Loan at the times, in the manner, in the amounts and at the rates of interest provided in the Funding Loan Note and this Funding Loan Agreement.

(b) The Governmental Lender further agrees to cause the Borrower to pay, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Fiscal Agent under this Funding Loan Agreement, all fees, all late charges and prepayment premiums, fees and penalties as set forth in the Funding Loan Note, all taxes and assessments, general or special, including, without limitation, all ad valorem taxes, concerning or in any way related to the Development, or any part thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments; provided, however, that the Governmental Lender reserves the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the Development and the Governmental Lender's obligations hereunder will be limited as provided in Sections 4.1, 5.2 and 6.14 hereof.

(c) The Governmental Lender further agrees, subject to Sections 4.2, 5.2 and 6.13 hereof, to request the Borrower to pay to the Bank, solely by the execution of the Borrower Loan Agreement, on the Closing Date a loan fee equal to \$[\_\_\_\_\_].

5.2. Nature of the Governmental Lender's Obligations. The Governmental Lender shall repay the Funding Loan Note, but only from amounts received by the Governmental Lender, the Bank or the Fiscal Agent (in its capacity as Fiscal Agent under this Funding Loan Agreement) from the Borrower pursuant to the Borrower Loan Agreement, the Borrower Note and the other Borrower Loan Documents, pursuant to the terms of the Funding Loan Note irrespective of any rights of set-off, recoupment or counterclaim the Governmental Lender might otherwise have against the Fiscal Agent, the Bank or any other person. The Governmental Lender will not suspend, discontinue or reduce any such payment or (except as expressly provided herein) terminate this Funding Loan Agreement for any cause, including, without limiting the generality of the foregoing, (i) any delay or interruption in the acquisition, rehabilitation or operation of the Development; (ii) the failure to obtain any permit, order or action of any kind from any governmental agency relating to the Funding Loan or the Development; (iii) any event constituting force majeure; (iv) any acts or circumstances that may constitute commercial frustration of purpose; (v) any change in the laws of the United States of America, the State or any political subdivision thereof; or (vi) any failure of the Governmental Lender or the Fiscal Agent to perform or observe any covenant whether expressed or implied, or to discharge any duty, liability or obligation arising out of or connected with the Funding Loan Note; it being the intention of the parties that, as long as the Funding Loan Note or any portion thereof remains outstanding and unpaid, the Governmental Lender shall be obliged to repay the Funding Loan, but only from amounts received by the Governmental Lender or the Bank from the Borrower pursuant to the Borrower Loan Agreement, the Borrower Note and the other Borrower Loan Documents. This Section 5.2 shall not be construed to release the Governmental Lender from any of its obligations hereunder, or, except as provided in this Section 5.2, to prevent or restrict the Governmental Lender from asserting any rights which it may have against the Bank under the Funding Loan Note or under any provision of law or to prevent or restrict the Governmental Lender from prosecuting

or defending any action or proceeding by or against the Fiscal Agent, the Bank or the Borrower or taking any other action to protect or secure its rights, or to prevent or restrict the Bank from asserting any rights which it may have against the Borrower.

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 or by any political subdivision thereof or from any source of income of any of the foregoing other than the Security for any of the purposes mentioned in this Funding Loan Agreement, whether for the payment of the principal of or interest on the Funding Loan Note or for any other purpose of this Funding Loan Agreement.

No recourse under or upon any obligation, covenant, warranty or agreement contained in this Funding Loan Agreement or in the Funding Loan 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, 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 the Funding Loan Note, or otherwise, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan 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 the Funding Loan Note or otherwise of any sum that may remain due and unpaid upon the Funding Loan Note secured by this Funding Loan Agreement or any of them is, by the acceptance of the Funding Loan Note, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the issuance of the Funding Loan Note.

Anything in this Funding Loan Agreement to the contrary notwithstanding, it is expressly understood by the parties to this Funding 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 Funding Lender or the owner of the Funding Loan Note as to the existence of any fact or state of affairs, (b) 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 Funding Lender and (c) 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 the Mayor or the 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 Funding Loan Note or be subject to any personal liability or accountability by reason of the issuance of the Funding Loan Note.

It is recognized that notwithstanding any other provision of this Funding Loan Agreement, neither the Borrower, the Fiscal Agent, the Funding Lender nor any owner of the Funding Loan Note shall look to the Governmental Lender for damages suffered by the Borrower, the Fiscal Agent, the Funding Lender or such owner of the Funding Loan Note as a result of the failure of the Governmental Lender to perform any covenant, undertaking or obligation under this Funding Loan Agreement, the Borrower Loan Agreement, the Funding Loan 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, nor 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 5.2, the Governmental Lender shall have received satisfactory indemnification.

## **ARTICLE VI**

### **FURTHER AGREEMENTS**

6.1. Successor to the Governmental Lender. The Governmental Lender will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law or assure the assumptions of its obligations hereunder by any public trust or political subdivision succeeding to its powers.

6.2. Additional Instruments. The Governmental Lender hereby covenants to execute and deliver, or cause to be executed and delivered, at the expense of the Borrower, such additional instruments and to perform such additional acts, or cause the performance of such additional acts, as may be necessary, in the written opinion of the Fiscal Agent or the Bank, each acting in good faith, to carry out the intent of this Funding Loan Agreement and the Funding Loan Note or to perfect or give further assurances of any of the rights granted or provided for in this Funding Loan Agreement, the Assignment of Deed of Trust or the other Funding Loan Documents.

6.3. Books and Records. The Governmental Lender shall, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Fiscal Agent, and subject to the provisions of Sections 4.1, 5.2 and 6.13 hereof, cause the Borrower to permit the Fiscal Agent or the Funding Lender or its duly Authorized Representatives access during normal business hours to the books and records of the Borrower pertaining to the Borrower Loan and the Development,

and to make such books and records available for audit and inspection, at reasonable times and under reasonable conditions to the Governmental Lender, the Fiscal Agent, the Funding Lender and their duly Authorized Representatives, and at the sole expense of the Borrower.

6.4. Notice of Certain Events. The Governmental Lender hereby covenants to advise the Fiscal Agent and the Funding Lender promptly in writing of the occurrence of any Event of Default under and as defined in the Borrower Loan Agreement, the Regulatory Agreement or the other Funding Loan Documents of which it has received written notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default thereunder of which it has received written notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. In Section 7.23 of the Borrower Loan Agreement, the Borrower has agreed to advise the Governmental Lender and the Funding Lender promptly in writing of the occurrence of any Event of Default (as defined in the Borrower Loan Agreement).

6.5. Compliance With Usury Laws. Notwithstanding any other provision of this Funding Loan Agreement, it is agreed and understood that in no event shall this Funding Loan Agreement, with respect to the Funding Loan Note, be construed as requiring the Governmental Lender or any other person to pay interest and other costs or considerations that constitute interest under any applicable law which are contracted for, charged or received pursuant to this Funding Loan Agreement in an amount in excess of the maximum amount of interest allowed under any applicable law.

In the event of any acceleration of the payment of the principal amount of the Funding Loan Note, that portion of any interest payment in excess of the maximum legal rate of interest, if any, provided for in this Funding Loan Agreement or related documents shall be cancelled automatically as of the date of such acceleration, or if theretofore paid, credited to the principal amount.

The provisions of this Section prevail over any other provision of this Funding Loan Agreement.

6.6. No Untrue Statements. Neither this Funding Loan Agreement nor any other document, certificate or written statement furnished to the Fiscal Agent or the Funding Lender by the Governmental Lender contains to the best of its knowledge any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading or incomplete as of the date hereof. It is specifically understood by the Governmental Lender that all such statements, representations and warranties shall be deemed to have been relied upon by the Funding Lender as an inducement to make the Funding Loan and that if any such statements, representations and warranties were materially incorrect at the time they were made, the Funding Lender may consider any such misrepresentation or breach an Event of Default.

No document, certificate or written statement furnished to the Governmental Lender by the Funding Lender contains to the best of its knowledge any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading or incomplete as of the date hereof.

6.7. No Arbitrage. Solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, the Governmental Lender shall not take, permit or suffer to be taken any action with respect to the proceeds of the Funding Loan Note which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Funding Loan Note to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations promulgated thereunder. The Governmental Lender covenants, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, to cause the Borrower to rebate to the United States Treasury any amounts which are required to be rebated thereto pursuant to the Code and any regulations promulgated thereunder with respect to the Funding Loan and the Borrower shall cause payment of an amount equal to excess investment earnings with respect to the Funding Loan, to the United States in accordance with the Regulations, all at the sole expense of the Borrower.

6.8. Limitation on Issuance Costs. The Governmental Lender shall assure, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, that, from the proceeds of the Funding Loan Note received from the Funding Lender and investment earnings thereon, an amount not in excess of 2% of the amount of the Funding Loan advanced by the Funding Lender shall be used to pay for or provide for the payment of costs associated with the issuance, execution and delivery of the Funding Loan Note. For this purpose, if the fees of the Funding Lender are retained as a discount on the purchase of the Funding Loan Note, such retention shall be deemed to be an expenditure of proceeds of the Funding Loan for said fees.

6.9. Federal Guarantee Prohibition. The Governmental Lender shall take no action nor, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, permit nor suffer any action to be taken if the result of the same would be to cause the Funding Loan Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

6.10. Prohibited Facilities. The Governmental Lender, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, shall assure that no portion of the proceeds of the Funding Loan shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. The Governmental Lender, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, shall assure that no portion of the proceeds of the Funding Loan shall be used for an office unless the office is located on the premises of the facilities constituting the Development and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Development.

6.11. Use Covenant. Solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, the Governmental Lender shall not use or knowingly permit the use of any proceeds of the Funding Loan or any other funds of the Governmental Lender, directly or indirectly, in any

manner, and shall not take or permit to be taken any other action or actions, which would result in the Funding Loan Note not meeting the requirements of Section 142(d) of the Code as applicable to the Development.

6.12. Limitation of Expenditure of Proceeds. The Governmental Lender shall assure, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, that not less than 97% of the amount advanced on the Funding Loan, plus premium (if any) paid on the purchase of the Funding Loan Note by the original purchaser thereof from the Governmental Lender, less any original discount, are used for Qualified Project Costs (as defined in the Regulatory Agreement) and that less than 25% of such amount is used for land or an interest in land.

6.13. Tax-Exempt Status of Funding Loan. The Governmental Lender covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or any other instrument, it will:

(a) not knowingly take or cause to be taken any action or actions, or knowingly fail to take any action or actions, which would cause the interest payable on the Funding Loan Note to be includable in gross income for federal income tax purposes;

(b) whenever and so often as requested by the Funding Lender, at the sole cost and expense of the Borrower, the Governmental Lender shall do and perform all acts and things permitted by law and necessarily desirable in order to assure the interest paid by the Governmental Lender on the Funding Loan Note will be excluded from the gross income of the owner of the Funding Loan Note for federal income tax purposes pursuant to Section 103 of the Code, except in the event where any owner of the Funding Loan Note is a “substantial user” of the facilities financed with the Funding Loan or a “related person” within the meaning of Section 147(a) of the Code; and

(c) not knowingly take any action nor, solely in reliance of the covenants and representations of the Borrower in the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate, knowingly permit or suffer any action to be taken if the result of the same would be to cause the Funding Loan Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code of the Regulations.

For purposes of this Section 6.13 the Governmental Lender’s compliance shall be based solely on matters within the Governmental Lender’s knowledge and control and no acts, omissions or directions of the Borrower, the Funding Lender or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on an opinion of Tax Counsel.

6.14. Immunities and Limitations of Responsibility of Governmental Lender.

(a) The Governmental Lender shall be entitled to the advice of counsel, and the Governmental Lender shall be wholly protected as to action taken or omitted in reliance on such advice. The Governmental Lender may rely conclusively on any written notice or

other document furnished to it hereunder or under the Borrower Loan Agreement and reasonably believed by it to be genuine. The Governmental Lender shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any person, except its own officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Governmental Lender shall not be required to take any remedial action (other than the giving of notice) hereunder or under any of the other Funding Loan Documents unless indemnity in a form acceptable to the Governmental Lender is furnished for any expense or liability to be incurred in connection with such remedial action. The Governmental Lender shall be entitled to reimbursement from the Borrower for its expenses reasonably incurred or advances reasonably made, with interest at the maximum rate of interest permitted under applicable law, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which the Governmental Lender may have shall be construed as a requirement to act, and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power.

(b) A default by the Borrower in any of its covenants, representations and agreements in the Borrower Loan Agreement, Regulatory Agreement or Tax Certificate on which the Governmental Lender is relying in the various sections of this Article VI shall not be considered a default hereunder by the Governmental Lender.

(c) The Borrower has indemnified the Governmental Lender against certain acts and events as set forth in Section 7.24 of the Borrower Loan Agreement and Section 9 of the Regulatory Agreement. Such indemnities shall survive payment of the Funding Loan and discharge of this Funding Loan Agreement.

## ARTICLE VII

### SECURITY

7.1. Security for the Funding Loan. To secure the payment of the Funding Loan and the Funding Loan Note, the Governmental Lender hereby grants, bargains, sells, conveys, assigns, transfers, hypothecates, pledges and sets over to the Funding Lender (excepting only the Reserved Rights) a lien on and security interest in the following described property (collectively, the “Security”):

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Development and, including, without limitation, all income, revenues, proceeds and other amounts which the Governmental Lender is entitled to derive from or in connection with the Development and the Borrower Loan Documents, including all amounts due under the Borrower Loan Agreement, the Borrower Note and the other Borrower Loan Documents and all amounts obtained after the exercise of the remedies provided in the Borrower Loan Documents and all receipts credited under the provisions of the Borrower Loan Agreement against said amounts payable;

(b) All right, title and interest of the Governmental Lender in, to and under the other Borrower Loan Documents, together with all rights, remedies, privileges and options pertaining to the Borrower Loan Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Documents;

(c) All right, title and interest of the Governmental Lender in and to: (i) the right to collect and receive net proceeds of any policy of insurance maintained pursuant to the Borrower Loan Documents; (ii) any award or payment becoming payable to the Governmental Lender under the Borrower Loan Documents by reason of any condemnation of the Development, any improvements located thereon or any conveyance in lieu of condemnation; and (iii) any bankruptcy, insolvency, reorganization or condemnation proceeding involving the Borrower or any Loan Party (as defined in the Borrower Loan Agreement) with respect to the Borrower Loan Documents;

(d) Any and all other real or personal property of every kind and nature or description which may from time to time hereafter, by delivery or by writing of any kind, be subject to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent or which pursuant to any of the provisions hereof or the Borrower Loan Documents may come into the possession or control of the Governmental Lender; and

(e) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under this Funding Loan Agreement, subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein.

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 7.1 for the payment of principal of, premium, if any, and interest on the Funding Loan Note, in accordance with its terms and provisions and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Funding Loan Note by the Governmental Lender. The Security so pledged and/or thereafter received by the Governmental Lender, the Bank or the Fiscal Agent shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording 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 whether in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

7.2. Delivery of Security. In connection with such pledge, assignment, transfer and conveyance of the Security pursuant to Section 7.1 herein, the Governmental Lender shall deliver to the Bank the following documents or instruments promptly following their execution and, to the extent applicable, their recordation or filing:

(a) The Borrower Note endorsed without recourse to the Funding Lender by the Governmental Lender;

(b) The Borrower Loan Agreement, Regulatory Agreement, Deed of Trust and other Borrower Loan Documents existing on the Closing Date and the Assignment of Deed of Trust assigning for security purposes and without recourse the Deed of Trust and Borrower Loan Documents from the Governmental Lender to the Funding Lender.

(c) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Fiscal Agent's status as an assignee of the Governmental Lender's security interest in any personal property forming a part of the Development; and

(d) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement, in forms provided by the Funding Lender.

The Governmental Lender shall deliver and deposit with the Funding Lender such additional documents, financing statements and instruments as the Funding Lender may reasonably request in writing from time to time for the purpose of better perfecting and assuring to the Fiscal Agent its lien and security interest in and to the Security in each case in forms provided by the Funding Lender and at the expense of the Borrower.

## ARTICLE VIII

### AGENCY

8.1. Assignment of Authority. Solely for purposes of the administration of this Funding Loan Agreement, the Governmental Lender hereby vests the Fiscal Agent and the Funding Lender with full authority and power to act on its behalf for the purposes set forth herein as each is granted authority hereunder, and to do all other acts necessary or incidental to the performance and execution thereof, except for the Reserved Rights.

8.2. Authority of the Fiscal Agent and Bank; Notices to Governmental Lender. The Funding Lender is authorized and agrees to advance monies on behalf of the Governmental Lender to fund the Borrower Loan upon satisfaction of the conditions set forth in the Borrower Loan Agreement and otherwise to act on behalf of the Governmental Lender under the Borrower Loan Documents as expressly permitted hereunder and under the Borrower Loan Document, except for exercise of the Reserved Rights. Except for the Reserved Rights, the Funding Lender is hereby authorized, directed and empowered to exercise all the rights, powers or remedies of the Governmental Lender under the Borrower Loan Agreement and the other Borrower Loan Documents, and to make all determinations and exercise all options and elections thereunder, without the necessity of further advice or consultation with, or consent or authorization by, the Governmental Lender, and all actions taken by the Funding Lender under the Borrower Loan Agreement or any of the other Borrower Loan Documents shall be valid and shall have the same force and effect as if taken by the Governmental Lender. The Funding Lender shall have the right to exercise any rights and remedies conferred on the Governmental Lender pursuant to the Borrower Loan Documents (except for the Reserved Rights) as may be necessary or convenient to (i) enforce the payment of any amounts owing by the Borrower under the Borrower Loan Documents and prepayments thereof, or (ii) otherwise to protect the interest of the Governmental Lender, the Funding Lender or the Fiscal Agent upon a default by the Borrower under the Borrower

Loan Documents. The Fiscal Agent and the Funding Lender each agree to provide the Governmental Lender any notices given by it or delivered to it pursuant to the Borrower Loan Agreement regarding the occurrence of an Event of Default (as defined in the Borrower Loan Agreement), the acceleration of the Borrower Loan or the foreclosure of the Deed of Trust and shall provide written notice to the Governmental Lender of any amendment to the Borrower Note or the Borrower Loan Agreement. The Funding Lender shall have the right to collect all payments and other amounts received by the Governmental Lender from or on behalf of the Borrower pursuant to the Borrower Loan Agreement or the other Borrower Loan Documents, including prepayments thereof, except for payments of fees owing by the Borrower to the Governmental Lender in respect of the Reserved Rights.

8.3. Successor Fiscal Agent. Anything herein to the contrary notwithstanding, any corporation or association 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 business and assets as a whole or substantially as a whole or any corporation or association resulting from any conversion, sale, merger, consolidation or transfer to which it is a party will, ipso facto, be and become the Fiscal Agent hereunder and vested with all of the title to the whole property and all the powers, discretion, immunities, privileges, obligations 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 the parties hereto.

8.4. Assignment of Rights. The Governmental Lender agrees that the Funding Lender shall have the right to assign all of its rights under this Agreement, and under all instruments and documents executed by the Governmental Lender pursuant to this Agreement, to an Affiliate of the Funding Lender, or to a subsequent owner of all of the Funding Loan Note and the Funding Loan as permitted under Section 4.3 herein or an Affiliate thereof. The Funding Lender will advise the Governmental Lender in writing of any such proposed assignment and, following delivery of its consent, the Governmental Lender will execute and deliver to the Funding Lender any documents (at the expense of the Funding Lender) necessary to effectuate such assignment in forms provided by the Funding Lender.

8.5. [Reserved].

8.6. Acceptance. The Funding Lender hereby accepts the assignments and pledge made herein for the purpose of securing the payments due pursuant to the Funding Loan Agreement.

8.7. Conditions. This Article VIII shall confer no obligations or impose no duties upon the Funding Lender or the Fiscal Agent beyond those expressly provided in this Funding Loan Agreement and the Borrower Loan Agreement. This Article VIII shall confer no obligations or impose no duties upon the Governmental Lender beyond those expressly provided in this Funding Loan Agreement.

## ARTICLE IX

### FUNDS AND ACCOUNTS

9.1. Authorization To Create Funds and Accounts. Except as provided in Section 9.3 hereof, no funds or accounts shall be established in connection with the Funding Loan at the time of closing and origination of the Funding Loan. The Bank and the Fiscal Agent are authorized to establish and create from time to time such other funds and accounts or subaccounts as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, the Bank or the Fiscal Agent, pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

9.2. Investment of Funds. Amounts held in any funds or accounts created under this Funding Loan Agreement shall be deposited in a deposit account, savings account or money market account with the Fiscal Agent at the direction of the Borrower, subject in all cases to the restrictions of Section 6.13 hereof and of the Tax Certificate.

9.3. Establishment of Funds. There are established with the Fiscal Agent the following funds and accounts:

- (a) The Note Payment Fund;
- (b) The Project Fund;
- (c) The Expense Fund;
- (d) The Rebate Fund; and
- (e) The Closing Costs Fund.

All money required to be deposited with or paid to the Fiscal Agent for the account of any of the funds or accounts created by this Funding Loan Agreement shall be held by the Fiscal Agent in trust for the benefit of the owner of the Funding Loan Note, and, except for money held in the Expense Fund or the Rebate Fund, shall, while held by the Fiscal Agent, be subject to the lien hereof.

9.4. Note Payment Fund.

(a) The Governmental Lender and the Borrower shall have no interest in the Note Payment Fund or the moneys therein, which shall always be maintained by the Fiscal Agent completely separate and segregated from all other moneys held hereunder and from any other moneys of the Governmental Lender and the Borrower.

(b) The Fiscal Agent shall deposit into the Note Payment Fund any amounts received from the Borrower as payments of principal of or premium, if any, or interest on the Borrower Loan, any other amounts received by the Fiscal Agent that are subject to the

lien and pledge of this Funding Loan Agreement and any funds pledged to the Bank hereunder not required to be deposited to the Expense Fund or not otherwise specifically directed in writing by the Funding Lender to be deposited into other funds created by this Funding Loan Agreement.

(c) The Fiscal Agent shall apply all amounts on deposit in the Note Payment Fund in the following order of priority:

*First*, to pay or provide for the payment of the interest then due on the Funding Loan;

*Second*, to pay or provide for the payment or the prepayment of principal on the Funding Loan, and any premium thereon, provided moneys have been transferred or deposited into the Note Payment Fund for such purpose; and

*Third*, to pay or provide for the payment of the Funding Loan on its maturity date.

#### 9.5. Expense Fund.

(a) The Fiscal Agent shall deposit in the Expense Fund the amounts required by the Regulatory Agreement or the Borrower Loan Agreement to be paid by the Borrower to the Governmental Lender or the Fiscal Agent. Amounts on deposit in the Expense Fund shall be used to pay the fees and expenses of the Governmental Lender and the Fiscal Agent, as and when the same become due. In that regard, moneys in the Expense Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent to pay (i) the Governmental Lender's ongoing fee pursuant to Section 7(n) of the Regulatory Agreement (the "**Ongoing Governmental Lender Fee**") to the Government Lender as and when due, (ii) the Fiscal Agent amounts due pursuant to the definition of the Fiscal Agent's Fees herein, (iii) upon receipt, to the Fiscal Agent, any amounts due to the Fiscal Agent which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the direction of, the Governmental Lender, any amounts owing the Governmental Lender by the Borrower and then due and unpaid, other than amounts paid in accordance with clause (i) hereof.

(b) In the event that the amounts on deposit in the Expense Fund are not equal to the amounts payable from the Expense Fund as provided in Section 9.5(a) above on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower 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.

(c) Written notice of any insufficiency, which results in the Governmental Lender not receiving the Ongoing Governmental Lender Fee on the applicable due date, shall be provided by the Fiscal Agent to the Governmental Lender (with a copy to the Borrower and the Funding Lender) within 10 days of the respective due date. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent to the Governmental Lender.

(d) Notwithstanding anything herein to the contrary, the Fiscal Agent, on behalf of the Governmental Lender, shall prepare and submit a written invoice to the Borrower for payment of the Ongoing Governmental Lender Fee not later than 30 days prior to the due date for payment of such Ongoing Governmental Lender Fee, and shall remit moneys received from the Borrower to the Governmental Lender for payment of such fee.

#### 9.6. Project Fund.

(a) All proceeds of the Funding Loan provided by the Funding Lender shall be deposited to the Project Fund and disbursed as herein provided. The Fiscal Agent shall use moneys in the Project Fund for the acquisition, rehabilitation, construction and equipping of the Development, to pay other permitted development costs and to pay other costs related to the Development as provided herein.

(b) Not less than 97% of the moneys deposited in and credited to the Project Fund, representing the proceeds of the Funding Loan, including any income earned thereon, will be expended for Qualified Project Costs (as defined in the Regulatory Agreement) (the “97% Requirement”). The amounts on deposit in the Project Fund shall not be applied to the payment of costs of issuance of the Funding Loan Note.

(c) Before any payment representing Funding Loan Note proceeds shall be made from the Project Fund, the Regulatory Agreement and the Deed of Trust shall have been executed and recorded in the official records of the County of Los Angeles and there shall be filed with the Fiscal Agent a written requisition of the Borrower substantially in the form attached hereto as Exhibit C (“Requisition”) and (i) approved by the Funding Lender pursuant to the terms, conditions and provisions of the Borrower Loan Agreement and (ii) acknowledged by the Governmental Lender. The Governmental Lender agrees that if the Governmental Lender has not objected in writing to any disbursement from the Project Fund within five Business Days of receipt of a request for acknowledgment of such disbursement, the Governmental Lender shall be deemed to have acknowledged such disbursement. The Fiscal Agent shall be entitled to conclusively rely upon any Requisition in determining whether to disburse amounts from the Project Fund.

(d) In connection with a Requisition, except for a written request for amounts representing accrued interest due and payable on the Funding Loan Note:

(i) Only the signature of the Funding Lender and the Governmental Lender shall be required on a Requisition during any period in which an Event of Default by the Borrower has occurred and is then continuing under the Borrower Loan Agreement (notice of which default has been given in writing by the Funding Lender to the Fiscal Agent and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default).

(ii) The Fiscal Agent shall disburse amounts in the Project Fund upon receipt of a Requisition signed only by the Funding Lender and the Governmental Lender, as applicable (and without any need for any signature by an Authorized

Representative), so long as the amount to be disbursed is to be used solely to make payments of principal, interest and/or fees due under the Funding Loan Documents.

(iii) The Fiscal Agent may conclusively rely on all Requisitions, the execution of the Requisitions by the Borrower and the approval and acknowledgement, as applicable, of all Requisitions by the Funding Lender and the Governmental Lender, as required by this Section, as conditions of payment from the Project Fund, which Requisitions constitute, as to the Fiscal Agent, irrevocable determinations that all conditions to payment of the specified amounts from the Project Fund have been satisfied. These documents shall be retained by the Fiscal Agent, subject at all reasonable times to examination by the Borrower, the Governmental Lender, the Funding Lender and the agents and representatives thereof upon reasonable notice to the Fiscal Agent. The Fiscal Agent is not required to inspect the Development or the rehabilitation or construction work or to make any independent investigation with respect to the matters set forth in any Requisition or other statements, orders, certifications, acknowledgments and approvals received by the Fiscal Agent. The Fiscal Agent is not required to obtain completion bonds, lien releases or otherwise supervise the acquisition, rehabilitation, construction, equipping, improvement and installation of the Development.

(e) Upon receipt of each Requisition submitted by the Borrower and approved in writing by the Funding Lender and acknowledged in writing by the Governmental Lender, as applicable, the Fiscal Agent shall promptly, but in any case within one Business Day, make payment from the Project Fund in accordance with such Requisition. The Fiscal Agent shall have no duty to determine whether any requested disbursement from the Project Fund complies with the terms, conditions and provisions of the Funding Loan Documents, constitutes payment of Qualified Project Costs or complies with the 97% Requirement. The approval in writing of a Requisition by the Funding Lender shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, shall constitute conclusive evidence that all of the terms, conditions and requirements of the Funding Loan Documents applicable to such disbursement have been fully satisfied or waived and the Requisition from the Borrower shall, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence that the costs described in the Requisition constitute Qualified Project Costs or other permitted development costs.

(f) The Fiscal Agent shall immediately provide written notice to the Borrower, the Funding Lender and the Governmental Lender if there are not sufficient funds available to or on deposit with the Fiscal Agent to make the transfers as and when required by Section 9.6(e) above. Except as provided in the next sentence, all such payments shall be made by check or draft payable, or by wire transfer, either (i) directly to the person, firm or corporation to be paid, (ii) to the Borrower and such person, firm or corporation, or (iii) upon receipt by the Funding Lender and the Governmental Lender of evidence that the Borrower has previously paid such amount and written direction to the Fiscal Agent as to such as evidenced by the Funding Lender's approval and the Governmental Lender's acknowledgment of the Requisition, to the Borrower. Upon the occurrence of an Event of

Default of the Borrower of which the Fiscal Agent has knowledge as provided herein, which is continuing under the Funding Loan Documents, with the written consent of the Funding Lender, the Fiscal Agent may apply amounts on deposit in the Project Fund to the payment of principal of and interest on the Funding Loan. If a Requisition signed by the Borrower Representative and countersigned by the Funding Lender and the Governmental Lender is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Fund, the Fiscal Agent shall close the Project Fund.

(g) Immediately prior to any mandatory prepayment of the Funding Loan pursuant hereto, any amounts then remaining in the Project Fund shall, at the written direction of the Funding Lender, be applied to the prepayment of the Funding Loan pursuant hereto.

(h) Investment income earned on amounts on deposit in the Project Fund shall be retained in and credited to and become a part of the amounts on deposit in the Project Fund.

(i) Prior to the Conversion Date, the Funding Lender shall disburse the Funding Loan directly to the Funding Lender to pay accrued interest due and payable on the Funding Loan Note and will provide written notice of the amount of such disbursement to the Fiscal Agent within three Business Days of the disbursement.

9.7. Rebate Fund. The Fiscal Agent shall deposit or transfer to the credit of the Rebate Fund each amount delivered to the Fiscal Agent by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto.

(a) Within 15 days after each receipt or transfer of funds to the Rebate Fund, the Fiscal Agent shall withdraw from the Rebate Fund and pay to the United States of America the entire balance of the Rebate Fund.

(b) All payments to the United States of America pursuant to this Section shall be made by the Fiscal Agent for the account and in the name of the Governmental Lender and shall be paid through the United States mail (return receipt requested or overnight delivery), addressed to the appropriate Internal Revenue Service Center and accompanied by the appropriate Internal Revenue Service forms (such forms to be provided to the Fiscal Agent by the Borrower or the Rebate Analyst).

(c) The Fiscal Agent shall preserve all statements, forms and explanations received from the Borrower and delivered to the Fiscal Agent and all records of transactions in the Rebate Fund until six years after the retirement of the Funding Loan Note.

(d) The Fiscal Agent may conclusively rely on the instructions of the Borrower (based upon the report of the Rebate Analyst) with regard to any actions to be taken by it pursuant to this Section 9.7 and shall have no liability for any consequences of any failure of the Borrower or the Rebate Analyst to perform its duties or obligations or to supply

accurate or sufficient instructions. Except as specifically provided in subsection (b) above, the Fiscal Agent shall have no duty or responsibility with respect to the Rebate Fund or the Borrower's duties and responsibilities with respect thereto except to follow the Borrower's specific written instruction related thereto.

(e) If at any time during the term of this Funding Loan Agreement the Governmental Lender, the Fiscal Agent or the Borrower desires to take any action which would otherwise be prohibited by the terms of this Section, such person shall be permitted to take such action if it shall first obtain and provide to the other persons named herein an opinion of Tax Counsel that such action shall be in compliance with the laws of the State and the terms of this Funding Loan Agreement and will not impair the exclusion of interest on the Funding Loan from gross income for purposes of federal income taxation.

(f) Moneys and securities held by the Fiscal Agent in the Rebate Fund shall not be deemed funds of the Governmental Lender and are not pledged or otherwise subject to any security interest in favor of the owners to secure the Funding Loan Note or any other obligations.

(g) Moneys in the Rebate Fund may be separately invested and reinvested by the Fiscal Agent, at the request of and as directed in writing by the Borrower, subject to the Code. The Fiscal Agent shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in the Rebate Fund is insufficient for its purposes.

(h) Notwithstanding anything to the contrary in this Funding Loan Agreement, no payment shall be made by the Fiscal Agent to the United States if the Borrower shall furnish to the Governmental Lender and the Fiscal Agent an opinion of Tax Counsel to the effect that such payment is not required under Section 148(d) and (f) of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Funding Loan Note. In such event the Borrower shall be entitled to withdraw funds from the Rebate Fund to the extent the Borrower shall provide an opinion of Tax Counsel that such action will not impair the exclusion of interest on the Funding Loan from gross income for purposes of federal income taxation to the Governmental Lender and the Fiscal Agent with respect to such withdrawal.

(i) The Fiscal Agent shall keep and make available to the Governmental Lender and the Borrower records concerning the investments of all funds held by the Fiscal Agent pursuant to the Funding Loan Agreement including date bought and sold, price and commission paid, and bids taken, if any, and shall keep all such records until six years after the date on which the Funding Loan Note is repaid in full in order to enable the Borrower to make the computations required under Section 148(f) of the Code.

(j) Notwithstanding the foregoing, the computations and payments of rebate amounts referred to in this Section 9.7 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 Tax Counsel that such action will not impair the excluding of interest on the Funding Loan from gross income for purposes of federal income taxation, a copy of which shall be provided to the Fiscal Agent.

9.8. Closing Costs Fund. On the Closing Date, the Borrower shall deposit or cause to be deposited with the Fiscal Agent, for deposit in the Closing Costs Fund, the amount of [\$\_\_\_\_\_]. Amounts in the Closing Costs Fund shall be disbursed by the Fiscal Agent to pay Closing Costs on the Closing Date or as soon as practicable thereafter as follows: (a) pay the Fiscal Agent its closing fee of [\$\_\_\_\_\_]; and (b) pay to the California Debt and Investment Advisory Commission (“CDIAC”) the CDIAC fee of up to [\$\_\_\_\_\_] upon receipt of an invoice therefor. Any interest earnings on amounts on deposit in the Closing Costs Fund shall remain in such Fund. Any moneys remaining in the Closing Costs Fund (including investment proceeds) after the earlier of (i) the payment of all costs of issuance as certified in writing to the Fiscal Agent by the Borrower or (ii) a period of five months after the Closing Date shall be paid to the Borrower and the Closing Costs Fund shall be closed.

## ARTICLE X

### THE FISCAL AGENT

10.1. Appointment of Fiscal Agent; Acceptance. The Governmental Lender hereby appoints U.S. Bank Trust Company, National Association as 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.

10.2. Certain Duties and Responsibilities of Fiscal Agent.

(a) The Fiscal Agent undertakes to perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations shall be read into this Funding Loan Agreement against the Fiscal Agent.

(b) If an event of default exists hereunder or under any Borrower Loan Document, the Fiscal Agent shall exercise such of the rights and powers vested in it by this Funding Loan Agreement, and, subject to Section 10.2(c)(iv) hereof, use the same degree of care and skill in their exercise as a prudent corporate trust officer would exercise or use under the circumstances in the conduct of corporate trust business.

(c) No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, in each case, as finally adjudicated by a court of law, except that:

(i) This subsection shall not be construed to limit the effect of Section 10.2(a) hereof;

(ii) The Fiscal Agent shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts;

(iii) The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Funding Lender 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; and

(iv) No provision of this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it in its sole discretion.

(d) Whether or not therein expressly so provided, every provision of this Funding Loan Agreement and the other Funding Loan Documents 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 10.2.

(e) The Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Funding Loan Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Funding Loan Agreement.

(f) The permissive rights of the Fiscal Agent to do things enumerated in this Funding Loan Agreement shall not be construed as a duty.

10.3. Notice of Defaults. Upon the occurrence of any default hereunder or under any Borrower Loan Document, and provided that the Fiscal Agent is aware of or has received written notice of the existence of such default, promptly, and in any event within 15 days, the Fiscal Agent shall transmit to the Governmental Lender, the Borrower, and the Funding Lender, in the manner and at the addresses for notices set forth in Section 12.2 hereof, notice of such default hereunder known to the Fiscal Agent pursuant to Section 10.4(g) hereof, unless such default shall have been cured or waived.

10.4. Certain Rights of Fiscal Agent. Except as otherwise provided in Section 10.1 hereof:

(a) The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any request or direction of the Governmental Lender mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Representative of the Governmental Lender;

(c) Whenever in the administration of this Funding Loan Agreement the Fiscal Agent shall deem it desirable that a matter be proved or established prior to taking,

suffering or omitting any action hereunder, the Fiscal Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a written certificate of the Funding Lender or the Borrower, as appropriate;

(d) The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Funding Loan Agreement at the request or direction of the Funding Lender, pursuant to this Funding Loan Agreement, unless the Funding Lender shall have offered to the Fiscal Agent in writing security or indemnity reasonably satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction, except costs, expenses and liabilities which are adjudicated to have resulted from its own negligence or willful misconduct;

(e) The Fiscal Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document but the Fiscal Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Fiscal Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Governmental Lender, if any, and of the Borrower, in either case personally or by agent or attorney after reasonable notice and during normal business hours;

(f) The Fiscal Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and pay reasonable compensation thereto and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may act upon the advice of counsel of its choice concerning all matters hereof and the Fiscal Agent shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith reliance upon said advice; and

(g) The Fiscal Agent shall not be required to take notice or be deemed to have notice of any default hereunder or under any Borrower Loan Document except for failure by the Borrower to make payments of principal, interest, premium, if any, or fee owing to the Governmental Lender pursuant to the Regulatory Agreement when due, unless the Fiscal Agent shall be specifically notified by a written notice of such default by the Governmental Lender or the Funding Lender, and all notices or other instruments required by this Funding Loan Agreement or under any Borrower Loan Document to be delivered to the Fiscal Agent, must, in order to be effective, be delivered in writing to the Fiscal Agent, and in the absence of such written notice so delivered the Fiscal Agent may conclusively assume there is no default as aforesaid.

#### 10.5. Not Responsible for Recitals.

(a) The recitals contained herein and in the Funding Loan Note shall be taken as the statements of the Governmental Lender, and the Fiscal Agent assumes no responsibility for their correctness. The Fiscal Agent makes no representations as to the

value or condition of the revenues pledged hereunder, the Security or any part thereof, or as to the title of the Governmental Lender thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Funding Loan Agreement or of the Funding Loan.

(b) The Fiscal Agent 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 funding of the Funding Loan.

(c) The Fiscal Agent shall not be required to monitor the financial condition of the Borrower or the physical condition of the Development. Unless otherwise expressly provided, the Fiscal Agent shall be under no obligation to analyze, review or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents received hereunder but shall hold such financial statements, reports, notices, certificates and documents solely for the benefit of, and review by, the Funding Lender and such other parties to whom the Fiscal Agent may provide such information pursuant to this Funding Loan Agreement.

(d) The Fiscal Agent makes no representations as to and shall have no responsibility for the sufficiency of the insurance required under any of the Borrower Loan Documents.

10.6. May Hold Funding Loan. The Fiscal Agent in its individual or any other capacity may become the owner or pledgee of the Funding Loan and may otherwise deal with the Governmental Lender, the Funding Lender and the Borrower with the same rights it would have if it were not the Fiscal Agent.

10.7. Moneys Held in Trust. Moneys held by the Fiscal Agent in trust hereunder need not be segregated from other funds except to the extent required by law. The Fiscal Agent shall be under no liability for interest on any moneys received by it hereunder except as otherwise provided herein.

10.8. Compensation and Reimbursement.

(a) Under the Borrower Loan Agreement, the Borrower has agreed, except as otherwise expressly provided herein, to reimburse the Fiscal Agent as provided in this Funding Loan Agreement or the Borrower Loan Agreement, upon its request for all reasonable expenses, disbursements and advances incurred or made by the Fiscal Agent in accordance with any provision of this Funding Loan Agreement (including the reasonable fees, expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Fiscal Agent's negligence or willful misconduct, both as finally adjudicated by a court of law.

(b) When the Fiscal Agent incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

(c) The Governmental Lender has no obligation to pay the Fiscal Agent for services rendered.

(d) As security for the performance of the obligations of the Borrower under this Section 10.8 and for the payment of such compensation, expenses, reimbursements and indemnity, the Fiscal Agent shall have the right to use and apply any moneys held by it as Security hereunder.

(e) The Fiscal Agent's rights to compensation and reimbursement shall survive its resignation or removal, the payment of the Funding Loan or the Borrower Loan or the release of this Funding Loan Agreement.

10.9. Fiscal Agent Required; Eligibility. Any successor Fiscal Agent shall at all times be a trust company, a state banking corporation or a national banking association with the authority to accept trusts in the State of California approved in writing by the Governmental Lender and either (a) have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, (b) 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, having a combined capital surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, have at least \$500,000,000 of trust assets under management and have a combined capital surplus of at least \$2,000,000 as set forth in its most recent published annual report of condition, or (c) be otherwise acceptable to the Funding Lender and the Governmental Lender in their sole and absolute discretion.

10.10. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Fiscal Agent hereunder and no appointment of a successor Fiscal Agent pursuant to this Article X shall become effective until the written acceptance by the successor Fiscal Agent of such appointment.

(b) The Fiscal Agent may resign at any time by giving 60 days' written notice thereof to the Governmental Lender, the Borrower, and the Funding Lender. If an instrument of acceptance by a successor Fiscal Agent shall not have been delivered to the Fiscal Agent within 30 days after the giving of such notice of resignation, the resigning Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(c) The Fiscal Agent may be removed at any time with 30 days' notice by (i) the Governmental Lender, with the written consent of the Funding Lender in its sole and absolute discretion, (ii) the Borrower (unless the Borrower is in default under any of the Borrower Loan Documents), subject to applicable notice and cure periods, with the written consent of the Funding Lender and the Governmental Lender in their sole and absolute discretion, or (iii) the Funding Lender with the written consent of the Governmental Lender and written notice delivered to the Fiscal Agent and the Borrower.

(d) If the Fiscal Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Fiscal Agent for any cause, the Governmental Lender shall promptly appoint a successor Fiscal Agent, with the consent of the Funding

Lender. In case all or substantially all of the revenues pledged hereunder and Security shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Fiscal Agent shall be so appointed by the Governmental Lender. If, within 60 days after such resignation, removal or incapability or the occurrence of such vacancy, the Governmental Lender has failed to so appoint a successor Fiscal Agent, then a successor Fiscal Agent shall be appointed by the Funding Lender (from any of the institutions approved by the Governmental Lender to serve as a fiscal agent or trustee) with written notice thereof delivered to the Governmental Lender, the Borrower, and the retiring Fiscal Agent, and the successor Fiscal Agent so appointed shall, forthwith upon its acceptance of such appointment, become the successor Fiscal Agent and supersede the successor Fiscal Agent appointed by such receiver or Fiscal Agent. If no successor Fiscal Agent shall have been appointed by the Governmental Lender or the Funding Lender and accepted appointment in the manner hereinafter provided, the Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(e) The retiring Fiscal Agent shall cause written notice of each resignation and each removal of the Fiscal Agent and each appointment of a successor Fiscal Agent to be provided to the Funding Lender. Each notice shall include the name of the successor Fiscal Agent and the address of the office of the successor Fiscal Agent.

#### 10.11. Acceptance of Appointment by Successor.

(a) Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to the Governmental Lender and to the retiring Fiscal Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Fiscal Agent shall become effective and such successor Fiscal Agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Fiscal Agent; notwithstanding the foregoing, on request of the Governmental Lender or the successor Fiscal Agent, such retiring Fiscal Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Fiscal Agent upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Fiscal Agent, and shall duly assign, transfer and deliver to such successor Fiscal Agent all property and money held by such retiring Fiscal Agent hereunder. Upon request of any such successor Fiscal Agent, the Governmental Lender shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Fiscal Agent all such estates, properties, rights, powers and trusts.

(b) No successor Fiscal Agent shall accept its appointment unless at the time of such acceptance such successor Fiscal Agent shall be qualified and eligible under this Article X, to the extent operative.

10.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Fiscal Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business

of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article X, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notwithstanding the foregoing, any such successor Fiscal Agent shall cause written notice of such succession to be delivered to the Funding Lender and the Governmental Lender within 30 days of such succession.

10.13. Appointment of Co-Fiscal Agent. It is recognized that in case of litigation under this Funding Loan Agreement, the Borrower Loan Agreement, any other Borrower Loan Document or the Regulatory Agreement, and in particular in case of the enforcement of any of them 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 granted to the Fiscal Agent or hold title to the properties, in trust, as herein provided, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent appoint an additional individual or institution as a separate or co-fiscal agent. The following provisions of this Section are adopted to these ends.

The Fiscal Agent is hereby authorized to appoint an additional individual or institution as a separate or co-fiscal agent hereunder, upon written notice to the Governmental Lender, the Funding Lender and the Borrower, and with the consent of the Governmental Lender and the Funding Lender, but without the necessity of further authorization or consent, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement, any Borrower Loan Document, the Regulatory Agreement or the Borrower Loan Agreement to be exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be exercisable by and vest in such separate or co-fiscal agent but only to the extent necessary to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-fiscal agent shall run to and be enforceable by either of them.

Should any instrument in writing from the Governmental Lender be required by the separate fiscal agent or co-fiscal agent appointed by the Fiscal Agent for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request of the Fiscal Agent, be executed, acknowledged and delivered by the Governmental Lender. In case any separate fiscal agent or co-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 separate fiscal agent or co-fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a successor to such separate fiscal agent or co-fiscal agent.

10.14. No Recourse Against Officers or Employees of Fiscal Agent. No recourse with respect to any claim related to any obligation, duty or agreement contained in this Funding Loan Agreement or any other Funding Loan Document shall be had against any officer or employee, as such, of the Fiscal Agent, it being expressly understood that the obligations, duties and agreements of the Fiscal Agent contained in this Funding Loan Agreement and the other Funding Loan Documents are solely corporate in nature.

## ARTICLE XI

### **DEFAULTS UNDER BORROWER LOAN DOCUMENTS**

11.1. Default Under Borrower Loan Agreement; Acceleration. No default by the Borrower under the Borrower Loan Agreement shall constitute an event of default with respect to the Funding Loan Note. The Governmental Lender's, the Fiscal Agent's and the Funding Lender's remedies with respect to a default under the Borrower Loan Documents shall be as set forth under the Borrower Loan Documents. The Funding Lender may, upon the acceleration of the Borrower's obligations under the Borrower Loan Documents, accelerate, or direct the Fiscal Agent to accelerate, the maturity of the Funding Loan 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 Funding Loan Note shall be deemed paid upon transfer, to or at the direction of the Funding Lender, of the Borrower Loan Documents and all 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 Funding Loan Documents and the Borrower Loan Documents, but only upon being satisfactorily indemnified by the Borrower for any fees or expenses relating thereto as provided in the Borrower Loan Agreement and Regulatory Agreement.

11.2. Actions Under Borrower Loan Documents. Whether or not an Event of Default has occurred, the Funding Lender, in its sole discretion, shall have the sole right to waive or forebear any term, condition, covenant or agreement in the Borrower 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 Funding Loan 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 Reserved Rights. With respect to any of its Reserved Rights, the Governmental Lender may exercise such rights as permitted by Section 18 of the Regulatory Agreement in connection with a default thereunder.

## ARTICLE XII

### **MISCELLANEOUS**

12.1. Entire Agreement. This Funding Loan Agreement, the Funding Loan Note and the other Funding Loan Documents constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Governmental Lender and the Funding Lender with respect to the subject matter hereof.

12.2. Notices. All notices, certificates or other communications shall be in writing and shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been personally delivered or mailed by first class mail postage prepaid, addressed as follows:

If to the Governmental Lender:	City of Los Angeles c/o Los Angeles Housing Department
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8th Floor  
1200 West 7th Street  
Los Angeles, CA 90017  
Attention: Supervisor, Affordable Housing Bond  
Program  
HIMS# 18-124725  
Facsimile: (213) 808-8918

with a copy to:

Los Angeles Housing Department  
P.O. Box 532729  
Los Angeles, CA 90053-2729  
Attention: Supervisor, Portfolio Management Unit  
HIMS# 18-124725  
Facsimile: (213) 808-8606

If to the Borrower:

11681 Foothill, L.P.  
c/o L.A. Family Housing Corporation  
7843 Lankershim Boulevard  
Los Angeles, CA 91605  
Attention: Daniel Huynh, Vice President, Real  
Estate  
Telephone: (818) 255-2745

with a copy to:

Gubb & Barshay LLP  
505 14th Street, Suite 450  
Oakland, CA 94612  
Attention: Scott Barshay  
Facsimile: (415) 781-6967

with a copy to:

Merritt Community Capital Corporation  
1970 Broadway, Suite 250  
Oakland, CA 94612  
Attention: President  
Telephone: (510) 444-7870

If to the Funding Lender:

MUFG Union Bank, N.A.  
Loan Administration Dept.  
145 S. State College Blvd., Suite 600  
Brea, CA 92821  
Attention: Manager  
Facsimile: (949) 752-8361

with a copy to:

Rutan & Tucker LLP  
18575 Jamboree Road, 9<sup>th</sup> Floor  
Irvine, CA 92612  
Attention: Pat McCalla

with a copy to:

MUFG Union Bank, N.A.,  
Community Development Finance Department  
1901 Avenue of the Stars, Suite 600  
Los Angeles, CA 90067  
Attention: Manager  
Facsimile: (310) 551-8980

If to the Fiscal Agent:

U.S. Bank Trust Company, National Association  
633 W. 5<sup>th</sup> Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust  
Ref: LA MF (Summit View Apartments 2022BB)  
Telephone: (213) 615-6024  
Facsimile: (213) 615-6199

12.3. Assignments. Except as provided in Section 4.3 hereof, neither this Funding Loan Agreement nor any other Funding Loan Document may be assigned by any party hereto or thereto in whole or in part without the prior written consent of the other, which consent shall not be unreasonably withheld, and, in the case of the Governmental Lender, to the extent such assignment is not in contravention of its policies for tax-exempt debt.

12.4. Severability. If any provision of this Funding Loan Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

12.5. Execution of 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.

12.6. Amendments, Changes and Modifications. Except as otherwise provided in this Funding Loan Agreement, this Funding Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto. The Funding Lender may require, as a condition to any amendment, change or modification of this Funding Loan Agreement or the other Funding Loan Documents, that the Funding Lender shall have received, at the expense of the Borrower, an opinion of Tax Counsel that such amendment shall not adversely affect the exclusion of interest on the Funding Loan Note from gross income for purposes of federal income tax.

12.7. Governing Law. This Funding Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State.

12.8. Term of Agreement. This Funding Loan Agreement shall be in full force and effect from the date hereof until such time as the Funding Loan shall have been fully paid or provision made for such payment. Time is of the essence in this Funding Loan Agreement.

12.9. Survival of Agreement. All agreements, representations and warranties made herein shall survive the making of the Funding Loan.

12.10. 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: 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 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.

12.11. Business Tax Registration Certificate. Subject to any exemption available to it, the Fiscal Agent represents that it will obtain and hold 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, subject to any exemption available to it under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

12.12. 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: (1) it will fully comply with all State and federal employment reporting requirements applicable to Child Support Assignment Orders; (2) the principal owner(s) of the Fiscal Agent are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) it will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) it will maintain such compliance throughout the term of this 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 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 Public Contract Code Section 7110.

12.13. 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.

12.14. Responsible Banking Ordinance Filing. The Bank 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 Bank represents that it has, prior to the Closing Date, filed the report due by July 1, 2022 under the Responsible Banking Ordinance for calendar year 2021.

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

12.16. Disclosure of Contracts and Sponsorship of The National Rifle Association. Fiscal Agent shall comply with Los Angeles Administrative Code Section 10.52 et seq., “Disclosure of

Contracts and Sponsorship of the National Rifle Association Ordinance”. Governmental Lender may declare a default under this Funding Loan Agreement at any time if Governmental Lender determines that Fiscal Agent failed to fully and accurately complete the required affidavit and disclose all contracts and sponsorships with the National Rifle Association, as defined in Los Angeles Administrative Code Section 10.52.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the date first above written.

**CITY OF LOS ANGELES**, as Governmental  
Lender

By Housing Department

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

MICHAEL N. FEUER, City Attorney:

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

[Governmental Lender Signature Page to *Summit View* Funding Loan Agreement]

MUFG UNION BANK, N.A., in its capacity as  
Bank and Funding Lender

By \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

[Bank and Funding Lender Signature Page to *Summit View* Funding Loan Agreement]

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

By \_\_\_\_\_  
Name: Julia Hommel  
Title: Vice President

[Fiscal Agent Signature Page to *Summit View* Funding Loan Agreement]

**EXHIBIT A**

**CITY OF LOS ANGELES**  
**MULTIFAMILY MORTGAGE REVENUE NOTE**  
**(SUMMIT VIEW APARTMENTS)**  
**SERIES 2022BB**

FOR VALUE RECEIVED, the CITY OF LOS ANGELES, a charter city and municipal corporation of the State of California (the “**Governmental Lender**”), acknowledges itself indebted hereby promises to pay to the order of MUFG UNION BANK, N.A. (the “**Bank**”), or its successors and assigns, the sum of TWO MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS (\$2,220,000), together with interest on the advanced and unpaid principal amount of this City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB (this “**Funding Loan Note**”) at the same interest rate as the applicable interest rate specified in the Borrower Loan Agreement (as hereinafter defined) with respect to the Borrower Loan, not exceeding the Maximum Rate, until the Governmental Lender’s obligation to pay the Outstanding Balance (as hereinafter defined) shall be discharged. The “**Outstanding Balance**” as of any date of calculation shall mean the principal balance of the Funding Loan that has not been repaid by the Governmental Lender to the Bank as of the date of calculation of the Outstanding Balance. This Funding Loan Note shall be governed by and be payable in accordance with the terms and conditions of the Funding Loan Agreement dated as of December 1, 2022 (the “**Funding Loan Agreement**”) among U.S. Bank Trust Company, National Association (the “**Fiscal Agent**”), the Governmental Lender and the Bank, in its capacity as lender, pursuant to which the Bank has made the Funding Loan to the Governmental Lender.

This Funding Loan Note is issued to evidence the Funding Loan by the Bank to the Governmental Lender and the obligation of the Governmental Lender to repay the same, but only from amounts received by or on behalf of the Governmental Lender from 11681 Foothill, L.P., a California limited partnership (the “**Borrower**”), pursuant to a Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019, [as modified by that certain Modification Agreement dated June 1, 2022, and that certain Second Modification Agreement and Declaration of Additional Advance (Long Form) dated \_\_\_\_\_, 2022 (the “**Borrower Loan Agreement Second Modification**”)] by and among the Governmental Lender, the Bank and the Borrower (the “**Borrower Loan Agreement**”) and the other Borrower Loan Documents (as defined in the Borrower Loan Agreement).

Monthly payments of principal and interest shall be due and payable under this Funding Loan Note in the same amounts and on the same dates as payments of principal and interest are due and payable on the Borrower Note, as provided in the Borrower Loan Agreement. The Outstanding Balance of this Funding Loan Note shall be due and payable in its entirety on January 1, 2024.

The Funding Loan and this Funding Loan Note are pass-through obligations relating to the Borrower Loan made by the Governmental Lender from the proceeds of the Funding Loan to the Borrower under the Borrower Loan Agreement. Reference is hereby made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note.

In the event the Governmental Lender fails to make the timely payment of any monthly payment, and such payment remains unpaid for a period of 10 days subsequent to the established payment date, the Governmental Lender shall pay (solely from amounts received from the Borrower as late charges under the Borrower Loan Agreement) to the Bank a late charge in the amount specified in Section 3.6 of the Borrower Loan Agreement. If the principal balance of this Funding Loan Note is accelerated following an Event of Default (as defined in the Funding Loan Agreement), the Bank may increase the interest rate on this Funding Loan to the Default Rate (as defined in the Borrower Loan Agreement).

The Governmental Lender may, at any time, prepay the principal amount of this Funding Loan Note to the same extent and subject to the same terms and conditions set forth in the Borrower Loan Agreement for the prepayment of the Borrower Loan (including any provisions for the payment of any prepayment premium, fee or penalty).

All sums due hereunder shall be paid in lawful money of the United States of America. Interest on this Funding Loan Note shall be computed as provided for the Borrower Loan in the Borrower Loan Agreement. All payments made hereunder shall be credited and applied as provided in the Funding Loan Agreement.

**THIS FUNDING LOAN 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 FUNDING LOAN NOTE OR OTHER COSTS INCIDENT THERETO. THIS FUNDING LOAN NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.**

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

**NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, WARRANTY OR AGREEMENT CONTAINED IN THE FUNDING LOAN AGREEMENT OR IN THIS FUNDING LOAN 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 FUNDING LOAN NOTE, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE GOVERNMENTAL LENDER UPON THIS FUNDING LOAN 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 FUNDING LOAN NOTE SECURED BY THE FUNDING LOAN AGREEMENT OR ANY OF THEM IS, BY THE ACCEPTANCE OF THIS FUNDING LOAN 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 FUNDING LOAN NOTE.**

THIS FUNDING LOAN NOTE AND THE REPAYMENT PROVISIONS CONTAINED HEREIN ARE SUBJECT TO THE PROVISIONS AND LIMITATIONS CONTAINED IN SECTIONS 4.1, 5.2 AND 6.14 OF THE FUNDING LOAN AGREEMENT.

No delay or omission on the part of the Bank in exercising any remedy, right or option under this Funding Loan Note or the Funding Loan Documents (as defined in the Funding Loan Agreement) shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Bank under this Funding Loan Note and the Funding Loan Documents are and shall be cumulative and are in addition to all the rights, remedies and options of the Bank at law or in equity or under any other agreement.

Presentment for payment, notice of dishonor, protest or notice of protest are hereby waived. The acceptance by the Bank of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the owner hereof of any sum and amount less than the amount then due shall be deemed an acceptance on account only and upon condition of the acceptance shall not constitute a waiver of the obligation of the Governmental Lender to pay the entire sum then due, and the Governmental Lender's failure to pay such amount then due shall be and continue to be at default notwithstanding such acceptance of such amount on account thereof. Consent by the Bank to any action of the Governmental Lender which is subject to approval of the Bank hereunder shall not be deemed a waiver of the right to require such consent or approval to future successive actions, waiver the right to assert the defense of any statute of limitations to any debt or obligation hereunder or consents to renewals and extensions of time for payment of any amounts due under this Funding Loan Note.

THIS FUNDING LOAN NOTE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 4.3 OF THE FUNDING LOAN AGREEMENT, AND ANY SUCH TRANSFER SHALL BE RECORDED IN THE NOTE REGISTER MAINTAINED BY THE FISCAL AGENT.

Capitalized terms used herein which are not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Funding Loan Note to be executed in its name and on its behalf all as of the \_\_\_\_ day of \_\_\_\_\_, 2022.

(SEAL)

CITY OF LOS ANGELES

\_\_\_\_\_  
City Treasurer

By \_\_\_\_\_  
Mayor

#### FORM OF CERTIFICATE OF AUTHENTICATION

This is the Funding Loan Note described in the within-mentioned Funding Loan Agreement and has been authenticated and registered on \_\_\_\_\_.

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

By \_\_\_\_\_

**EXHIBIT B**  
**FORM OF REPRESENTATION LETTER**

City of Los Angeles  
Los Angeles, California

Kutak Rock LLP  
Los Angeles, California

U.S. Bank Trust Company, National Association  
Los Angeles, California

\$2,220,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2022BB

Ladies and Gentlemen:

The undersigned (the “Holder”) hereby represents and warrants to you as follows:

1. The Holder [proposes to make] [has made] [has acquired] a loan in an aggregate principal amount not to exceed the amount set forth in the above-captioned note (the “Funding Loan Note”) issued pursuant to that certain Funding Loan Agreement dated as of December 1, 2022 (the “Funding Loan Agreement”) by and among the City of Los Angeles, California (the “Governmental Lender”), U.S. Bank Trust Company, National Association, as Fiscal Agent, and MUFG Union Bank, N.A., as lender (the “Bank”). The Holder understands that the Funding Loan Note is not rated by any rating agency and is secured only by the Summit View Apartments and the revenues therefrom, and will be sold to the Holder with the only above-addressed parties relying upon the representations and warranties of the Holder set forth herein. The Holder acknowledges that no offering document has been prepared in connection with the making of the Funding Loan. The Holder has requested and received all materials which the Holder has deemed relevant in connection with its making of the Funding Loan (the “Due Diligence Information”). The Holder has reviewed the documents executed in conjunction with the making of the Funding Loan Note, including, without limitation, the Funding Loan Agreement and the Borrower Loan Agreement.

2. The Holder hereby waives the requirement of any “due diligence investigation or inquiry” by the Governmental Lender, by each official of the Governmental Lender, by each employee of the Governmental Lender, by each member of the governing board of the Governmental Lender, and by counsel to the Governmental Lender, the Fiscal Agent, counsel to the Fiscal Agent, the Bank, counsel to the Bank and Tax Counsel in connection with the authorization, execution and delivery of the Funding Loan Note and Holder’s making the Funding Loan. The Holder recognizes and agrees that the Governmental Lender, by each official of the

Governmental Lender, each employee of the Governmental Lender, each member of the governing board of the Governmental Lender, counsel to the Governmental Lender, the Fiscal Agent, counsel to the Fiscal Agent, the Bank, counsel to the Bank and Tax Counsel have made no representations or statements (expressed or implied) with respect to the accuracy or completeness of any of the materials reviewed by the Holder in connection with the Holder's making the Funding Loan. In making its decision to make the Funding Loan, the Holder is relying upon its own examination of the Governmental Lender, the Borrower, the Development and the terms of the Funding Loan.

3. The Holder has been provided an opportunity to ask questions of, and the Holder has received answers from, representatives of the Governmental Lender and the Borrower regarding the terms and conditions of the Funding Loan Note, and the Holder has obtained all additional information requested by it in connection with the Funding Loan Note.

4. The Holder has sufficient knowledge and experience in business and financial matters in general, and making loans such as the Funding Loan in particular, and is capable of evaluating the merits and risks involved in making the Funding Loan. The Holder is able to bear the economic risk of, and an entire loss of funds advanced under, the Funding Loan Note.

5. The Holder is [making] [purchasing] the Funding Loan solely for its own account and has no present intention to resell or distribute the Funding Loan Note, provided that the Holder reserves the right to transfer or dispose of the Funding Loan Note, at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 6 through 8 of this Letter. The Holder hereby agrees that the Funding Loan Note may only be transferred in whole and in accordance with the Funding Loan Agreement, including Article IV thereof, to a single holder, which must execute and deliver to the parties addressed above a form of this Representation Letter.

6. The Holder agrees that it will offer, sell, pledge, transfer or exchange the Funding Loan Note (or any legal or beneficial interest therein) only (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the transfer restrictions set forth in the Funding Loan Note and the Funding Loan Agreement. The Holder acknowledges that written consent of the Governmental Lender is required in order to transfer the Funding Loan Note.

7. The Holder is: (a) a "qualified institutional buyer" as defined in Rule 144A ("Rule 144A") promulgated under the Securities Act; (b) an institutional "accredited investor" as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act; (c) an entity that is directly or indirectly wholly owned or controlled by the Bank (being a financial institution described in (a) above); (d) an entity all of the investors in which are described in (a), (b) or (c) above; or (e) a custodian or trustee for a party described in (a), (b) or (c) above.

8. If the Holder transfers the Funding Loan (or any legal or beneficial interest therein), the Holder or its agent will obtain for the benefit of each of you from any subsequent holder an Investor Letter in the form of this Letter or such other materials as are required by the Funding Loan Note and the Funding Loan Agreement to effect such sale and purchase. The Holder understands and agrees that the Fiscal Agent is not authorized to register any transfer of the

Funding Loan Note prior to receipt of such letter and the written consent of the Governmental Lender.

9. Neither the Bank, the Fiscal Agent, Tax Counsel, counsel to the Governmental Lender, the Governmental Lender, its governing body, or any of its employees or agents will have any responsibility to the Holder for the accuracy or completeness of information obtained by the Holder from any source regarding the Development, the Governmental Lender or the Borrower or their financial conditions or regarding the Funding Loan Note, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Due Diligence Information. The Holder acknowledges that, as between Holder and all of such parties: (a) the Holder has assumed responsibility for obtaining such information and making such review as the Holder has deemed necessary or desirable in connection with its decision to make the Funding Loan; and (b) the Due Diligence Information and any additional information specifically requested from the Governmental Lender or the Borrower and provided to the Holder prior to closing constitute all the information and review, with the investigation made by Holder (including specifically the Holder's investigation of the Governmental Lender, the Development and the Borrower) prior to its making the Funding Loan, that Holder has deemed necessary or desirable in connection with its decision to make the Funding Loan.

10. The Holder understands that (a) the Funding Loan Note has not been registered with any federal or state securities agency or commission, and (b) no credit rating has been sought or obtained with respect to the Funding Loan Note, and the Holder acknowledges that the Funding Loan Note is speculative with a high degree of risk.

11. The Holder acknowledges that the Funding Loan Note is a limited obligation of the Governmental Lender, payable solely from the revenues or other amounts provided by or at the direction of the Borrower, and is not an obligation payable from the general revenues or other funds of the Governmental Lender, the State of California or any political subdivision of the State of California. The Holder acknowledges that the Governmental Lender is issuing the Funding Loan Note on a conduit, nonrecourse basis and has no continuing obligations with respect thereto except as expressly set forth in the Funding Loan Agreement.

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

13. The Holder acknowledges that no offering document has been produced in connection with the Funding Loan.

14. The Holder agrees to indemnify and hold harmless the Governmental Lender, the Governmental Lender's officials, officers, directors, employees, agents, attorneys, accountants, advisors, consultants, servants 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 Holder's sale, transfer or other disposition by it of the Funding Loan in violation of the provisions hereof or of the Funding Loan Agreement or any inaccuracy in any statement made by the Holder in this letter.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement.

Very truly yours,

MUFG UNION BANK, N.A., as Note Purchaser

By: \_\_\_\_\_

Name: Brian Roberts

Title: Managing Director

[Signature Page to Representation Letter]

## EXHIBIT C

### FORM OF PROJECT FUND REQUISITION

Draw # \_\_\_\_\_

U.S. Bank Trust Company, National Association  
633 W. 5<sup>th</sup> Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust

Re: City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments), Series 2022BB

This requisition is being delivered to you in accordance with the Funding Loan Agreement dated as of December 1, 2022 (the "Funding Loan Agreement") among MUFG Union Bank, N.A. (the "Funding Lender"), the City of Los Angeles (the "Governmental Lender") and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent") pursuant to which the above-referenced note (the "Funding Loan Note") was issued. Capitalized terms not defined herein shall have the meanings assigned thereto in the Funding Loan Agreement.

1. You are requested to disburse funds in the amount of \$ \_\_\_\_\_ from the Project Fund as Draw # \_\_\_\_\_ pursuant to Section 9.6 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth on Schedule I attached hereto and incorporated herein by reference.

2. The undersigned certifies that:

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

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

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

(iv) this Requisition contains no items representing any costs of issuance of the Funding Loan Note or any other amount constituting an issuance cost under Section 147(g) of the Code and payment of the costs referenced herein will not violate any representation, warranty or covenant of the Borrower in the Borrower Loan Agreement, the Regulatory Agreement or the Tax Certificate;

(v) not less than 97% of the sum of (a) the amounts requisitioned by this Requisition to be funded from the Project Fund plus (b) all amounts previously disbursed

from the Project Fund have been or will be applied by the Borrower to pay Qualified Project Costs (as defined in the Regulatory Agreement);

(vi) the Borrower acknowledges that fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) are not deemed to be Qualified Project Costs; and

(vii) as of the date hereof, no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both would constitute, an Event of Default under the Funding Loan Agreement or under the Borrower Loan Agreement.

Dated: \_\_\_\_\_, 20\_\_

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L. A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By:  
Name: Stephanie Klasky-Gamer  
Its: President and Chief Executive Officer

By: Many Mansions,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Rick Schroeder  
Its: President

MUFG UNION BANK, N.A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Acknowledged by the Governmental Lender:

For Governmental Lender consent requirements,  
see Section 9.6 of the Funding Loan Agreement

CITY OF LOS ANGELES

By Housing Department

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **SCHEDULE I TO PROJECT FUND REQUISITION**

**EXHIBIT D**

**FORM OF RESPONSIBLE BANKING ORDINANCE CERTIFICATE**

**RESPONSIBLE BANKING ORDINANCE  
REPRESENTATIONS AND COVENANTS OF BANK**

[\_\_\_\_\_, 20\_\_]

City of Los Angeles  
Los Angeles, California

\$2,220,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2022BB

Ladies and Gentlemen:

The undersigned, on behalf of [\_\_\_\_\_] (the “Bank”), does hereby certify to the following as of the date of this certificate, relating to the Bank’s purchase from the City of Los Angeles (the “City”) of the City’s \$2,220,000 initial aggregate principal amount of Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB:

(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: \_\_\_\_\_



**THIRD MODIFICATION AGREEMENT AND  
DECLARATION OF ADDITIONAL ADVANCE (Long Form)  
(Summit View Apartments)**

Date: \_\_\_\_\_, 2022

This Third Modification Agreement and Declaration of Additional Advance (Long Form) ("Agreement") is made as of the above date by and among **11681 FOOTHILL, L.P.**, a California limited partnership ("Debtor"), **MUFG UNION BANK, N.A.** ("Bank") and the **CITY OF LOS ANGELES**, a charter city and a municipal corporation of the State of California ("Governmental Lender"), with reference to the following facts:

**RECITALS:**

**A.** Pursuant to that certain Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated December 1, 2019, as modified by that certain Modification Agreement dated June 1, 2022 and that certain Second Modification Agreement dated \_\_\_\_\_, 2022 (as modified, the "Borrower Loan Agreement"), Governmental Lender made a loan to Debtor (the "Loan") evidenced by that certain Promissory Note (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019 from Borrower in favor of Governmental Lender in the original principal amount of \$19,960,000 (the "Original Borrower Note"). Capitalized terms used in this Agreement shall have the meanings given in the Borrower Loan Agreement unless otherwise defined.

**B.** Except for the Reserved Rights (as defined in the Funding Loan Agreement), all of Governmental Lender's interests and rights in the Borrower Loan Agreement, the Original Borrower Note and the other Borrower Loan Documents have been assigned to Bank pursuant to that certain Assignment of Deed of Trust and Related Documents dated December 1, 2019, and recorded on December 20, 2019 as Instrument No. 20191425278 in the Official Records of Los Angeles County, California (the "Official Records").

**C.** The Original Borrower Note and Debtor's obligations under the Borrower Loan Agreement are secured in part by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Construction to Permanent Trust Deed) (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 (the "Deed of Trust") and recorded on December 20, 2019 as Instrument No. 20191425277 in the Official Records.

**D.** Debtor's obligations under the Borrower Loan are guaranteed by L.A. Family Housing Corporation, a California nonprofit public benefit corporation, and Many Mansions, a California Nonprofit Corporation, a California nonprofit public benefit corporation (collectively, "Guarantor"), as evidenced by that certain Loan and Completion Guaranty and that certain Indemnity Agreement, each dated December 1, 2019, executed by Guarantor in favor of Governmental Lender and Bank (collectively, the "Guaranty").

**E.** The Borrower Loan Agreement, the Original Borrower Note, the Deed of Trust, the Guaranty, and any other documents executed in connection with the Borrower Loan are collectively referred to as the "Borrower Loan Documents."

**F.** It is the desire of the parties hereto to modify the Borrower Loan Documents as provided below, subject to the terms and conditions set forth herein.

**G.** Any reference to "Debtor" herein shall also mean "Borrower," if the Debtor is so defined in the Borrower Loan Agreement.

**1. DECLARATION OF ADDITIONAL ADVANCE.** Concurrently herewith and upon satisfaction of all conditions precedent set forth in this Agreement, Bank will extend an additional advance of Two Million Two Hundred Twenty Thousand and No/100 Dollars (\$2,220,000.00) (the "Additional Advance") to Borrower, which shall be evidenced by that certain Promissory Note (Multifamily Housing Back to Back Loan Program) in the principal amount of Two Million Two Hundred Twenty Thousand and No/100 Dollars (\$2,220,000.00) (the "2022 Borrower Note"), dated of even date herewith executed by Borrower in favor of Governmental Lender. The Deed of Trust secures the indebtedness evidenced by the Original Borrower Note and the 2022 Borrower Note and Borrower agrees to pay the aggregate sums due under the Original Borrower Note and the 2022 Borrower Note, plus interest accrued thereon, as provided therein and in the Borrower Loan Agreement. All references to the "Borrower Note" or "Debt Instrument" in any of the Borrower Loan Documents shall mean and refer collectively to the Original Borrower Note and the 2022 Borrower Note, and all references to the "Borrower Loan" in any of the Borrower Loan Documents shall mean and refer to a loan in the aggregate amount of the indebtedness evidenced by the Original Borrower Note and the 2022 Borrower Note equal to Twenty-Two Million One Hundred Eighty Thousand and No/100 Dollars (\$22,180,000.00). The Additional Advance shall be made available to Borrower subject to the conditions to disbursement set forth in the Borrower Loan Agreement.

**2. AMENDMENTS TO THE BORROWER LOAN AGREEMENT.**

**2.1 Additional Definitions.** The following definitions are inserted alphabetically into Article 1 of the Borrower Loan Agreement:

**"Floor"** means a per annum rate of interest equal to zero percent (0.00%).

**"SOFR"** means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

**"Term SOFR"** means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Term SOFR Determination Day") that is two (2) USGSBDs prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that (x) if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding USGSBD for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding USGSBD is not more than three (3) USGSBDs prior to such Term SOFR Determination Day and (y) if Term SOFR determined as provided above (including pursuant to clause (x) of this proviso) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

**"Term SOFR Administrator"** means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

**"Term SOFR Determination Day"** shall have the meaning ascribed to such term in the definition of "Term SOFR".

**"Term SOFR Reference Rate"** means the forward-looking term rate based on SOFR.

**"USGSBD"** means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

**2.2 Borrower Note.** The definition of “Borrower Note” set forth in Section 1.29 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“1.29 **Borrower Note.** Collectively, (i) the Promissory Note (Multifamily Housing Back to Back Loan Program) dated as of the December 1, 2019 from Borrower, as maker, in favor of Governmental Lender in the original principal amount of \$19,960,000 (the “2019 Borrower Note”), and (ii) the Promissory Note (Multifamily Housing Back to Back Loan Program) dated as of the \_\_\_\_\_, 2022 from Borrower, as maker, in favor of Governmental Lender in the original principal amount of \$2,220,000 (the “2022 Borrower Note”).”

**2.3 Business Day.** The definition of “Business Day” set forth in Section 1.30 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“1.30 **Business Day.** A day which is not a Saturday or Sunday on which banks in the State of California are open for business for the funding of corporate loans.”

**2.4 Funding Loan.** The definition of “Funding Loan” set forth in Section 1.78 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**Funding Loan.** Collectively, (i) the loan in the maximum amount of \$19,960,000 made by Bank to Governmental Lender pursuant to the 2019 Funding Loan Agreement, and (ii) the loan in the maximum amount of \$2,220,000 made by Bank to Governmental Lender pursuant to the 2022 Funding Loan Agreement.”

**2.5 Funding Loan Agreement.** The definition of “Funding Loan Agreement” set forth in Section 1.79 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**Funding Loan Agreement.** Collectively, (i) the Funding Loan Agreement dated as of the Contract Date among the Governmental Lender, the Bank and Fiscal Agent in connection with the issuance of the 2019 Funding Loan Note (the “2019 Funding Loan Agreement”), and (ii) the Funding Loan Agreement dated as of \_\_\_\_\_, 2022 among the Governmental Lender, the Bank and Fiscal Agent in connection with the issuance of the 2022 Funding Loan Note (the “2022 Funding Loan Agreement”).”

**2.6 Funding Loan Note.** The definition of “Funding Loan Note” set forth in Section 1.81 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**Funding Loan Note.** Collectively, (i) the City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M (the “2019 Funding Loan Note”), and (ii) the City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB (the “2022 Funding Loan Note”).”

**2.7 LIBOR Rate.** The definition of “LIBOR Rate” set forth in Section 1.120 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with “Intentionally Omitted.”

**2.8 Maturity Date.** The definition of “Maturity Date” set forth in Section 1.127 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**Maturity Date.** With respect to the 2019 Borrower Note, July 1, 2038, and with respect to the 2022 Borrower Note, July 1, 2023.”

**2.9 Variable Rate.** The definition of “Variable Rate” set forth in Section 1.182 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

**“Variable Rate.** A rate of interest which bears interest with reference to Term SOFR, pursuant to Section 3.1.2.”

**2.10 Interest.** Section 3.1.2 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

**“3.1.2 Interest.**

(a) At all times from and after the Funding Date to (but excluding) the Outside Conversion Date, the outstanding principal balance of the Borrower Loan shall accrue interest at a rate which is 79% of Term SOFR plus the Margin for the then current Interest Period. The Variable Rate for the next Interest Period shall change on each Interest Change Date based on changes in Term SOFR. There is no limit on the amount the Variable Rate may increase or decrease during the term of the Borrower Loan, except that such interest rate shall not exceed the Maximum Lawful Rate.

(b) At all times from and after the Outside Conversion Date, the outstanding principal balance of the Borrower Loan shall accrue interest at a rate which is 79% of Term SOFR plus the Margin for the then current Interest Period. The Variable Rate for the next Interest Period shall change on each Interest Change Date based on changes in the LIBOR Rate. There is no limit on the amount the Variable Rate may increase or decrease during the term of the Borrower Loan, except that such interest rate shall not exceed the Maximum Lawful Rate.

(c) At all times after the occurrence and during the continuance of an Event of Default, all principal outstanding under the Borrower Note shall accrue interest at the Default Rate, not exceeding the Maximum Lawful Rate.”

(d) Subject to the provisions set forth in Exhibit E, if any interest rate defined herein ceases to be available from Bank for any reason, then said interest rate shall be replaced by the rate (together with any spread adjustment, if applicable) selected by Bank in its sole discretion (the “Replacement Rate”) upon receipt by the Bank and the Governmental Lender of an opinion of Tax Counsel that such implementation will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes.

(e) Subject to the provisions set forth in Exhibit E, notwithstanding anything contained in this Agreement or the Borrower Note, if Bank determines that adequate and reasonable means do not exist for ascertaining SOFR or Term SOFR or Term SOFR does not adequately and fairly reflect the cost to Bank of funding a loan, then Bank shall give Borrower notice thereof, and Bank shall be under no obligation to maintain the relevant loan as a Term SOFR based loan, and the relevant loan shall be continued bearing interest at the Replacement Rate (plus any applicable margin or spread as set forth in this Agreement) and payable at the end of each calendar month or as otherwise may be agreed by Bank and Borrower, upon receipt by the Bank and the Governmental Lender of an opinion of Tax Counsel that such implementation will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes. Bank will have the right to make any changes (“Term SOFR Conforming Changes”) to this Agreement or the Borrower Note that Bank decides may be appropriate to reflect the use and administration of Term SOFR by Bank from time to time and any amendments implementing such Term SOFR Conforming Changes will become effective without any further action or consent of Borrower.”

**2.11 Conditions to Conversion – Borrower Equity.** Subsection (w) of Exhibit D (Conditions to Conversion) attached to the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“(o) Such evidence as Bank may require evidencing expenditure of Borrower’s Equity on Project costs in accordance with this Agreement is at least \$18,194,969 in the aggregate.”

**2.12 Budget.** Exhibit B-1 attached to the Borrower Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit B-1 attached to this Agreement (the “Amended Project Budget”).

**2.13 Benchmark Replacement Setting.** Exhibit E attached to the Borrower Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit E attached to this Agreement.

**2.14 Interest Rate Modification.** Each party agrees that: (i) the modifications to the interest rate provisions set forth herein (the “Interest Rate Modification”) were proposed by the Bank, stated to be consistent with its practice with other borrowers, and were not adjusted for this transaction, (ii) the Interest Rate Modification is not being made, and its terms were not altered, to induce any party to perform any act necessary for the approval of this Agreement or to compensate any party for granting such approval, (iii) the Interest Rate Modification is not a concession in favor of the Debtor due to any financial difficulty of the Debtor, (iv) the Interest Rate Modification is not a concession in favor of the Bank due to any credit deterioration of the Debtor, and (v) the Interest Rate Modification is not intended to compensate either party for changes in rights or obligations under any arrangements between the parties, whether related to the Borrower Note or otherwise.

**3. AMENDMENT AND RESTATEMENT OF AGREEMENT TO FURNISH INSURANCE.** That certain Agreement to Furnish Insurance dated December 1, 2019 by Borrower in favor of Governmental Lender and Bank is hereby amended, restated and superseded in its entirety as set forth in that certain Amended and Restated Agreement to Furnish Insurance dated of even date herewith by Borrower in favor of Governmental Lender and Bank (the “A&R Agreement to Furnish Insurance”).

#### **4. ADDITIONAL PROVISIONS.**

**4.1 Payment of Extension Fee.** Notwithstanding anything to the contrary set forth in the Borrower Loan Agreement (including, without limitation, the Disbursement Schedule), upon the satisfaction of all conditions precedent to the effectiveness of this Agreement, Bank, on behalf of Governmental Lender, will caused to be disbursed to Bank an amount equal to \$55,450 as payment for the loan modification fee required to be paid by Borrower in accordance with Section 2.2(ii) below.

**4.2 Conditions Precedent.** The effectiveness of this Agreement is expressly conditioned on Debtor causing the following conditions to be satisfied to the satisfaction of Bank:

i) Bank shall have received (i) Debtor’s original signature to this Agreement, the 2022 Borrower Note, the Third Modification Agreement and Declaration of Additional Advance (Short Form) of even date herewith (the “Short Form Modification”), the Amended and Restated Assignment of Deed of Trust and Related Documents of even date herewith (the “A&R Deed of Trust Assignment”) and the A&R Agreement to Furnish Insurance, (ii) Governmental Lender’s original signature to this Agreement, (iii) Guarantor’s original signature to the Consent and Reaffirmation of Guaranty attached hereto, (iv) the original signature of CDA to the Consent and Reaffirmation of Subordination attached hereto, (v) the original signature of LAHD to the Consent and Reaffirmation of Subordination attached hereto, (vi) the original signature of LAFH to the Consent and Reaffirmation of Subordination attached hereto, (vii) the original signature of MM to the Consent and Reaffirmation of Subordination attached hereto, (viii) the original signature of Tax Credit Investor to the Consent of Tax Credit Investor attached hereto, (ix) the original signature of LAHD, as ground lessor, to the Consent of Ground Lessor attached hereto, and (x) any other documents reasonably required by Bank and/or Governmental Lender, each in form and substance satisfactory to Bank and/or Governmental Lender, as applicable, and each executed by Debtor, Guarantor, CDA, LAHD, LAFH, MM and/or the Tax Credit Investor, as applicable.

ii) Subject to the terms of Section 2.1 above, Borrower shall have paid to Bank a loan modification fee equal in an amount equal to \$55,450.

iii) The Short Form Modification and the A&R Deed of Trust Assignment each shall have been duly recorded in the Official Records.

iv) Bank shall have received an endorsement to the Title Policy with respect to the Property, as required in Bank's sole discretion, including, without limitation, an ALTA 11.2-06 endorsement to the Title Policy without any new exceptions to title, except as approved by Bank.

v) Bank shall have received an amendment to the Partnership Agreement evidencing Tax Credit Investor's obligation to contribute the Borrower's Equity set forth in subsection (w) of Exhibit D (Conditions to Conversion) attached to the Borrower Loan Agreement, as amended by this Agreement.

vi) Bank shall have received the 2022 Funding Loan Agreement, the 2022 Funding Loan Note and the Amended and Restated Tax-Exempt Regulatory Agreement dated December 1, 2022, each duly executed and acknowledged by all parties thereto.

vii) Bank and Governmental Lender shall have received and approved an executed opinion of Tax Counsel, opining as to the due execution and delivery by the Governmental Lender of the 2022 Funding Loan Agreement and 2022 Funding Loan Note, the enforceability of the 2022 Funding Loan Agreement and 2022 Funding Loan Note, and the exclusion of interest on the 2022 Funding Loan Note from gross income for federal income tax purposes.

viii) Borrower shall have entered into one or more Hedges, in form and content and from a counterparty complying with the provisions contained in Section 7.52 of the Borrower Loan Agreement, which shall provide for the Borrower to pay a fixed rate of interest no greater than (or otherwise protects against the interest rate exceeding) 3.84% (including the Margin), on an amount not less than the Projected Permanent Phase Loan Amount, for the period commencing no later than July 1, 2023 and ending on July 1, 2038.

ix) Bank shall have received evidence that the insurance required by the A&R Agreement to Furnish Insurance is in full force and effect.

x) No default or Event of Default under the Borrower Loan Documents shall have occurred or be continuing or would exist after giving effect to this Agreement on such date, and no event shall have occurred which, with the giving of notice or the passage of time, or both, shall ripen into a default or Event of Default hereunder.

xi) There shall have been no substantial deterioration in the financial condition of Debtor or any Loan Party, as determined by Bank in Bank's reasonable discretion.

xii) Neither Debtor nor any Loan Party shall be in default under any promissory note, deed of trust, security agreement, guaranty or other agreement between Bank and any such party, and no event shall have occurred which would constitute a default or event of default thereunder.

xiii) Bank shall have received endorsements to the Title Policy as required in its sole discretion without any new exceptions to title, except as approved by Bank.

xiv) Debtor shall pay all costs and expenses incurred by Bank in connection with the modification of the Borrower Loan contemplated by this Agreement, including without limitation, documentation and/or recording fees, if any, and the cost of any title endorsements required by Bank.

xv) Each of the representations and warranties made by Debtor in the Borrower Loan Documents and/or pursuant to this Agreement shall be true and correct in all material respects, before and after giving effect to this Agreement.

**4.3 Affirmation of Indebtedness.** Debtor affirms and admits the indebtedness evidenced by the Borrower Note. Debtor acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Borrower Note or Deed of Trust or other Borrower Loan Documents. Debtor ratifies and confirms each and all of the terms, conditions and covenants of the Borrower Note, Deed of Trust and other Borrower Loan Documents as amended or modified by this Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Borrower Loan Documents remain in full force and effect.

**4.4 No Encumbrances.** Debtor represents and warrants that title to the real property described in the Deed of Trust is now vested in Debtor subject only to those matters existing at the time of recordation of the Deed of Trust (and matters approved by Bank in writing) and current taxes and that no one other than Debtor has any interest in the real property subject to the Deed of Trust.

**4.5 General Release.** Debtor and Guarantor, and each of their respective successors, assigns, directors, officers, employees, agents (collectively, "Releasing Parties"), fully, finally, and forever releases and discharges Bank and its representatives together with Bank's respective successors, assigns, directors, officers, employees, agents (collectively, "Released Parties") from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity arising under or in a manner in connection with the Borrower Loan or Borrower Loan Documents, that Releasing Parties have or in the future may have, whether known or unknown, occurring prior to the date of this Agreement. It is the intention of Releasing Parties that the above release shall be effective as a full and final release of each and every matter specifically and generally referred to above.

Each Releasing Party acknowledges and represents that it, he or she has been advised by independent legal counsel with respect to the agreements contained herein and with respect to the provisions of California Civil Code Section 1542, 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." Each Releasing Party, being aware of said code section, expressly waives any and all rights it, he or she may have thereunder, as well as under any other statute or common law principle of similar effect, with respect to any of the matters released herein. This general release shall act as a release of all included claims, rights and causes of action, whether such claims are currently known, unknown, foreseen or unforeseen and regardless of any present lack of knowledge as to such claims. Each Releasing Party understands and acknowledges the significance and consequence of this waiver of California Civil Code Section 1542, and hereby assumes full responsibility for any injuries, damages, losses or liabilities released herein.

Borrower's Initials: \_\_\_\_\_ Guarantor's Initials \_\_\_\_\_

**4.6 Dispute Resolution.** This Agreement incorporates any judicial reference or alternative dispute resolution agreement previously, concurrently or hereafter executed between Debtor and Bank.

**4.7 Successors and Assigns.** This Agreement shall inure to the successors and assigns of Bank and the permitted successors and assigns of Debtor.

**4.8 USA Patriot Act.** Bank is subject to federal laws to help the government fight money laundering and terrorist financing that require Bank to obtain, verify, record, and retain information that identifies Borrower, any guarantor and, when applicable, Borrower's Beneficial Owners. Under federal law, Beneficial Owners for these purposes means any individual or entity holding 25% or more of the direct or indirect equity ownership of Borrower, as well as any individual or entity with significant responsibility to control, manage or direct Borrower (e.g., CEO, CFO, COO, President or similar). This information includes the

name, address, date of birth, and other information that will allow Bank to identify Borrower, any guarantor and Borrower's Beneficial Owners. At any time, Bank may require this information of Borrower, any guarantor and Borrower's Beneficial Owners (and such other persons or entities as are required by law, regulation or Bank's then applicable "know your customer" requirements). By signing this document, Borrower agrees to promptly provide and consents to Bank obtaining, if necessary, from third parties, any and all information reasonably necessary to identify Borrower, any guarantor and Borrower's Beneficial Owners. Failure of Borrower to provide the information requested by Bank pursuant to this provision within thirty (30) days of such request shall be deemed to be a material breach of the obligations hereunder.

**4.9 Entire Agreement; No Oral Modifications.** This Agreement, the other Borrower Loan Documents and the other documents mentioned herein and executed as of the date hereof set forth the entire agreement of the parties with respect to the Borrower Loan and supersede all prior written or oral understandings and agreements with respect thereto. No modification or waiver of any provision of this Agreement shall be effective unless set forth in writing and signed by the parties hereto. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument executed by Borrower or Guarantor, including any of the other Borrower Loan Documents, the terms, conditions and provisions of this Agreement shall prevail. By executing this Agreement and initialing below Borrower and Guarantor expressly represent and warrant that they did not rely on any representation, assurance or agreement, oral or written, not expressly set forth in this Agreement or any of the other Borrower Loan Documents in reaching its decision to enter into this Agreement or any of the other Borrower Loan Documents and that no promises or other representations have been made to Borrower or Guarantor which conflict with the written terms of the Borrower Loan Documents. Borrower and Guarantor represent to Bank that (i) it has read and understands the terms and conditions contained in this Agreement and the other Borrower Loan Documents executed in connection with this Agreement, (ii) its legal counsel has carefully reviewed all of the Borrower Loan Documents and it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and all other Borrower Loan Documents, (iii) it is satisfied with its legal counsel and the advice received from it, and (iv) it has relied only on its review of the Borrower Loan Documents and its own legal counsel's advice and representations (and it has not relied on any advice or representations from Bank, or any of Bank's officers, employees, agents or attorneys). The Borrower Loan Documents may not be modified, amended or terminated except by a written agreement signed by each of the parties hereto.

Borrower's Initials: \_\_\_\_\_ Guarantor's Initials \_\_\_\_\_

**4.10 Counterparts/Electronic Signatures.** This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**DEBTOR:**

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L.A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

By: Many Mansions, a California Nonprofit Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Rick Schroeder, President

**BANK:**

**MUFG UNION BANK, N.A.**

By: \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

**GOVERNMENTAL LENDER:**

**CITY OF LOS ANGELES**

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: Daniel Huynh  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

## CONSENT AND REAFFIRMATION OF GUARANTY BY GUARANTOR

The undersigned ("Guarantor") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), acknowledges and reaffirms its obligations owing under the Loan and Completion Guaranty and the Indemnity Agreement, each dated December 1, 2019 executed by Guarantor (collectively, the "Guaranty"), and any other Borrower Loan Documents to which it is a party, acknowledges and agrees that the "Obligations" as defined in the Guaranty includes the obligations of Debtor set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), and agrees that such Guaranty and Borrower Loan Documents are and shall remain in full force and effect, as amended hereby.

This Consent and Reaffirmation of Guaranty by Guarantor is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Rick Schroeder, President

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425285, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY,**  
a public body corporate and politic

By: \_\_\_\_\_  
Executive Director or Designee

\_\_\_\_\_  
Printed Name

APPROVED AS TO FORM:

Dawyn R. Harrison, Acting County Counsel

By: \_\_\_\_\_  
Senior Deputy

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425281, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

### CITY OF LOS ANGELES

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

## **CONSENT AND REAFFIRMATION OF SUBORDINATION**

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425289, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form), acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425287, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Rick Schroeder, President

## CONSENT OF TAX CREDIT INVESTOR

The undersigned ("Tax Credit Investor") hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form).

This Consent is executed as of the date first written above.

**MERRITT COMMUNITY CAPITAL FUND XXI, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MERRITT COMMUNITY CAPITAL FUND XIX, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## CONSENT OF GROUND LESSOR

The undersigned ("Ground Lessor"), in its capacity as ground lessor pursuant to the Ground Lease (as defined in the Borrower Loan Agreement), hereby acknowledges and consents to the terms and conditions set forth in this Third Modification Agreement and Declaration of Additional Advance (Long Form).

This Consent is executed as of the date first written above.

### CITY OF LOS ANGELES

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

**EXHIBIT B-1**  
**AMENDED PROJECT BUDGET**  
**[TO BE INSERTED]**

## **EXHIBIT E**

### **BENCHMARK REPLACEMENT SETTING**

The following provisions of this Exhibit E (this “Exhibit”) shall be effective notwithstanding anything to the contrary in the loan agreement to which this Exhibit is attached (the “Borrower Loan Agreement”) or in any other loan document related to the Borrower Loan Agreement (and any Hedge Document shall be deemed not to be a document related to the Borrower Loan Agreement for purposes of this Exhibit).

(a) **BENCHMARK REPLACEMENT.** Upon the occurrence of a Benchmark Transition Event, Bank may amend the Borrower Loan Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after Bank has posted such proposed amendment to the Borrower. Bank will have the right to make any changes (“Benchmark Replacement Conforming Changes”) to the Borrower Loan Agreement that Bank decides may be appropriate to reflect the adoption and implementation of any such Benchmark Replacement and to permit the administration thereof by Bank from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

(b) **STANDARDS.** Any determination, decision or election that may be made by Bank pursuant to this Exhibit, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Bank’s sole discretion and without consent from Borrower. Bank does not warrant or accept responsibility for, and shall not have any liability to Borrower under the Borrower Loan Agreement or otherwise for, any loss, damage or claim arising from or relating to (i) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referenced in the definition thereof or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, (ii) the effect or implementation of any Benchmark Replacement Conforming Changes or Term SOFR Conforming Changes or (iii) any mismatch between the Benchmark or the Benchmark Replacement and any of Borrower’s other financing instruments (including those that are intended as hedges).

(c) **CERTAIN DEFINED TERMS.** As used in this Exhibit:

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period pursuant to the Borrower Loan Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date.

“**Benchmark**” means, initially, Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to this Exhibit.

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Bank as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment; provided that, in each case, if such Benchmark Replacement as so determined would be less than zero or such other floor as set forth in the Borrower Loan Agreement, such Benchmark Replacement will be deemed to be zero or such other floor as

set forth in the Borrower Loan Agreement for the purposes of the Borrower Loan Agreement and the other loan documents related thereto.

**“Benchmark Replacement Adjustment”** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank.

**“Benchmark Transition Event”** means, with respect to the then-current Benchmark, a public statement or publication of information: (a) by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, (b) by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, or (c) by or on behalf of the administrator of such Benchmark or by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark are, not, or as a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

**“Unadjusted Benchmark Replacement”** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

KUTAK ROCK LLP  
1650 FARNAM STREET  
OMAHA, NE 68102  
ATTENTION: J. TOGER SWANSON, ESQ.

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**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

**11681 FOOTHILL, L.P.,**  
as Borrower

relating to

\$19,960,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2019M

and

\$2,220,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2022BB

Dated as of December 1, 2022

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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 December 1, 2022 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, successor to U.S. Bank National Association (the “Fiscal Agent”) under the Funding Loan Agreement dated as of December 1, 2019 and a Funding Loan Agreement dated as of December 1, 2022 (collectively, the “Funding Loan Agreement”), each by and among the City, MUFG Union Bank, N.A., as Funding Lender and the Fiscal Agent, with an office in Los Angeles, California, and **11681 FOOTHILL, L.P.**, 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 notes and other evidence of indebtedness to finance the acquisition, construction and equipping of multifamily rental housing; and

WHEREAS, on February 27, 2019, the City indicated its intent to provide for the issuance of a revenue bond or note to finance a portion of the acquisition, construction and equipping of Summit View Apartments, a multifamily residential rental housing project which will be located in the City of Los Angeles at 11800 W. Kagel Canyon Street (formerly known as 11681 Foothill Boulevard) on the site more particularly described in Exhibit A hereto (the “Project”) and the City Council of the City subsequently adopted two resolutions (collectively, the “Resolution”) authorizing the issuance of two series of notes for such purpose; and

WHEREAS, the City owns a fee simple title to the real property described in Exhibit A hereto and the Borrower owns a leasehold estate pursuant to the Ground Lease (hereinafter defined); and

WHEREAS, in furtherance of the purposes of the Law, the Act and the Resolution, and as a part of the City’s program of financing housing, the City has issued its \$19,960,000 maximum aggregate principal amount of its Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M (the “2019 Note”) the proceeds of which will be used to fund a loan (the “2019 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 2019 Note, in furtherance of the purposes of the Law, the Act and the Resolution, and as a part of the City’s program of financing housing, the City has issued pursuant to the Funding Loan Agreement its \$2,220,000 aggregate principal amount of its Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2022BB

(the “2022 Note” and, together with the 2019 Note, the “Note”) the proceeds of which will be used to fund a loan (the “2022 Loan” and, together with the 2019 Loan, the “Loan”) to the Borrower to finance a portion of the acquisition, construction and equipping of the Project; and

WHEREAS, in order for interest on the 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 2019 Note, the City, the Fiscal Agent and the Borrower entered into that Regulatory Agreement and Declaration of Restrictive Covenants dated as of December 1, 2019 (the “2019 Regulatory Agreement”) which was recorded in the official records of the County of Los Angeles on December 20, 2019 as Instrument No. 2019-1425276; and

WHEREAS, in connection with the issuance of the 2022 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 acquisition, construction and equipping of the Project and in order to ensure that the Project will be used and operated in accordance with the Code, the Law, the Act and the additional requirements of the City and the California Debt Limit Allocation Committee (“CDLAC”); 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 2019 Regulatory Agreement 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 2019 Regulatory Agreement 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 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 Counsel”* means an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and the Tax-exempt nature of interest on, obligations issued by states and their political subdivisions, selected by the City and duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia but shall not include counsel for the Borrower or the Fiscal Agent.

*“Borrower”* means 11681 Foothill, L.P., a California limited partnership, and its successors and assigns.

*“CDLAC”* means the California Debt Limit Allocation Committee or its successors.

*“CDLAC Conditions”* has the meaning given such term in Section 33 hereof.

*“CDLAC Resolution”* means, collectively, CDLAC Resolution No. 19-054, adopted on May 15, 2019 and CDLAC Resolution No. 22-208 adopted on September 1, 2022, each 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”* or *“Note Closing Date”* means the date upon which the Note is initially funded in an amount equal to at least \$50,001. Each of the 2019 Note and the 2022 Note will have separate Closing Dates.

*“Code”* means the Internal Revenue Code of 1986; each reference to the Code shall be deemed to include (a) any successor internal revenue law and (b) the applicable regulations whether final, temporary or proposed under the Code or such successor law.

*“Completion Date”* means the date of the completion of the acquisition, construction and equipping of the Project, as that date shall be certified as provided in Section 2(i) hereof as specified in the Construction Completion Certificate.

*“Compliance Period”* means the period beginning on the first day of the Qualified Project Period and ending on the later of the end of the Qualified Project Period or such later date as set forth in Section 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 not more than 30 months after the Closing Date, in substantially the form of Exhibit F hereto or such other form required or otherwise provided by CDLAC from time to time.

*“Costs of Issuance”* means costs of issuing the Note as 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 Loan Agreement*” means collectively, (i) the Funding Loan Agreement dated as of December 1, 2019 by and among the City, the Funding Lender and the Fiscal Agent relating to the issuance of the 2019 Note, as amended or supplemented from time to time and (ii) the Funding Loan Agreement dated as of December 1, 2022 by and among the City, the Funding Lender and the Fiscal Agent relating to the issuance of the 2022 Note, as amended, modified, supplemented or restated from time to time.

“*Ground Lease*” means the Ground Lease by and between the City, as landlord, and the Borrower, as tenant.

“*Hazardous Materials*” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Project is prohibited by any federal, state or local authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

“*Hazardous Materials Laws*” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the Borrower or to the Project. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean

Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., and their state analogs.

“*Housing Act*” means the United States Housing Act of 1937, as amended, or its successor.

“*HUD*” means the U.S. Department of Housing and Urban Development and any successor agency.

“*Income Certification*” means, initially, an Income Certification in the form attached hereto as Exhibit C or in such other form as may from time to time be provided by the City to the Borrower and, with respect to recertifications, the Annual Tenant Income Recertification attached hereto as Exhibit D or in the alternative, the California Tax Credit Allocation Committee Tenant Income Certification Form, HUD Form 50059 or such other form as may, from time to time, be provided by the City to the Borrower.

“*Inducement Date*” means February 27, 2019.

“*Loan*” means the loan of the sale proceeds of the Note by the City to the Borrower pursuant to the Loan Agreement for the purpose of providing funds for the acquisition, construction and equipping of the Project.

“*Loan Agreement*” means the Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019 by and among the City, MUFG Union Bank, N.A. and the Borrower, as amended or supplemented from time to time, including by that certain Modification Agreement dated June 1, 2022, and that certain Second Modification Agreement and Declaration of Additional Advance (Long Form) dated \_\_\_\_\_, 2022.

“*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”* means the note authorized, authenticated and delivered under the Funding Loan Agreement.

*“Note Documents”* means the Funding Loan Agreement, the Loan Agreement, this Regulatory Agreement, the Tax Certificate and any other document now or hereafter executed by the Borrower, City, Fiscal Agent or 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 Governmental Lender.

*“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, 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 or rehabilitation 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, in which a leasehold estate is granted to the Borrower under the Ground Lease, having the street address of 11800 W. Kagel Canyon Street (formerly known as 11681 Foothill Boulevard) in the City of Los Angeles, California and all rights and appurtenances thereunto appertaining, as more particularly described in Exhibit A hereto.

*“Qualified Project Costs”* means the Project Costs (excluding issuance costs) incurred not earlier than the date 60 days prior to the Inducement Date which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the 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 bears 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 later of: (a) (i) the date which is 15 years after the date on which 50% of the dwelling units in the Project are first occupied, (ii) the first date on which no Tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding or (iii) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; or (b) 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, (i) the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, executed and delivered by the City and the Borrower, as amended, modified, supplemented or restated from time to time, in connection with the 2019 Note and (ii) the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, executed and delivered by the City and the Borrower, as amended, modified, supplemented or restated from time to time, in connection with the 2022 Note.

“*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 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

In the event of any conflict between this Regulatory Agreement and the CDLAC Conditions, the most restrictive requirement shall govern.

**Section 2. Acquisition, Construction and Equipping of the Project.** The Borrower hereby represents as of the date hereof, covenants and agrees with the City and the Fiscal Agent as follows:

(a) The Borrower has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the acquisition of a leasehold interest, construction and equipping of the Project, pursuant to which the Borrower is or will be obligated to expend at least 5% of the proceeds of the Loan financed from proceeds of the 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 through a leasehold estate and will, within six months following the Note Closing Date, commence the construction of the Project and will proceed with due diligence to complete the same. Notwithstanding anything herein to the contrary, no Project Costs relating to the acquisition of the Project or any assets relating thereto (including, without limitation, rights and interests with respect

to development of the Project) shall constitute “Qualified Project Costs” unless, at the time 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 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 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 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 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) [Reserved].

(h) The Borrower (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the Loan to be applied in a manner contrary to the requirements of this Regulatory Agreement, nor will it take or omit to take any such action if the Borrower (or any Affiliated

Party) knows that such action or omission may cause the proceeds from the sale of the Note to be applied in a manner contrary to the Funding Loan Agreement, the Loan Agreement, the Law, the Act or the Code.

(i) The Borrower shall, on the Completion Date, evidence the Completion Date by providing a Construction Completion Certificate to CDLAC, the Fiscal Agent and the City, signed by the Authorized Borrower Representative. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights of the Borrower against third parties for the payment of any amount not then due and payable which exist at the date of such certificate or which may subsequently exist. The Construction Completion Certificate shall be delivered to the Fiscal Agent no later than the date 36 months from the Closing Date unless the Borrower delivers to the Fiscal Agent a certificate of the City consenting to an extension of such date, accompanied by an opinion of Bond Counsel to the effect that such extension will not result in interest on the Note being included in gross income for federal income tax purposes.

(j) The Borrower agrees to spend additional moneys for payment of any costs of the Project sufficient to reduce the portion of 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 and chargeable to the capital account of the Project (or so chargeable either with a proper election by the Borrower to deduct such amounts, within the meaning of Treasury Regulation Section 1.103-8(a)(1)) so that the amount of Note proceeds expended on such Qualified Project Costs are 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%.

(k) 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 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 Borrower gives to a class of persons permitted to be given preference pursuant to the Code, State law and other applicable federal law, (5) Accessible Housing Units shall be made available to persons with disabilities as provided in Exhibit I and (6) the requirements of the Ground Lease.

(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 Loan Agreement, it will either prepay the Loan or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

**Section 4. Low Income Tenants; Records and Reports.** Pursuant to the requirements of the Code and the City, the Borrower hereby represents, warrants and covenants as follows:

(a) The Project will be developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities in accordance with the Law and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. Within 30 days after the date on which 50% of the dwelling units in the Project are occupied by tenants providing an Income Certification, the Borrower shall execute and deliver to the City (with a copy to the Los Angeles Housing Department, Occupancy Monitoring Section, 1200 West 7th Street, 8th Floor, Los Angeles, CA 90017), and a copy to CDLAC and the 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 June and December 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 June and December 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 49 units, including one manager unit, of which at least 48 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:

<b>Unit Type</b>	<b>Units at/below 50% AMI</b>	<b>Market Rate (Manager's Unit)</b>	<b>Total Number of Units</b>
Studio	37	0	<b>37</b>
One Bedroom	11	0	<b>11</b>
Two Bedroom	0	1	<b>1</b>
<b>Total</b>	<b>48</b>	<b>1</b>	<b>49</b>

**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 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 8 of the Housing Act.

(b) The rents paid by the tenant for the units reserved pursuant to paragraph (a) of this Section (excluding any supplemental rental assistance from the State, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed the amount derived by multiplying 30% times 60% of the median gross income for the Area, adjusted for family size, as determined pursuant to Section 8 of the Housing Act.

(c) During the Qualified Project Period the Borrower shall file Certificates of Continuing Program Compliance in the form and at the time required by Sections 4(d) and (f) hereof that shall contain sufficient information to allow the City to file any annual report required by the Act or pursuant to California Government Code Section 8855.5, and the Borrower shall provide to the California Debt and Investment Advisory Commission 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, rehabilitation, equipping, refinancing or development of commercial property for lease.

(e) The Borrower shall not apply selection criteria to certificate holders under Section 8 of the Housing Act, as amended, 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, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants.

(i) The Borrower shall submit to the 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 or rehabilitation 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 a notice of the opportunity to purchase the Property 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 twelve 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 respective Closing Date(s), as applicable, pay to the City its initial fees and thereafter pay to the City its ongoing fees with respect to the issuance of the 2019 Note and the 2022 Note as follows. The Borrower shall pay the City an initial fee immediately upon issuance of the 2022 Note equal to \$[5,550] (0.25% of the 2022 Note (\$[2,220,000])). The City acknowledges receipt on the Closing Date of the sum of \$39,920 (0.25% of the maximum principal amount of the 2019 Note (\$19,960,000)). 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 June and December commencing June 1, 2023 for the period from the date of issuance of the 2022 Note through the end of the Qualified Project Period, prorated for the initial and any subsequent partial period (including such period during which only the 2019 Note was outstanding), a semiannual amount equal to: (A) during the period from the Closing Date to the Conversion Date, the greater of \$1,500 or one-half of 0.125% of the combined maximum principal amount of the Note issuable under the Funding Loan Agreement (\$[22,180,000]) and (B) from and after the Conversion Date, the greater of \$1,500 or one half of 0.125% of the principal amount of the Note outstanding under the Funding Loan Agreement immediately after the Conversion Date; or in either case, such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the 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 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 Loan, as applicable. Funds received by the Fiscal Agent or any servicer of the 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 a fiscal agent agreement with a corporate fiscal agent acceptable to the City requiring the 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 December 1, the annual fee described above. The Borrower shall bear the cost of such 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 or 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 on-line media, post any sign or in any other way identify the City as the source of the financing provided for the Project, without the prior written approval of the City (provided that nothing herein shall prevent the Borrower or any general partner thereof from identifying the City as the source of such financing to the extent that the Borrower or any general partner thereof is required to do so by disclosure requirements applicable to publicly held companies).

Any of the foregoing requirements of the City may be expressly waived by the City in writing in the City's sole discretion, but (i) no waiver by the City of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement, including particularly but without limitation the provisions of Sections 2 through 6 hereof, except to the extent the City has received an opinion of Bond Counsel that any such provision is not required by the Act or the Law and may be waived without adversely affecting the exclusion from gross income of interest on the 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 or 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.** The Borrower hereby represents and warrants that the Project will be located entirely within the City.

**Section 13. Sale or Transfer of the Project; Equity Interests.** The Borrower hereby covenants and agrees not to voluntarily (which term shall not be interpreted to include a foreclosure of any security for the Loan, the granting by the Borrower of a deed in lieu of foreclosure, or any other comparable conversion of the Loan) sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), equity interests in the Borrower aggregating more than 50% of the equity interest in the Borrower, or any general partner interests in the Borrower, without obtaining the prior written consent of the City, which consent shall not be unreasonably withheld by the City and shall be given by the City if (a) the Borrower is not in default hereunder or under the Loan Agreement; (b) the purchaser or assignee is not in default under any obligations it may have to the City and is not the subject of any legal or enforcement actions by the City, and the purchaser or assignee certifies that the continued operation of the Project will comply with the provisions of this Regulatory Agreement; (c) evidence reasonably satisfactory to the City is presented to establish that the purchaser or assignee is willing to comply and 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 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 Deed of Trust, or any of the other Loan 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 Loan or any obligations of the Borrower under the Loan Documents, or to take some other similar action with respect to the Loan or any obligations of the Borrower under the Loan 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 the 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 a foreclosure or effects a comparable conversion of the Loan or the Loan 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 subsequent 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 or any affiliate of Merritt Community Capital Corporation, without the consent of the City and/or 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 Loan and termination of the Funding Loan Agreement and the 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 leasehold 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 leasehold 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 hereby consents to any correction of a default on the part of the Borrower hereunder made by the Borrower’s limited partners on behalf of the Borrower within the time periods provided in this Section. Copies of any notices sent to the Borrower hereunder shall simultaneously be sent to the Borrower’s limited partners at the address set forth in Section 23.

Following the declaration of an Event of Default hereunder, the 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 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 Sections 2 through 7 hereof, and any subleases entered into pursuant to the City's option shall be deemed to be leases from the Borrower. The City shall make diligent effort, but shall not be required, to rent Low Income Units to Low Income Tenants at the highest rents practicable, subject to the limits of Sections 5, 6 and 7 hereof. Any rental paid under any such sublease shall be paid to the Borrower after the City has been reimbursed for any reasonable expenses incurred in connection with such sublease, provided that if the Borrower is in default under the Loan Agreement, such rental shall be paid to the Fiscal Agent for credit against payments due under the 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 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 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  
c/o Los Angeles Housing Department  
8th Floor  
1200 West 7th Street  
Los Angeles, CA 90017  
Attention: Supervisor, Affordable Housing Bond Program  
HIMS# 18-124725  
Facsimile: (213) 808-8918

with a copy to: Los Angeles Housing Department  
P.O. Box 532729  
Los Angeles, CA 90053-2729  
Attention: Supervisor, Portfolio Management Unit  
HIMS# 18-124725  
Facsimile: (213) 808-8606

If to the Borrower:	11681 Foothill, L.P. c/o L. A. Family Housing Corporation 7843 Lankershim Boulevard North Hollywood, CA 91605 Attention: Daniel Huynh, Vice President, Real Estate
with a copy to:	Gubb & Barshay 505 14th Street, Suite 1050 Oakland, CA 94612 Attention: Scott Barshay Facsimile: (415) 781-6967 Telephone: (415) 781-6600
with a copy to:	Merritt Community Capital Corporation 1970 Broadway, Suite 250 Oakland, CA 94612 Attention: President Telephone: (510) 444-7870
with a copy to:	Carle, Mackie, Power & Ross LLP 100 B Street, Suite 400 Santa Rosa, CA 95401 Attention: Henry S. Loh II Facsimile: (707) 526-4707
with copy to:	MUFG Union Bank, N.A. Loan Admission Dept. 145 S. State College Blvd., Suite 600 Brea, CA 92821 Attention: Manager Facsimile: (949) 752-8361
If to the Funding Lender:	MUFG Union Bank, N.A. Community Development Finance 1901 Avenue of the Stars, Suite 600 Los Angeles, CA 90007 Attention: CDF Division Head Facsimile: (310) 551-8980
If to the Fiscal Agent:	U.S. Bank National Association 633 W. 5 <sup>th</sup> Street, 24 <sup>th</sup> Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Ref: LA MF (Summit View Apartments 2019M & 2022BB) Telephone: (213) 615-6024 Facsimile: (213) 615-6199

If to CDLAC: California Debt Limit Allocation Committee  
Room 311  
915 Capitol Mall  
Sacramento, CA 95814  
Attention: Executive Director

Notice shall be deemed given three Business Days after the date of mailing.

A duplicate copy of each notice, certificate or other communication given hereunder by any party hereto to another party hereto shall also be given to all of the parties specified above. Failure to provide any such duplicate notice pursuant to the foregoing sentence, or any defect in any such duplicate notice so provided, shall not constitute a default hereunder. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

**Section 24. Severability.** If any provision of this Regulatory Agreement or if the applicability of any such provision shall be invalid, illegal or unenforceable, the validity, legality, enforceability or 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 of Los Angeles. 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 Borrower Loan 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 Section 7110 of the Public Contract Code.

**Section 31. Americans with Disabilities Act.** Each of the Borrower and the Fiscal Agent 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 fifty percent (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 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 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.** 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.** Borrower and Fiscal Agent shall comply with Los Angeles Administrative Code Section 10.50 et seq., “Disclosure of Border Wall Contracting”. City may declare a default under this Regulatory Agreement if the City determines that Fiscal Agent or 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 2019 Regulatory Agreement.** The terms of this Regulatory Agreement amend and restate the terms of the 2019 Regulatory Agreement in whole as of the date hereof.

[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: Daniel Huynh

Title: Assistant General Manager

Approved as to form:

CITY OF LOS ANGELES

MICHAEL N. FEUER, City Attorney

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Deputy/Assistant City Attorney

[Signature Page to *Summit View Apartments* Regulatory Agreement]

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

By \_\_\_\_\_

Name: Julia Hommel

Title: Vice President

[Signature Page to *Summit View Apartments* Regulatory Agreement]

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L. A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Stephanie Klasky-Gamer  
Its: President and Chief Executive Officer

By: Many Mansions,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Rick Schroeder  
Its: President

[Signature Page to *Summit View Apartments* Regulatory Agreement

## NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]

## NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]

## NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]

## NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]

## **EXHIBIT A**

### **DESCRIPTION OF PROJECT SITE**

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

THAT PORTION OF THE NORTH 10 ACRES OF BLOCK 60 OF MACLAY RANCHO EX-MISSION OF SAN FERNANDO, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PERMAP RECORDED IN BOOK 37 PAGE 5 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF THE 100 FOOT STRIP OF LAND DESCRIBED AS PARCELS "3A" AND "4A" IN THE DECREE OF THE CONDEMNATION FOR THE WIDENING OF FOOTHILL BOULEVARD, IN SUPERIOR COURT CASE NO 413,262, A CERTIFIED COPY OF SAID DECREE BEING RECORDED IN BOOK 17015 PAGE 301, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE SOUTHERN CALIFORNIA EDISON COMPANY, BY DEED RECORDED IN BOOK 4432 PAGE 33 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE CENTER LINE OF GLADSTONE AVENUE 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT SOUTH 41° 21' 55" EAST THEREON 232.51 FROM THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TUJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE SOUTH 6° 55' 03" WEST 107.19 FEET, THENCE SOUTH 28° 30' 26" WEST 60.70 FEET; THENCE SOUTH 48° 44' 55" WEST 348.00 FEET.

Assessor's Parcel Number: 2530-008-901

## EXHIBIT B

### FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

FOR THE [MONTH/QUARTER] ENDING \_\_\_\_\_

\$19,960,000

City of Los Angeles

Multifamily Mortgage Revenue Note

(Summit View Apartments)

Series 2019M

and

\$2,220,000

City of Los Angeles

Multifamily Mortgage Revenue Note

(Summit View Apartments)

Series 2022BB

The undersigned, being the Authorized Borrower Representative of 11681 FOOTHILL, L.P., a California limited partnership (the “Borrower”), has read and is thoroughly familiar with the provisions of the various loan documents associated with the Borrower’s participation in the multifamily housing program of the City of Los Angeles (the “City”), including, without limitation, the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2022 (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 11800 W. Kagel Canyon Street, Los Angeles, California.

As of the date of this Certificate, the following percentages of completed residential units in the Project (as such term is defined in the Regulatory Agreement) (i) are occupied by Low Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants:

\_\_\_\_\_%  
Unit Nos. \_\_\_\_ and  
size

Held vacant for occupancy continuously  
since last occupied by Low Income Tenant:

\_\_\_\_\_%  
Unit Nos. \_\_\_\_ and  
size

Vacant Units:

\_\_\_\_\_%

Low Income Tenants who commenced  
Occupancy of units during the  
Preceding [month/quarter]:

Unit Nos. \_\_\_\_

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each unit in the Project: the number of each unit, the occupants of each unit and the size, in square feet, of each unit. It also indicates which units are occupied by Low Income Tenants and which units became Low Income Units during the preceding [month/quarter]. The information contained thereon is true and accurate.

The undersigned hereby certifies that (1) a review of the activities of the Borrower during such [month/quarter] and of the Borrower's performance under the Loan Agreement has been made under the supervision of the undersigned; (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Borrower is not in default under any of the terms and provisions of the above documents [OR DESCRIBE THE NATURE OF ANY DEFAULT IN DETAIL AND SET FORTH THE MEASURES BEING TAKEN TO REMEDY SUCH DEFAULT]; and (3) to the knowledge of the Borrower, no Determination of Taxability (as such term is defined in the Regulatory Agreement) has occurred [OR, IF A DETERMINATION OF TAXABILITY HAS OCCURRED, SET FORTH ALL MATERIAL FACTS RELATING THERETO].

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L. A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Stephanie Klasky-Gamer  
Its: President and Chief Executive Officer

By: Many Mansions,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Rick Schroeder  
Its: President

[Signature Page to *Summit View Apartments* Certificate of Program Compliance]

## EXHIBIT C

### FORM OF INCOME CERTIFICATION

*NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. Part 5 Subpart F). You should make certain that this form is at all times up to date with the HUD Regulations.*

Re: Summit View Apartments, 11800 W. Kagel Canyon Street, Los Angeles, California

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for occupancy of Apartment #\_\_\_\_\_ in the Summit View Apartments located at 11800 W. Kagel Canyon Street, in Los Angeles, California.

2. List all the occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is any individual who has been, or will be, a full-time student at an educational institution during five months (whether consecutive or not) of the year in which this application is submitted, other than a correspondence school, with regular facilities and students).

	<b>Occupant</b>	<b>Relationship</b>	<b>Age</b>	<b>Student (Yes or No)</b>	<b>Social Security Number</b>
(a)	_____	_____	_____	_____	_____
(b)	_____	_____	_____	_____	_____
(c)	_____	_____	_____	_____	_____
(d)	_____	_____	_____	_____	_____
(e)	_____	_____	_____	_____	_____
(f)	_____	_____	_____	_____	_____

3. If all of the occupants are students, answer the following questions for each occupant

(a) Is any student listed in paragraph 2 above married and files a joint return for federal income tax purposes? List any such students.

Yes	Name(s)	No	Not Applicable
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(b) Is any student listed in paragraph 2 above (i) a single parent living with his/her children, (ii) not a dependent of another individual and (iii) whose children are not dependents of an individual other than their parents? List any such students.

Yes	Name(s)	No	Not Applicable
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(c) Is any student listed in paragraph 2 above a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families)? List any such students.

Yes	Name(s)	No	Not Applicable
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(d) Is any student listed in paragraph 2 above a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws? List any such students.

Yes	Name(s)	No	Not Applicable
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(e) Is any student listed in paragraph 2 a student who was previously under the care and placement responsibility of a foster care program (under Part B or E of Title IV of the Social Security Act)? List any such students.

Yes	Name(s)	No	Not Applicable
-----	---------	----	----------------

4. The total anticipated income for each person listed in paragraph 2 above during the 12-month period commencing with the date occupancy will begin, including:

full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments, including any lump-sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump-sum additions to family assets, such as inheritances, insurance payments (including payments

under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973; is as follows:

<b>Occupant</b>	<b>Anticipated Annual Income</b>	<b>Source of Income or Employer</b>
(a) _____ _____	\$ _____	_____
(b) _____ _____	\$ _____	_____
(c) _____ _____	\$ _____	_____
(d) _____ _____	\$ _____	_____
(e) _____ _____	\$ _____	_____
(f) _____ _____	\$ _____	_____
<b>TOTAL</b>	<b>\$ _____</b>	

5.(a) Do the persons whose income or contributions are included in Item 4 above have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interest in Indian trust land)?

\_\_\_\_\_ Yes \_\_\_\_\_ No

(b) Have the persons whose income or contributions are included in Item 4 above disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value?

\_\_\_\_\_ Yes \_\_\_\_\_ No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

\_\_\_\_\_ Yes \_\_\_\_\_ No

(d) If the answer to (c) above is yes,

(i) insert the total value of all such assets owned or disposed of  
\$ \_\_\_\_\_; and

(ii) state:

(A) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

\$ \_\_\_\_\_

(B) the amount of such income, if any, that was included in Item 4 above:

\$ \_\_\_\_\_

6. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter, the "Borrower"), has any family relationship to the Borrower or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member and ownership, direct or indirect, by a partner of the individual.

7. This Income Certification is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 4 is reasonable and based upon such investigation as the undersigned deemed necessary.

8. I/we will assist the Borrower in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Income Certification will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.

10. The undersigned hereby acknowledge and agree that on or before January 1 (or upon Lease renewal) of each year the undersigned and any other current residents of such apartment will complete and deliver a new Income Certification, in the form then in use, to the Borrower and that the undersigned's rent is subject to increase 30 days after written notice is given to the undersigned stating that the undersigned no longer qualifies as a Lower Income Tenant under the Tax Regulatory Agreement.

11. RESIDENT(S) STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury. In the event this Income Certification is executed more than five days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

(a) \_\_\_\_\_ Date: \_\_\_\_\_

(b) \_\_\_\_\_ Date: \_\_\_\_\_

(c) \_\_\_\_\_ Date: \_\_\_\_\_

(d) \_\_\_\_\_ Date: \_\_\_\_\_

(e) \_\_\_\_\_ Date: \_\_\_\_\_

(f) \_\_\_\_\_ Date: \_\_\_\_\_

*[The signatures of all persons over the age of 18 years listed in Item 2 above are required]*

12. Calculation of Eligible Income:

(a) Enter the amount entered for entire household in 4 above: \$ \_\_\_\_\_

(b) Enter income derived from assets (line 5(d)(2)(A)): \$ \_\_\_\_\_

(c) Subtract (b) from (a) \$ \_\_\_\_\_

(d) Multiply the amount entered in 5(d)(1) by the current passbook savings rate to determine the total annual earnings on assets [5(d)(1)] if invested in passbook savings.

Passbook rate \_\_\_\_\_ % X \_\_\_\_\_ = \$ \_\_\_\_\_

(e) Enter the greater of (b) or (d) \$ \_\_\_\_\_

(f) TOTAL ELIGIBLE INCOME (Line (e) + (c)) \$ \_\_\_\_\_

13. The amount entered in 12(f):

(a) \_\_\_\_\_ Qualifies the applicant(s) as a Lower Income Tenant(s).

(b) \_\_\_\_\_ Does not qualify the applicant(s) as Lower Income Tenant(s).

14. Number of apartment unit assigned: \_\_\_\_\_

Bedroom size: \_\_\_\_\_ Rent: \$ \_\_\_\_\_

Tenant-paid Utilities:

Water \_\_\_\_\_ Gas \_\_\_\_\_ Electric \_\_\_\_\_

Trash \_\_\_\_\_ Other (list type) \_\_\_\_\_

15. Was this apartment unit last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Lower Income Tenants?

\_\_\_\_\_ Yes \_\_\_\_\_ No

16. Method used to verify applicant(s) income:

\_\_\_\_\_ Employer income verification

\_\_\_\_\_ Social Security Administration verification

\_\_\_\_\_ Department of Social Services verification

\_\_\_\_\_ Copies of tax returns

\_\_\_\_\_ Other ( \_\_\_\_\_ )

17. Method used to verify responses, if any, in paragraph 3 of this Income Certification:

\_\_\_\_\_ Copies of tax returns

\_\_\_\_\_ Evidence of participation in an enumerated program

18. BORROWER'S STATEMENT: Based on the representations herein and upon the proofs and documentation submitted pursuant to paragraph 8 hereof, the family or individual(s) named in paragraph 2 of this Income Certification is/are eligible under the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants to live in a unit in the Project.

Date \_\_\_\_\_

Signature of Authorized Borrower  
Representative:

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

EXECUTION OF ITEMS 19 AND 20

\_\_\_\_\_ IS \_\_\_\_\_ IS NOT NECESSARY.

Initials: \_\_\_\_\_.

19. If this Income Certification was executed by me/us more than five days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of \_\_\_\_\_, 20\_\_\_\_ and state:

\_\_\_\_\_ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.

\_\_\_\_\_ (b) The following information is provided to update the information previously provided in the Income Certification:

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[Remainder of page intentionally left blank]

- (a) \_\_\_\_\_ Date: \_\_\_\_\_
- (b) \_\_\_\_\_ Date: \_\_\_\_\_
- (c) \_\_\_\_\_ Date: \_\_\_\_\_
- (d) \_\_\_\_\_ Date: \_\_\_\_\_
- (e) \_\_\_\_\_ Date: \_\_\_\_\_
- (f) \_\_\_\_\_ Date: \_\_\_\_\_

20. BORROWER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 19 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 19 hereof.

Date \_\_\_\_\_

Signature of Authorized Borrower  
Representative

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

[Remainder of page intentionally left blank]

**INCOME VERIFICATION**  
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the issuance of a note by the City of Los Angeles for persons of low or moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages \_\_\_\_\_

Overtime \_\_\_\_\_

Bonuses \_\_\_\_\_

Commissions \_\_\_\_\_

Total Current Income \_\_\_\_\_

I hereby certify that the statements above are true and complete to the best of my knowledge.

\_\_\_\_\_  
Date

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

I hereby grant you permission to disclose my income to \_\_\_\_\_,  
in order that they may determine my income eligibility for rental of an apartment located in their  
project which has been financed by an issuance of a note by the City of Los Angeles.

Date \_\_\_\_\_

Signature \_\_\_\_\_

Please send form to: \_\_\_\_\_

[Income verification signature page]

**INCOME VERIFICATION**  
(for self-employed persons)

I hereby attach copies of my individual federal and state (if applicable) income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Date \_\_\_\_\_

Signature \_\_\_\_\_

## EXHIBIT D

### FORM OF ANNUAL TENANT INCOME RECERTIFICATION

#### CITY OF LOS ANGELES ANNUAL TENANT INCOME RECERTIFICATION

Project name \_\_\_\_\_

Apartment # \_\_\_\_\_ Date of Original Certification \_\_\_\_\_

Resident name \_\_\_\_\_

#### TO THE RESIDENT:

*This form is a continuation of the City of Los Angeles (the "City") Affordable Housing Program (the "Program") which was previously discussed with you. In order to keep you on the qualifying list, you will need to update the following information each year when you renew your lease. The Borrower is required by the Internal Revenue Code of 1986 and the City to maintain this information in order to maintain the Program.*

#### Household Composition:

- 1) Please list all of those individuals residing in your apartment.
- 2) Please list the anticipated annual income of all occupants of your household who are 18 years of age or older (if housemaker, or unemployed, etc.—please list as such).
- 3) If college or technical school student, please list if full-time or part-time student.

	NAME	SS#	AGE	ANTICIPATED ANNUAL INCOME*	OCCUPATION/STUDENT
1)					
2)					
3)					
4)					
5)					
6)					
7)					

\*SEE INCOME DEFINITION ATTACHED TO THIS FORM.

DO YOU OWN OR HAVE YOU ACQUIRED OR HAVE YOU DISPOSED OF ANY ASSETS OVER \$5,000.00 IN THE PAST YEAR? \_\_\_\_\_

If so, please describe and list amount and annual income expected to be derived from such assets. \_\_\_\_\_

If all persons residing in your apartment are full-time students, please indicate for each such person whether they are: (1) a single parent living with his/her children; (2) a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families); (3) a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar federal, state or local laws; (4) a student who was previously under the care and placement responsibility of a foster care program (under Part B or E of Title IV of the Social Security Act); or (5) a student who is married and files a joint return. Single parents described in (1) above may not be dependents of another individual and their children may not be dependents of another individual other than their parents.

**Please have all occupants over the age of 18 sign this certification.**

I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/we declare under penalty of perjury that the foregoing is true and correct.

SIGNATURES:

DATE:

- |          |       |
|----------|-------|
| 1) _____ | _____ |
| 2) _____ | _____ |
| 3) _____ | _____ |
| 4) _____ | _____ |

MANAGER'S SIGNATURE:

\_\_\_\_\_

**DEFINITION OF INCOME**

The full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments, including any lump-sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses;

amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973.

## EXHIBIT E

### FORM OF CERTIFICATE OF CDLAC PROGRAM COMPLIANCE

1. Project Name Change: No ☐ Yes ☐

*(If project name has changed since the award of allocation, please note the new project name as well as the original project name.)*

New: \_\_\_\_\_ Original: \_\_\_\_\_

2. CDLAC Application No.: 19-424 and 22-668

3. Bond Issuer Change: No ☐ Yes ☐

*(If Bond Issuer has changed since the award as a result of refinancing or refunding of an allocation, please note the new Issuer as well as the original Issuer.)*

New: \_\_\_\_\_

Original: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

4. Has a termination of the Regulatory Agreement occurred or is a termination planned in the next year?  
Has proper noticing occurred?

No ☐ Yes ☐ *If yes, please describe and explain.*

If your answer is Yes, there is no need to complete the rest of the form. Please submit the form completed through question #4.

5. Change in Borrower: No ☐ Yes ☐

*(If Borrower has changed since the award affecting the CDLAC resolution, please note the new Borrower as well as the original Borrower.)*

New: \_\_\_\_\_

Original: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

6. Change in Management Company: No ☐ Yes ☐ *(If yes, please provide the following information for the New Management Company.)*

New: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

7. Has the Qualified Project Period commenced? No \_\_\_\_\_ Yes \_\_\_\_\_

(If yes, please submit the Certificate of Completion (one time only.))

☐ Already Submitted Certification

8. Has the project been completed and placed in service? No \_\_\_\_\_ Yes \_\_\_\_\_

(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:  
notices of defaults associated with rents and income requirements, Bond Default or a Qualified Bond Default.

No \_\_\_\_\_ Yes \_\_\_\_\_ If yes, please describe and explain.

10.

Federally Bond Restricted Units (Reflected in PSR)	Other Restrictions (Reflected in PSR)	Total (Reported in CDLAC Resolution)
_____ at 50% AMI	_____ at 50% AMI	_____ at 50% AMI
_____ at 60% AMI	_____ at 60% AMI	_____ at 60% AMI

**Please attach a copy of the project's TCAC Project Status Report (PSR) or equivalent documentation.**

11. Please indicate the distribution of the CDLAC restricted 10% of the 50% AMI units.

Bedroom Type	# of Units in PSR	# of Units in CDLAC Resolution
1 Bedroom	_____	_____
2 Bedroom	_____	_____
3 Bedroom	_____	_____

12. If the Project has committed to and is currently providing the service amenities for a term as specified in the CDLAC resolution, please verify the services are being provided: on a regular and ongoing basis, which are provided free of charge and all hour requirements are being met:

- \_\_\_\_\_ After-school Programs
- \_\_\_\_\_ Educational, Health and Wellness or skill development classes
- \_\_\_\_\_ Health and Wellness services and programs (not group classes)
- \_\_\_\_\_ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)
- \_\_\_\_\_ Bona-Fide Service Coordinator/Social Worker

Is the service being offered on an ongoing basis and provided free of charge (childcare excluded)?

No \_\_\_\_\_ Yes \_\_\_\_\_

Are all hour requirements being met? No \_\_\_\_\_ Yes \_\_\_\_\_

**Attach evidence demonstrating that the above listed services are being provided and have met the requirements in the CDLAC Resolution. Including but not limited to MOUs and/or contracts associated with the services rendered, a 12-month schedule (current reporting year) of the services offered, flyers, sign-up sheets, etc.**

Pursuant to Section 13 of Resolution No. 19-054 and Resolution No. 22-208 (together, the “Resolution”), adopted by the California Debt Limit Allocation Committee (the “Committee”) on September 19, 2019 and [\_\_\_\_\_, 2022], respectively, 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 Bond is issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Title of Officer

## EXHIBIT F

### FORM OF CONSTRUCTION COMPLETION CERTIFICATE

1) Project Name: Summit View Apartments  
*(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC resolution.)*

Original: \_\_\_\_\_

2) CDLAC Application No.: 19-424 and 22-668

3) Name of Bond Issuer: City of Los Angeles

4) Name of Borrower: 11681 Foothill, L.P.  
*(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC resolution.)*

Original: \_\_\_\_\_

5) The undersigned hereby certifies that all work on the Project was substantially completed as of \_\_\_\_\_, 20\_\_\_\_.

The undersigned hereby further certifies that:

(a) the aggregate amount disbursed on the Loan to date is \$\_\_\_\_\_;

(b) all amounts disbursed from proceeds of the Note have been applied to pay or reimburse the undersigned for the payment of Project Costs (as that term is used in the Regulatory Agreement) and none of the amounts disbursed from the proceeds of the Note have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) at least 95% of the amounts disbursed from the proceeds of the Note have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25% of the amounts disbursed from the proceeds of the Note, exclusive of amounts applied to pay the costs of issuing the Note, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No \_\_\_\_\_ Yes \_\_\_\_\_

(a) 10% of the dwelling units in the Project financed in part from the proceeds of the Note were first occupied on \_\_\_\_\_, 20\_\_\_\_ and

(b) 50% of the dwelling units in the Project financed in part from the proceeds of the Note were first occupied on \_\_\_\_\_, 20\_\_\_\_.

7) If no to (6), the undersigned hereby certifies the Project meets the special federal rule for a Qualified Project Period.

No \_\_\_\_\_ Yes \_\_\_\_\_

*(Project qualifies if it is an acquisition/rehabilitation where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the Project acquisition or the Note issuance date.)*

(a) Note was issued on \_\_\_\_\_, 20\_\_\_\_

(b) Property was acquired on \_\_\_\_\_, 20\_\_\_\_

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or bond issuance) is \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Officer

\_\_\_\_\_  
Title of Officer

\_\_\_\_\_  
Phone Number

**EXHIBIT G**  
**CDLAC RESOLUTIONS**

**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](http://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](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 of 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 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://www.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 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.

## EXHIBIT J

### FORM OF CERTIFICATE OF QUALIFIED PROJECT PERIOD

Project Name: Summit View Apartments

*(If project name has changed since the award of allocation please note the original project name as well as the new project name and request a change in the CDLAC resolution.)*

CDLAC Application No.: 19-424 and 22-668

Name of Note Issuer: City of Los Angeles

Name of Borrower: 11681 Foothill, L.P.

*(If Borrower has changed since the award please note the original Borrower as well as the new Borrower and request a change in the CDLAC resolution.)*

Project meets the general federal rule for a Qualified Project Period.

Yes \_\_\_\_\_ No \_\_\_\_\_

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned 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

\_\_\_\_\_



**MODIFICATION AGREEMENT  
(Summit View Apartments)**

Date: June 1, 2022

This Modification Agreement ("Agreement") is made as of the above date by and among **11681 FOOTHILL, L.P.**, a California limited partnership ("Debtor"), **MUFG UNION BANK, N.A.** ("Bank") and the **CITY OF LOS ANGELES**, a charter city and a municipal corporation of the State of California ("Governmental Lender"), with reference to the following facts:

**RECITALS:**

**A.** Pursuant to that certain Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 (the "Borrower Loan Agreement"), Governmental Lender made a loan to Debtor (the "Loan") evidenced by that certain Promissory Note (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019 from Borrower in favor of Governmental Lender in the original principal amount of \$19,960,000 (the "Borrower Note"). Capitalized terms used in this Agreement shall have the meanings given in the Borrower Loan Agreement unless otherwise defined.

**B.** Except for the Reserved Rights (as defined in the Funding Loan Agreement), all of Governmental Lender's interests and rights in the Borrower Loan Agreement, the Borrower Note and the other Borrower Loan Documents have been assigned to Bank pursuant to that certain Assignment of Deed of Trust and Related Documents dated December 1, 2019, and recorded on December 20, 2019 as Instrument No. 20191425278 in the Official Records of Los Angeles County, California (the "Official Records").

**C.** The Borrower Note and Debtor's obligations under the Borrower Loan Agreement are secured in part by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Construction to Permanent Trust Deed) (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 (the "Deed of Trust") and recorded on December 20, 2019 as Instrument No. 20191425277 in the Official Records.

**D.** Debtor's obligations under the Borrower Loan are guaranteed by L.A. Family Housing Corporation, a California nonprofit public benefit corporation, and Many Mansions, a California Nonprofit Corporation, a California nonprofit public benefit corporation (collectively, "Guarantor"), as evidenced by that certain Loan and Completion Guaranty and that certain Indemnity Agreement, each dated December 1, 2019, executed by Guarantor in favor of Bank (collectively, the "Guaranty").

**E.** The Borrower Loan Agreement, the Borrower Note, the Deed of Trust, the Guaranty, and any other documents executed in connection with the Borrower Loan are collectively referred to as the "Borrower Loan Documents."

**F.** It is the desire of the parties hereto to modify the Borrower Loan Documents as provided below, subject to the terms and conditions set forth herein.

**G.** Any reference to "Debtor" herein shall also mean "Borrower," if the Debtor is so defined in the Borrower Note. Any reference to "Note" herein shall also mean "Debt Instrument," if the Borrower Note is so defined in the Deed of Trust.

**1. AMENDMENTS TO THE BORROWER LOAN AGREEMENT.**

**1.1 Completion Date.** The definition of Completion Date set forth in Section 1.46 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with "The date of Project Completion, which date shall not be later than August 1, 2022."

**1.2 HCID.** The definition of HCID set forth in Section 1.92 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced “Intentionally Omitted.” All references to HCID in the Borrower Loan Agreement or any of the other Borrower Loan Documents shall hereinafter refer to LAHD.

**1.3 LAHD.** The following definition of “LAHD” is hereby added alphabetically to Article 1 of the Borrower Loan Agreement:

“**LAHD.** The City of Los Angeles, a charter city and a municipal corporation of the State of California, acting by and through the Los Angeles Housing Department.”

**1.4 LIBOR Rate.** The definition of LIBOR Rate set forth in Section 1.120 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with “As of any given date, a per annum rate of interest equal to the greater of (a) 0.00% and (b) the rate for U.S. Dollar deposits for a period of one month or, for the Stub Period, for a period equal to the number of days in the Stub Period which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on the day that is two Business Days preceding such date.”

**1.5 Outside Conversion Date.** The definition of Outside Conversion Date set forth in Section 1.141 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with “December 1, 2022, which date shall be subject to adjustment in accordance with any extension granted pursuant to Section 2.5 below.”

**1.6 Extension of Outside Conversion Date.** Section 2.5 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**2.5 Extension Term.** Borrower shall have the option to extend the Outside Conversion Date (the “Initial Outside Conversion Date”) for an additional three (3) months (“Extension Term”), to and including March 1, 2023 (“Extended Outside Conversion Date”), upon satisfaction of all of the following conditions, as determined by Bank:

(a) Borrower shall provide Bank with Borrower’s written request to extend the term of the Borrower Loan not less than ninety (90) days prior to the Initial Outside Conversion Date.

(b) At the time of Bank’s receipt of Borrower’s written request to extend the term of the Borrower Loan, and as of the Initial Outside Conversion Date, no Event of Default shall have occurred and be continuing.

(c) There shall have been no substantial deterioration in the financial condition of Borrower or any Loan Party, as determined by Bank in Bank’s sole discretion.

(d) Borrower and any Loan Party shall have executed such documents as Bank may require in connection with such extension, including any amendments to the Borrower Loan Documents.

(e) Neither Borrower nor any Loan Party shall be in default under any promissory note, deed of trust, security agreement, guaranty or other agreement between Bank and any such party, and no event shall have occurred which would constitute a default or event of default thereunder.

(f) Borrower shall provide Bank and Governmental Lender with an opinion of Tax Counsel that the exercise of the Extension Term will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes.

(g) Borrower shall have provided Bank with evidence that the Improvements shall be substantially completed in accordance with the Plans, as determined by Bank in its reasonable discretion, as of the Completion Date.

(h) Bank shall have the option, in its sole discretion, to re-balance the Interest Reserve to assure that there are sufficient funds in the Interest Reserve to pay the interest required under the terms of the Borrower Note during the Extension Term. In the event the Bank determines that the funds in the Interest Reserve are insufficient, Borrower shall pay into the Borrower's Funds Account such amount as is necessary, as determined by Bank in its sole discretion, to provide adequate funds to pay, at a minimum, the interest required under the terms of Section 3.1.2(a) during the Extension Term.

(i) From and after the Initial Outside Conversion Date, the interest payable under the Borrower Note during the Extension Term shall continue to accrue at the rate or rates specified in Section 3.1.2(a) and monthly payments of interest only shall continue to be payable as specified in Section 3.1.3(a).

(j) Borrower shall pay all costs and expenses incurred by Bank in connection with extending the Initial Outside Conversion Date, including without limitation, extension fees, documentation and/or recording fees, if any, and the cost of any title endorsements required by Bank."

**1.7 Unavailability of LIBOR.** The following paragraphs are hereby added as Sections 3.1.2(d) and 3.1.2(e) of the Borrower Loan Agreement:

"(d) Subject to the provisions set forth in Exhibit E, if any interest rate defined herein ceases to be available from Bank for any reason, then said interest rate shall be replaced by the rate (together with any spread adjustment, if applicable) selected by Bank in its sole discretion (the "Replacement Rate") upon receipt by the Bank and the Governmental Lender of an opinion of Tax Counsel that such implementation will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes.

(e) Subject to the provisions set forth in Exhibit E, notwithstanding anything contained in this Agreement or the Borrower Note, if Bank determines that with respect to the LIBOR Rate, relevant deposits are not being offered to banks in the London interbank Eurodollar market for the relevant amounts and relevant maturities for Variable Rate Principal; adequate and reasonable means do not exist for ascertaining the LIBOR Rate, or the LIBOR Rate does not adequately and fairly reflect the cost to Bank of funding Variable Rate Principal, then Bank shall give Debtor notice thereof, and Bank shall be under no obligation to maintain the relevant Variable Rate Principal as a LIBOR Rate based loan, and the relevant Variable Rate Principal shall be continued bearing interest at the Replacement Rate (plus any applicable margin or spread as set forth in this Agreement or the Borrower Note) and payable at the end of each calendar month or as otherwise may be agreed by Bank and Debtor upon receipt by the Bank and the Governmental Lender of an opinion of Tax Counsel that such implementation will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes."

**1.8 LIBOR Replacement.** Exhibit E attached hereto is added to the Borrower Loan Agreement as Exhibit E and incorporated therein in its entirety.

**1.9 Interest Rate Modification.** Each party agrees that: (i) the modifications to the interest rate provisions set forth herein (the "Interest Rate Modification") were proposed by the Bank, stated to be consistent with its practice with other borrowers, and were not adjusted for this transaction, (ii) the Interest Rate Modification is not being made, and its terms were not altered, to induce any party to perform any act necessary for the approval of this Agreement or to compensate any party for granting such approval, (iii)

the Interest Rate Modification is not a concession in favor of the Debtor due to any financial difficulty of the Debtor, (iv) the Interest Rate Modification is not a concession in favor of the Bank due to any credit deterioration of the Debtor, and (v) the Interest Rate Modification is not intended to compensate either party for changes in rights or obligations under any arrangements between the parties, whether related to the Borrower Note or otherwise.

## **2. ADDITIONAL PROVISIONS.**

**2.1 Payment of Extension Fee.** Notwithstanding anything to the contrary set forth in the Borrower Loan Agreement (including, without limitation, the Disbursement Schedule), upon the satisfaction of all conditions precedent to the effectiveness of this Agreement, Bank, on behalf of Governmental Lender, will caused to be disbursed to Bank an amount equal to \$72,500 as payment for the extension fee required to be paid by Borrower in accordance with Section 2.2(ii) below.

**2.2 Conditions Precedent.** The effectiveness of this Agreement is expressly conditioned on Debtor causing the following conditions to be satisfied to the satisfaction of Bank:

i) Bank shall have received (i) Debtor's original signature to this Agreement, (ii) Governmental Lender's original signature to this Agreement, (iii) Guarantor's original signature to the Consent and Reaffirmation of Guaranty attached hereto, (iv) the original signature of CDA to the Consent and Reaffirmation of Subordination attached hereto, (v) the original signature of LAHD to the Consent and Reaffirmation of Subordination attached hereto, (vi) the original signature of LAFH to the Consent and Reaffirmation of Subordination attached hereto, (vii) the original signature of MM to the Consent and Reaffirmation of Subordination attached hereto, (viii) the original signature of Tax Credit Investor to the Consent of Tax Credit Investor attached hereto, and (ix) any other documents reasonably required by Bank and/or Governmental Lender, each in form and substance satisfactory to Bank and/or Governmental Lender, as applicable, and each executed by Debtor, Guarantor, CDA, LAHD, LAFH, MM and/or the Tax Credit Investor, as applicable.

ii) Subject to the terms of Section 2.1 above, Borrower shall have paid to Bank a loan extension fee equal in an amount equal to \$72,500.

iii) No default or Event of Default under the Borrower Loan Documents shall have occurred or be continuing or would exist after giving effect to this Agreement on such date, and no event shall have occurred which, with the giving of notice or the passage of time, or both, shall ripen into a default or Event of Default hereunder.

iv) There shall have been no substantial deterioration in the financial condition of Debtor or any Loan Party, as determined by Bank in Bank's reasonable discretion.

v) Neither Debtor nor any Loan Party shall be in default under any promissory note, deed of trust, security agreement, guaranty or other agreement between Bank and any such party, and no event shall have occurred which would constitute a default or event of default thereunder.

vi) Bank shall have received endorsements to the Title Policy as required in its sole discretion without any new exceptions to title, except as approved by Bank.

vii) Debtor shall pay all costs and expenses incurred by Bank in connection with the modification of the Borrower Loan contemplated by this Agreement, including without limitation, documentation and/or recording fees, if any, and the cost of any title endorsements required by Bank.

viii) Each of the representations and warranties made by Debtor in the Borrower Loan Documents and/or pursuant to this Agreement shall be true and correct in all material respects, before and after giving effect to this Agreement.

**2.3 Affirmation of Indebtedness.** Debtor affirms and admits the indebtedness evidenced by the Borrower Note. Debtor acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Borrower Note or Deed of Trust or other Borrower Loan Documents. Debtor ratifies and confirms each and all of the terms, conditions and covenants of the Borrower Note, Deed of Trust and other Borrower Loan Documents as amended or modified by this Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Borrower Loan Documents remain in full force and effect.

**2.4 No Encumbrances.** Debtor represents and warrants that title to the real property described in the Deed of Trust is now vested in Debtor subject only to those matters existing at the time of recordation of the Deed of Trust (and matters approved by Bank in writing) and current taxes and that no one other than Debtor has any interest in the real property subject to the Deed of Trust.

**2.5 General Release.** Debtor and Guarantor, and each of their respective successors, assigns, directors, officers, employees, agents (collectively, "Releasing Parties"), fully, finally, and forever releases and discharges Bank and its representatives together with Bank's respective successors, assigns, directors, officers, employees, agents (collectively, "Released Parties") from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity arising under or in a manner in connection with the Borrower Loan or Borrower Loan Documents, that Releasing Parties have or in the future may have, whether known or unknown, occurring prior to the date of this Agreement. It is the intention of Releasing Parties that the above release shall be effective as a full and final release of each and every matter specifically and generally referred to above.

Each Releasing Party acknowledges and represents that it, he or she has been advised by independent legal counsel with respect to the agreements contained herein and with respect to the provisions of California Civil Code Section 1542, 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." Each Releasing Party, being aware of said code section, expressly waives any and all rights it, he or she may have thereunder, as well as under any other statute or common law principle of similar effect, with respect to any of the matters released herein. This general release shall act as a release of all included claims, rights and causes of action, whether such claims are currently known, unknown, foreseen or unforeseen and regardless of any present lack of knowledge as to such claims. Each Releasing Party understands and acknowledges the significance and consequence of this waiver of California Civil Code Section 1542, and hereby assumes full responsibility for any injuries, damages, losses or liabilities released herein.

Borrower's Initials:



Guarantor's Initials



**2.6 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together, shall constitute one and the same agreement.

**2.7 Successors and Assigns.** This Agreement shall inure to the successors and assigns of Bank and the permitted successors and assigns of Debtor.

**2.8 USA Patriot Act.** Bank is subject to federal laws to help the government fight money laundering and terrorist financing that require Bank to obtain, verify, record, and retain information that identifies Borrower, any guarantor and, when applicable, Borrower's Beneficial Owners. Under federal law, Beneficial Owners for these purposes means any individual or entity holding 25% or more of the direct or indirect equity ownership of Borrower, as well as any individual or entity with significant responsibility to control, manage or direct Borrower (e.g., CEO, CFO, COO, President or similar). This information includes the name, address, date of birth, and other information that will allow Bank to identify Borrower, any guarantor and Borrower's Beneficial Owners. At any time, Bank may require this information of Borrower, any guarantor and Borrower's Beneficial Owners (and such other persons or entities as are required by law, regulation or Bank's then applicable "know your customer" requirements). By signing this document,

**2.3 Affirmation of Indebtedness.** Debtor affirms and admits the indebtedness evidenced by the Borrower Note. Debtor acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Borrower Note or Deed of Trust or other Borrower Loan Documents. Debtor ratifies and confirms each and all of the terms, conditions and covenants of the Borrower Note, Deed of Trust and other Borrower Loan Documents as amended or modified by this Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Borrower Loan Documents remain in full force and effect.

**2.4 No Encumbrances.** Debtor represents and warrants that title to the real property described in the Deed of Trust is now vested in Debtor subject only to those matters existing at the time of recordation of the Deed of Trust (and matters approved by Bank in writing) and current taxes and that no one other than Debtor has any interest in the real property subject to the Deed of Trust.

**2.5 General Release.** Debtor and Guarantor, and each of their respective successors, assigns, directors, officers, employees, agents (collectively, "Releasing Parties"), fully, finally, and forever releases and discharges Bank and its representatives together with Bank's respective successors, assigns, directors, officers, employees, agents (collectively, "Released Parties") from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity arising under or in a manner in connection with the Borrower Loan or Borrower Loan Documents, that Releasing Parties have or in the future may have, whether known or unknown, occurring prior to the date of this Agreement. It is the intention of Releasing Parties that the above release shall be effective as a full and final release of each and every matter specifically and generally referred to above.

Each Releasing Party acknowledges and represents that it, he or she has been advised by independent legal counsel with respect to the agreements contained herein and with respect to the provisions of California Civil Code Section 1542, 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." Each Releasing Party, being aware of said code section, expressly waives any and all rights it, he or she may have thereunder, as well as under any other statute or common law principle of similar effect, with respect to any of the matters released herein. This general release shall act as a release of all included claims, rights and causes of action, whether such claims are currently known, unknown, foreseen or unforeseen and regardless of any present lack of knowledge as to such claims. Each Releasing Party understands and acknowledges the significance and consequence of this waiver of California Civil Code Section 1542, and hereby assumes full responsibility for any injuries, damages, losses or liabilities released herein.

Borrower's Initials:



Guarantor's Initials



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Borrower agrees to promptly provide and consents to Bank obtaining, if necessary, from third parties, any and all information reasonably necessary to identify Borrower, any guarantor and Borrower's Beneficial Owners. Failure of Borrower to provide the information requested by Bank pursuant to this provision within thirty (30) days of such request shall be deemed to be a material breach of the obligations hereunder.

**2.9 Entire Agreement; No Oral Modifications.** This Agreement, the other Borrower Loan Documents and the other documents mentioned herein and executed as of the date hereof set forth the entire agreement of the parties with respect to the Borrower Loan and supersede all prior written or oral understandings and agreements with respect thereto. No modification or waiver of any provision of this Agreement shall be effective unless set forth in writing and signed by the parties hereto. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument executed by Borrower or Guarantor, including any of the other Borrower Loan Documents, the terms, conditions and provisions of this Agreement shall prevail. By executing this Agreement and initialing below Borrower and Guarantor expressly represent and warrant that they did not rely on any representation, assurance or agreement, oral or written, not expressly set forth in this Agreement or any of the other Borrower Loan Documents in reaching its decision to enter into this Agreement or any of the other Borrower Loan Documents and that no promises or other representations have been made to Borrower or Guarantor which conflict with the written terms of the Borrower Loan Documents. Borrower and Guarantor represent to Bank that (i) it has read and understands the terms and conditions contained in this Agreement and the other Borrower Loan Documents executed in connection with this Agreement, (ii) its legal counsel has carefully reviewed all of the Borrower Loan Documents and it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and all other Borrower Loan Documents, (iii) it is satisfied with its legal counsel and the advice received from it, and (iv) it has relied only on its review of the Borrower Loan Documents and its own legal counsel's advice and representations (and it has not relied on any advice or representations from Bank, or any of Bank's officers, employees, agents or attorneys). The Borrower Loan Documents may not be modified, amended or terminated except by a written agreement signed by each of the parties hereto.

Borrower's Initials:



Guarantor's Initials



**2.10 Counterparts/Electronic Signatures.** This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

[SIGNATURE PAGE FOLLOWS]

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Borrower's Initials:



Guarantor's Initials



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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**DEBTOR:**

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L.A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By:   
Stephanie Klasky-Garner, President and CEO

By: Many Mansions, a California Nonprofit Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Rick Schroeder, President

**BANK:**

**MUFG UNION BANK, N.A.**

By: \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

**GOVERNMENTAL LENDER:**

**CITY OF LOS ANGELES**

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: Daniel Huynh  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

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By:   
Rick Schroeder, President

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Name: Brian Roberts  
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By: \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

**GOVERNMENTAL LENDER:**

**CITY OF LOS ANGELES**

By: Los Angeles Housing Department

By:   
Name: Daniel Huynh  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By:   
Deputy Assistant City Attorney

## CONSENT AND REAFFIRMATION OF GUARANTY BY GUARANTOR

The undersigned ("Guarantor") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms its obligations owing under the Loan and Completion Guaranty and the Indemnity Agreement, each dated December 1, 2019 executed by Guarantor (collectively, the "Guaranty"), and any other Borrower Loan Documents to which it is a party, acknowledges and agrees that the "Obligations" as defined in the Guaranty includes the obligations of Debtor set forth in this Modification Agreement, and agrees that such Guaranty and Borrower Loan Documents are and shall remain in full force and effect, as amended hereby.

This Consent and Reaffirmation of Guaranty by Guarantor is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: 

Stephanie Klasky-Gamer, President and CEO

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Rick Schroeder, President

## CONSENT AND REAFFIRMATION OF GUARANTY BY GUARANTOR

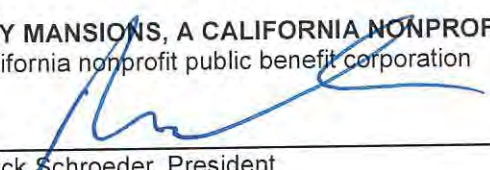
The undersigned ("Guarantor") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms its obligations owing under the Loan and Completion Guaranty and the Indemnity Agreement, each dated December 1, 2019 executed by Guarantor (collectively, the "Guaranty"), and any other Borrower Loan Documents to which it is a party, acknowledges and agrees that the "Obligations" as defined in the Guaranty includes the obligations of Debtor set forth in this Modification Agreement, and agrees that such Guaranty and Borrower Loan Documents are and shall remain in full force and effect, as amended hereby.

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a California nonprofit public benefit corporation

By  
Stephanie Klasky Gamor, President and CEO

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By:   
Rick Schroeder, President

### CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425285, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY,**  
a public body corporate and politic

By:   
Executive Director or Designee

Emilio Salas,  
Executive Director  
Printed Name

APPROVED AS TO FORM:

Dawyn R. Harrison, Acting County Counsel

By:   
Senior Deputy


### CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425281, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

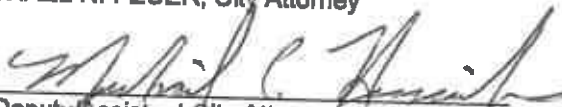
#### CITY OF LOS ANGELES

By: Los Angeles Housing Department

By:   
Name: DANIEL HWANG  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By:   
Deputy Assistant City Attorney

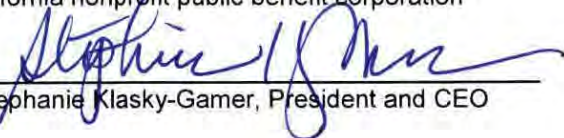
### CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425289, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

  
Stephanie Klasky-Gamer, President and CEO

### CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425287, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By   
Rick Schroeder, President


## CONSENT OF TAX CREDIT INVESTOR

The undersigned ("Tax Credit Investor") hereby acknowledges and consents to the terms and conditions set forth in this Modification Agreement.

This Consent is executed as of the date first written above.

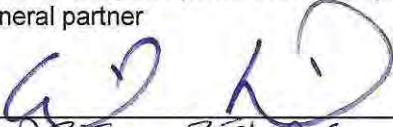
**MERRITT COMMUNITY CAPITAL FUND XXI, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By:   
Name: ARIEL BELIAK  
Title: President & CEO

**MERRITT COMMUNITY CAPITAL FUND XIX, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By:   
Name: ARIEL BELIAK  
Title: President & CEO

## EXHIBIT E

### **BENCHMARK REPLACEMENT SETTING**

The following provisions of this Exhibit E (this "Exhibit") shall be effective notwithstanding anything to the contrary in the agreement to which this Exhibit is attached (the "Agreement"), the Note or in any other loan document related to the Agreement (and any Hedge Document shall be deemed not to be a document related to the Agreement for purposes of this Exhibit).

(a) **BENCHMARK REPLACEMENT.** If a Benchmark Transition Event or a Term SOFR Transition Event, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any document related to the Agreement in respect of such Benchmark setting and subsequent Benchmark settings; provided that, with respect to a Term SOFR Transition Event, such replacement shall not be effective unless Bank has delivered to Debtor a notification of the occurrence of a Term SOFR Transition Event (a "Term SOFR Notice") (which Bank shall not be required to deliver). Any replacement of a Benchmark with a Benchmark Replacement pursuant to this Exhibit shall be effective without any amendment to, or further action or consent of any other party to, the Agreement or any document related to the Agreement; provided, however, that the implementation of a Benchmark Replacement pursuant to clause (3) of the first sentence of the definition of Benchmark Replacement and the related Benchmark Replacement adjustment are subject to the receipt by the Bank and the Governmental Lender of an opinion of Tax Counsel that such implementation will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes. Bank will have the right to make any changes ("Benchmark Replacement Conforming Changes") to the Agreement or any other loan document related to the Agreement that Bank decides may be appropriate to reflect the adoption and implementation of any such Benchmark Replacement and to permit the administration thereof by Bank from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Debtor.

(b) **STANDARDS.** Any determination, decision or election that may be made by Bank pursuant to this Exhibit, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Bank's sole discretion and without consent from Debtor. Bank does not warrant or accept responsibility for, and shall not have any liability to Debtor under the Agreement, the Note or any other loan document or otherwise for, any loss, damage or claim arising from or relating to (i) any matter related to the Benchmark, any component definition thereof or rates referred to in the definition thereof or any alternative, comparable or successor rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether any such alternative, comparable or successor rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the then-current Benchmark, (ii) the effect or implementation of any Benchmark Replacement Conforming Changes or (iii) any mismatch between the Benchmark or the Benchmark Replacement and any of Debtor's other financing instruments (including those that are intended as hedges).

(c) **UNAVAILABILITY OF TENOR OF BENCHMARK.** At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR), then Bank may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) Bank may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(d) **LONDON INTERBANK OFFERED RATE BENCHMARK TRANSITION EVENT.** On March 5, 2021, the ICE Benchmark Administration (the "IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the "FCA"), the regulatory supervisor of the IBA, announced in public statements (the "Announcements") that the final publication or representativeness date for (i) 1-week and 2-month London interbank offered rate tenor settings will be December 31, 2021 and (ii) overnight, 1-month, 3-month, 6-month and 12-month London interbank offered rate tenor settings will be June 30, 2023. No

successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate pursuant to the terms of this Agreement and that any obligation of the Bank to notify any parties of such Benchmark Transition Event pursuant to this Exhibit E shall be deemed satisfied.

(e) **CERTAIN DEFINED TERMS.** As used in this Exhibit:

**“Available Tenor”** means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an interest period pursuant to the Note as of such date.

**“Benchmark”** means, initially, USD LIBOR; provided that if a Benchmark Transition Event or a Term SOFR Transition Event and in each case its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then “Benchmark” means the Benchmark Replacement that has replaced such prior benchmark rate.

**“Benchmark Replacement”** means, for any Available Tenor, (a) with respect to any Benchmark Transition Event, the first alternative set forth in the following order that can be determined by Bank for the applicable Benchmark Replacement Date: (1) the sum of (A) Term SOFR and (B) the related Benchmark Replacement Adjustment; (2) the sum of (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment; or (3) the sum of (A) the alternate benchmark rate that has been selected by Bank as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (B) the related Benchmark Replacement Adjustment; or (b) with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) above would be less than the benchmark rate floor, if any, provided in the Note initially (as of the execution of the Note, the modification, amendment or renewal of the Note or otherwise) with respect to USD LIBOR (the “Floor”), the Benchmark Replacement will be deemed to be such Floor for the purposes of the Note and the documents related to the Note.

**“Benchmark Replacement Adjustment”** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable interest period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, (1) for purposes of clauses (a)(1) and (a)(2) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such interest period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement; (2) for purposes of clause (a)(3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank; and (3) for purposes of clause (b) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such interest period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of USD LIBOR with a SOFR-based rate; provided that, if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with this Exhibit will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the Available Tenor that has approximately the same length (disregarding business day adjustments) as such payment period.

**“Benchmark Replacement Date”** means the earliest to occur of the following events with respect to the then-current Benchmark: (1) in the case of clause (a) or (b) of the definition of “Benchmark Transition

Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); (2) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or (3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after Bank has provided a Term SOFR Notice to Debtor pursuant to clause (a)(ii) of this Exhibit. For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**“Benchmark Transition Event”** means, with respect to the then-current Benchmark, a public statement or publication of information: (a) by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark, (b) by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide all Available Tenors of such Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark, or (c) by the regulatory supervisor for the administrator of such Benchmark announcing that all Available Tenors of such Benchmark are no longer representative. For the avoidance of doubt, (i) a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark and (ii) each reference in this definition to a Benchmark shall also include any published component used in the calculation thereof.

**“Corresponding Tenor”** with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

**“Daily Simple SOFR”** means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Bank in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for bilateral business loans; provided, that if Bank decides that any such convention is not administratively feasible for Bank, then Bank may establish another convention.

**“Reference Time”** with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two Business Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by Bank.

**“Relevant Governmental Body”** means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

**“SOFR”** means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published on the immediately succeeding Business Day by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on its website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by such administrator from time to time.

**“Term SOFR”** means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**“Term SOFR Transition Event”** means the determination by Bank that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for Bank and (c) a Benchmark Transition Event has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any document related to the Note with this Exhibit with a Benchmark Replacement the Unadjusted Benchmark Replacement component of which is not Term SOFR.

**“Unadjusted Benchmark Replacement”** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“USD LIBOR”** means the London interbank offered rate for U.S. dollars.

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**AMENDMENT TO  
FUNDING LOAN AGREEMENT**

by and among

**CITY OF LOS ANGELES,**  
as Governmental Lender,

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

and

**MUFG UNION BANK, N.A.,**  
as Funding Lender

Dated as of November 29, 2022

Relating to:

\$19,960,000  
City of Los Angeles  
Multifamily Mortgage Revenue Note  
(Summit View Apartments)  
Series 2019M

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## AMENDMENT TO FUNDING LOAN AGREEMENT

THIS **AMENDMENT TO FUNDING LOAN AGREEMENT** (this “Amendment”) is made and entered into as of November 29, 2022 (the “Effective Date”), by and among **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California, (together with its successors and assigns, the “Governmental Lender”), **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association (formerly known as U.S. Bank National Association) organized and existing under the laws of the United States of America, as fiscal agent (together with its successors and assigns, the “Fiscal Agent”) and **MUFG UNION BANK, N.A.**, a national banking association (together with its successors and assigns, the “Funding Lender”).

### WITNESSETH:

WHEREAS, in accordance with that certain Funding Loan Agreement, dated as of December 1, 2019 (the “Funding Loan Agreement”), by and among the Funding Lender, the Governmental Lender and the Fiscal Agent, the Governmental Lender issued its Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M( the “Government Lender Note”) the proceeds of which were used to make a loan (the “Borrower Loan”) to the Borrower pursuant to that certain Construction and Permanent Loan Agreement dated as of December 1, 2019 (the “Borrower Loan Agreement”), by and among the Governmental Lender, the Funding Lender and the Borrower, and evidenced by the Borrower Note (as defined in the Funding Loan Agreement) dated December 19, 2019, by the Borrower in the aggregate amount of \$19,960,000 payable to the Governmental Lender and assigned to the Fiscal Agent to finance a portion of the costs of the acquisition, construction, improvement and equipping of a multifamily housing development located in Los Angeles, California, to be known as Summit View Apartments;

WHEREAS, the parties hereto desire to modify the Borrower Note and the Funding Loan Note pursuant to the terms and conditions of this Amendment to extend the Maturity Date of each to June 1, 2038, all as more particularly set forth herein;

WHEREAS, the Governmental Lender, the Funding Lender and the Fiscal Agent have received an opinion of Tax Counsel that such amendment shall not adversely affect the exclusion of interest on the Funding Loan Note from gross income for purposes of federal income tax; and

WHEREAS, the amendments described herein are, to the extent applicable, being effected pursuant to Sections 12.6 of the Funding Loan Agreement;

### AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties do hereby agree as follows:

1. **Capitalized Terms.** Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Funding Loan Agreement.

2. **Amendments.**

(a) **Maturity Date.** All references in the Funding Loan Agreement or Funding Loan Note, the other Funding Loan Documents or Borrower Loan Documents to a Maturity Date of “June 1, 2037” are amended to “June 1, 2038”.

(b) **Form of Funding Loan Note.** The form of Funding Loan Note appearing as Exhibit A to the Funding Loan Agreement is hereby deleted and replaced with Exhibit A attached to this Amendment.

3. **Ratification by Borrower.** The Borrower hereby ratifies, confirms, reaffirms and covenants that the Funding Loan Documents and the Borrower Loan Documents to which the Borrower is a party, as modified hereby, are validly and binding upon the Borrower in accordance with the terms thereof.

4. **Full Force and Effect.** Except as expressly amended pursuant to this Amendment, all of the terms and conditions of the Funding Loan Documents and the Borrower Loan Documents are and shall remain in full force and effect.

5. **Governing Law.** This Amendment shall be governed by and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles of the State of California that would require the application of the laws of a jurisdiction other than the State of California.

6. **Severability.** The invalidity, illegality or unenforceability of any provision of this Amendment shall not affect the validity, legality or enforceability of any other provision of this Amendment, and all other provisions shall remain in full force and effect.

7. **Successors and Assigns.** This Amendment shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

8. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which shall constitute an original but taken together shall constitute one agreement.

9. **Conflict.** If any of the provisions of this Amendment directly conflict with or contradict any other provision of the Funding Loan Documents or the Borrower Loan Documents, this Amendment shall control.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has duly executed and delivered this Amendment or caused this Amendment to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intend that this Amendment shall be deemed to be signed and delivered as a sealed instrument.

**CITY OF LOS ANGELES**, as Governmental  
Lender

By: Housing and Community Investment  
Department

By: \_\_\_\_\_  
Name: Daniel Huynh  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City  
Attorney

[Signature Page to *Summit View* Amendment]

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

By: \_\_\_\_\_

Name: Julia Hommel

Title: Vice President

[Signature Page to *Summit View* Amendment]

MUFG UNION BANK, N.A., as  
Funding Lender

By: \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

[Signature Page to *Summit View* Amendment]

**AGREED AND CONSENTED TO:**

**11681 FOOTHILL, L.P.,**  
a California limited partnership, as B

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L. A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Stephanie Klasky-Gamer  
Its: President and Chief Executive Officer

By: Many Mansions,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Name: Rick Schroeder  
Its: President

[Signature Page to *Summit View* Amendment]

**EXHIBIT A**  
**CITY OF LOS ANGELES**  
**MULTIFAMILY MORTGAGE REVENUE NOTE**  
**(SUMMIT VIEW APARTMENTS)**  
**SERIES 2019M**

FOR VALUE RECEIVED, the CITY OF LOS ANGELES, a charter city and municipal corporation of the State of California (the “**Governmental Lender**”), acknowledges itself indebted hereby promises to pay to the order of MUFG UNION BANK, N.A. (the “**Bank**”), or its successors and assigns, the sum of NINETEEN MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS (\$19,960,000), together with interest on the advanced and unpaid principal amount of this City of Los Angeles Multifamily Mortgage Revenue Note (Summit View Apartments) Series 2019M (this “**Funding Loan Note**”) at the same interest rate as the applicable interest rate specified in the Borrower Loan Agreement (as hereinafter defined) with respect to the Borrower Loan, not exceeding the Maximum Rate, until the Governmental Lender’s obligation to pay the Outstanding Balance (as hereinafter defined) shall be discharged. The “**Outstanding Balance**” as of any date of calculation shall mean the principal balance of the Funding Loan that has not been repaid by the Governmental Lender to the Bank as of the date of calculation of the Outstanding Balance. This Funding Loan Note shall be governed by and be payable in accordance with the terms and conditions of the Funding Loan Agreement dated as of December 1, 2019, as amended (the “**Funding Loan Agreement**”) among U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association, the “**Fiscal Agent**”), the Governmental Lender and the Bank, in its capacity as lender, pursuant to which the Bank has made the Funding Loan to the Governmental Lender.

This Funding Loan Note is issued to evidence the Funding Loan by the Bank to the Governmental Lender and the obligation of the Governmental Lender to repay the same, but only from amounts received by or on behalf of the Governmental Lender from 11681 Foothill, L.P., a California limited partnership (the “**Borrower**”), pursuant to a Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019, as amended, by and among the Governmental Lender, the Bank and the Borrower (the “**Borrower Loan Agreement**”) and the other Borrower Loan Documents (as defined in the Borrower Loan Agreement).

Monthly payments of principal and interest shall be due and payable under this Funding Loan Note in the same amounts and on the same dates as payments of principal and interest are due and payable on the Borrower Note, as provided in the Borrower Loan Agreement. The Outstanding Balance of this Funding Loan Note shall be due and payable in its entirety on June 1, 2038.

The Funding Loan and this Funding Loan Note are pass-through obligations relating to the Borrower Loan made by the Governmental Lender from the proceeds of the Funding Loan to the Borrower under the Borrower Loan Agreement. Reference is hereby made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note.

In the event the Governmental Lender fails to make the timely payment of any monthly payment, and such payment remains unpaid for a period of 10 days subsequent to the established payment date, the Governmental Lender shall pay (solely from amounts received from the Borrower as late charges under the Borrower Loan Agreement) to the Bank a late charge in the amount specified in Section 3.6 of the Borrower Loan Agreement. If the principal balance of this Funding Loan Note is accelerated following an Event of Default (as defined in the Funding Loan Agreement), the Bank may increase the interest rate on this Funding Loan to the Default Rate (as defined in the Borrower Loan Agreement).

The Governmental Lender may, at any time, prepay the principal amount of this Funding Loan Note to the same extent and subject to the same terms and conditions set forth in the Borrower Loan Agreement for the prepayment of the Borrower Loan (including any provisions for the payment of any prepayment premium, fee or penalty).

All sums due hereunder shall be paid in lawful money of the United States of America. Interest on this Funding Loan Note shall be computed as provided for the Borrower Loan in the Borrower Loan Agreement. All payments made hereunder shall be credited and applied as provided in the Funding Loan Agreement.

**THIS FUNDING LOAN 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 FUNDING LOAN NOTE OR OTHER COSTS INCIDENT THERETO. THIS FUNDING LOAN NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.**

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

**NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, WARRANTY OR AGREEMENT CONTAINED IN THE FUNDING LOAN AGREEMENT OR IN THIS FUNDING LOAN 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 FUNDING LOAN NOTE, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE GOVERNMENTAL LENDER UPON THIS FUNDING LOAN 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 FUNDING LOAN NOTE SECURED BY THE FUNDING LOAN AGREEMENT OR ANY OF THEM IS, BY THE ACCEPTANCE OF THIS FUNDING LOAN 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 FUNDING LOAN NOTE.**

THIS FUNDING LOAN NOTE AND THE REPAYMENT PROVISIONS CONTAINED HEREIN ARE SUBJECT TO THE PROVISIONS AND LIMITATIONS CONTAINED IN SECTIONS 4.1, 5.2 AND 6.14 OF THE FUNDING LOAN AGREEMENT.

No delay or omission on the part of the Bank in exercising any remedy, right or option under this Funding Loan Note or the Funding Loan Documents (as defined in the Funding Loan Agreement) shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Bank under this Funding Loan Note and the Funding Loan Documents are and shall be cumulative and are in addition to all the rights, remedies and options of the Bank at law or in equity or under any other agreement.

Presentment for payment, notice of dishonor, protest or notice of protest are hereby waived. The acceptance by the Bank of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the owner hereof any sum and amount less than the amount then due shall be deemed an acceptance on account only and upon condition of the acceptance shall not constitute a waiver of the obligation of the Governmental Lender to pay the entire sum then due, and the Governmental Lender's failure to pay such amount then due shall be and continue to be at default notwithstanding such acceptance of such amount on account thereof. Consent by the Bank to any action of the Governmental Lender which is subject to approval of the Bank hereunder shall not be deemed a waiver of the right to require such consent or approval to future successive actions, waiver the right to assert the defense of any statute of limitations to any debt or obligation hereunder or consents to renewals and extensions of time for payment of any amounts due under this Funding Loan Note.

THIS FUNDING LOAN NOTE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 4.3 OF THE FUNDING LOAN AGREEMENT, AND ANY SUCH TRANSFER SHALL BE RECORDED IN THE NOTE REGISTER MAINTAINED BY THE FISCAL AGENT.

Capitalized terms used herein which are not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Funding Loan Note to be executed in its name and on its behalf all as of the \_\_\_\_ day of \_\_\_\_\_, 2019.

(SEAL)

CITY OF LOS ANGELES

\_\_\_\_\_  
City Treasurer

By \_\_\_\_\_  
Mayor

#### FORM OF CERTIFICATE OF AUTHENTICATION

This is the Funding Loan Note described in the within-mentioned Funding Loan Agreement and has been authenticated and registered on \_\_\_\_\_.

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

By \_\_\_\_\_



**SECOND MODIFICATION AGREEMENT  
(Summit View Apartments)**

Date: \_\_\_\_\_, 2022

This Second Modification Agreement ("Agreement") is made as of the above date by and among **11681 FOOTHILL, L.P.**, a California limited partnership ("Debtor"), **MUFG UNION BANK, N.A.** ("Bank") and the **CITY OF LOS ANGELES**, a charter city and a municipal corporation of the State of California ("Governmental Lender"), with reference to the following facts:

**RECITALS:**

**A.** Pursuant to that certain Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated December 1, 2019, as modified by that certain Modification Agreement dated June 1, 2022 (as modified, the "Borrower Loan Agreement"), Governmental Lender made a loan to Debtor (the "Loan") evidenced by that certain Promissory Note (Multifamily Housing Back to Back Loan Program) dated as of December 1, 2019 from Borrower in favor of Governmental Lender in the original principal amount of \$19,960,000 (the "Borrower Note"). Capitalized terms used in this Agreement shall have the meanings given in the Borrower Loan Agreement unless otherwise defined.

**B.** Except for the Reserved Rights (as defined in the Funding Loan Agreement), all of Governmental Lender's interests and rights in the Borrower Loan Agreement, the Borrower Note and the other Borrower Loan Documents have been assigned to Bank pursuant to that certain Assignment of Deed of Trust and Related Documents dated December 1, 2019, and recorded on December 20, 2019 as Instrument No. 20191425278 in the Official Records of Los Angeles County, California (the "Official Records").

**C.** The Borrower Note and Debtor's obligations under the Borrower Loan Agreement are secured in part by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Construction to Permanent Trust Deed) (Multifamily Housing Back to Back Loan Program) dated December 1, 2019 (the "Deed of Trust") and recorded on December 20, 2019 as Instrument No. 20191425277 in the Official Records.

**D.** Debtor's obligations under the Borrower Loan are guaranteed by L.A. Family Housing Corporation, a California nonprofit public benefit corporation, and Many Mansions, a California Nonprofit Corporation, a California nonprofit public benefit corporation (collectively, "Guarantor"), as evidenced by that certain Loan and Completion Guaranty and that certain Indemnity Agreement, each dated December 1, 2019, executed by Guarantor in favor of Bank (collectively, the "Guaranty").

**E.** The Borrower Loan Agreement, the Borrower Note, the Deed of Trust, the Guaranty, and any other documents executed in connection with the Borrower Loan are collectively referred to as the "Borrower Loan Documents."

**F.** It is the desire of the parties hereto to modify the Borrower Loan Documents as provided below, subject to the terms and conditions set forth herein.

**G.** Any reference to "Debtor" herein shall also mean "Borrower," if the Debtor is so defined in the Borrower Note. Any reference to "Note" herein shall also mean "Debt Instrument," if the Borrower Note is so defined in the Deed of Trust.

**1. AMENDMENTS TO THE BORROWER LOAN AGREEMENT.**

**1.1 Outside Conversion Date.** The definition of Outside Conversion Date set forth in Section 1.141 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with "July 1, 2023."

**1.2 Extension of Outside Conversion Date.** Section 2.5 of the Borrower Loan Agreement is hereby deleted in its entirety and replaced with "Intentionally Omitted."

## **2. ADDITIONAL PROVISIONS.**

**2.1 Payment of Extension Fee.** Notwithstanding anything to the contrary set forth in the Borrower Loan Agreement (including, without limitation, the Disbursement Schedule), upon the satisfaction of all conditions precedent to the effectiveness of this Agreement, Bank, on behalf of Governmental Lender, will caused to be disbursed to Bank an amount equal to \$49,900 as payment for the extension fee required to be paid by Borrower in accordance with Section 2.2(ii) below.

**2.2 Conditions Precedent.** The effectiveness of this Agreement is expressly conditioned on Debtor causing the following conditions to be satisfied to the satisfaction of Bank:

i) Bank shall have received (i) Debtor's original signature to this Agreement, (ii) Governmental Lender's original signature to this Agreement, (iii) Guarantor's original signature to the Consent and Reaffirmation of Guaranty attached hereto, (iv) the original signature of CDA to the Consent and Reaffirmation of Subordination attached hereto, (v) the original signature of LAHD to the Consent and Reaffirmation of Subordination attached hereto, (vi) the original signature of LAFH to the Consent and Reaffirmation of Subordination attached hereto, (vii) the original signature of MM to the Consent and Reaffirmation of Subordination attached hereto, (viii) the original signature of Tax Credit Investor to the Consent of Tax Credit Investor attached hereto, and (ix) any other documents reasonably required by Bank and/or Governmental Lender, each in form and substance satisfactory to Bank and/or Governmental Lender, as applicable, and each executed by Debtor, Guarantor, CDA, LAHD, LAFH, MM and/or the Tax Credit Investor, as applicable.

ii) Subject to the terms of Section 2.1 above, Borrower shall have paid to Bank a loan extension fee equal in an amount equal to \$49,900.

iii) No default or Event of Default under the Borrower Loan Documents shall have occurred or be continuing or would exist after giving effect to this Agreement on such date, and no event shall have occurred which, with the giving of notice or the passage of time, or both, shall ripen into a default or Event of Default hereunder.

iv) Borrower shall provide Bank and Governmental Lender with an opinion of Tax Counsel that the extension of the Outside Conversion Date pursuant to this Agreement will not, in and of itself, have an adverse effect upon the exclusion of interest on the Funding Loan Note from gross income for federal income tax purposes.

v) Bank shall have the option, in its sole discretion, to re-balance the Interest Reserve to assure that there are sufficient funds in the Interest Reserve to pay the interest required under the terms of Section 3.1.2(a) of the Borrower Loan Agreement through the Outside Conversion Date. In the event the Bank determines that the funds in the Interest Reserve are insufficient, Borrower shall pay into the Borrower's Funds Account such amount as is necessary, as determined by Bank in its sole discretion, to provide adequate funds to pay, at a minimum, the interest required under the terms of Section 3.1.2(a) of the Borrower Loan Agreement through the Outside Conversion Date.

vi) There shall have been no substantial deterioration in the financial condition of Debtor or any Loan Party, as determined by Bank in Bank's reasonable discretion.

vii) Neither Debtor nor any Loan Party shall be in default under any promissory note, deed of trust, security agreement, guaranty or other agreement between Bank and any such party, and no event shall have occurred which would constitute a default or event of default thereunder.

viii) Bank shall have received endorsements to the Title Policy as required in its sole discretion without any new exceptions to title, except as approved by Bank.

ix) Debtor shall pay all costs and expenses incurred by Bank in connection with the modification of the Borrower Loan contemplated by this Agreement, including without limitation, documentation and/or recording fees, if any, and the cost of any title endorsements required by Bank.

x) Each of the representations and warranties made by Debtor in the Borrower Loan Documents and/or pursuant to this Agreement shall be true and correct in all material respects, before and after giving effect to this Agreement.

**2.3 Affirmation of Indebtedness.** Debtor affirms and admits the indebtedness evidenced by the Borrower Note. Debtor acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Borrower Note or Deed of Trust or other Borrower Loan Documents. Debtor ratifies and confirms each and all of the terms, conditions and covenants of the Borrower Note, Deed of Trust and other Borrower Loan Documents as amended or modified by this Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Borrower Loan Documents remain in full force and effect.

**2.4 No Encumbrances.** Debtor represents and warrants that title to the real property described in the Deed of Trust is now vested in Debtor subject only to those matters existing at the time of recordation of the Deed of Trust (and matters approved by Bank in writing) and current taxes and that no one other than Debtor has any interest in the real property subject to the Deed of Trust.

**2.5 General Release.** Debtor and Guarantor, and each of their respective successors, assigns, directors, officers, employees, agents (collectively, "Releasing Parties"), fully, finally, and forever releases and discharges Bank and its representatives together with Bank's respective successors, assigns, directors, officers, employees, agents (collectively, "Released Parties") from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity arising under or in a manner in connection with the Borrower Loan or Borrower Loan Documents, that Releasing Parties have or in the future may have, whether known or unknown, occurring prior to the date of this Agreement. It is the intention of Releasing Parties that the above release shall be effective as a full and final release of each and every matter specifically and generally referred to above.

Each Releasing Party acknowledges and represents that it, he or she has been advised by independent legal counsel with respect to the agreements contained herein and with respect to the provisions of California Civil Code Section 1542, 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." Each Releasing Party, being aware of said code section, expressly waives any and all rights it, he or she may have thereunder, as well as under any other statute or common law principle of similar effect, with respect to any of the matters released herein. This general release shall act as a release of all included claims, rights and causes of action, whether such claims are currently known, unknown, foreseen or unforeseen and regardless of any present lack of knowledge as to such claims. Each Releasing Party understands and acknowledges the significance and consequence of this waiver of California Civil Code Section 1542, and hereby assumes full responsibility for any injuries, damages, losses or liabilities released herein.

Borrower's Initials: \_\_\_\_\_ Guarantor's Initials \_\_\_\_\_

**2.6 Dispute Resolution.** This Agreement incorporates any judicial reference or alternative dispute resolution agreement previously, concurrently or hereafter executed between Debtor and Bank.

**2.7 Successors and Assigns.** This Agreement shall inure to the successors and assigns of Bank and the permitted successors and assigns of Debtor.

**2.8 USA Patriot Act.** Bank is subject to federal laws to help the government fight money laundering and terrorist financing that require Bank to obtain, verify, record, and retain information that identifies Borrower, any guarantor and, when applicable, Borrower's Beneficial Owners. Under federal law, Beneficial

Owners for these purposes means any individual or entity holding 25% or more of the direct or indirect equity ownership of Borrower, as well as any individual or entity with significant responsibility to control, manage or direct Borrower (e.g., CEO, CFO, COO, President or similar). This information includes the name, address, date of birth, and other information that will allow Bank to identify Borrower, any guarantor and Borrower's Beneficial Owners. At any time, Bank may require this information of Borrower, any guarantor and Borrower's Beneficial Owners (and such other persons or entities as are required by law, regulation or Bank's then applicable "know your customer" requirements). By signing this document, Borrower agrees to promptly provide and consents to Bank obtaining, if necessary, from third parties, any and all information reasonably necessary to identify Borrower, any guarantor and Borrower's Beneficial Owners. Failure of Borrower to provide the information requested by Bank pursuant to this provision within thirty (30) days of such request shall be deemed to be a material breach of the obligations hereunder.

**2.9 Entire Agreement; No Oral Modifications.** This Agreement, the other Borrower Loan Documents and the other documents mentioned herein and executed as of the date hereof set forth the entire agreement of the parties with respect to the Borrower Loan and supersede all prior written or oral understandings and agreements with respect thereto. No modification or waiver of any provision of this Agreement shall be effective unless set forth in writing and signed by the parties hereto. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument executed by Borrower or Guarantor, including any of the other Borrower Loan Documents, the terms, conditions and provisions of this Agreement shall prevail. By executing this Agreement and initialing below Borrower and Guarantor expressly represent and warrant that they did not rely on any representation, assurance or agreement, oral or written, not expressly set forth in this Agreement or any of the other Borrower Loan Documents in reaching its decision to enter into this Agreement or any of the other Borrower Loan Documents and that no promises or other representations have been made to Borrower or Guarantor which conflict with the written terms of the Borrower Loan Documents. Borrower and Guarantor represent to Bank that (i) it has read and understands the terms and conditions contained in this Agreement and the other Borrower Loan Documents executed in connection with this Agreement, (ii) its legal counsel has carefully reviewed all of the Borrower Loan Documents and it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and all other Borrower Loan Documents, (iii) it is satisfied with its legal counsel and the advice received from it, and (iv) it has relied only on its review of the Borrower Loan Documents and its own legal counsel's advice and representations (and it has not relied on any advice or representations from Bank, or any of Bank's officers, employees, agents or attorneys). The Borrower Loan Documents may not be modified, amended or terminated except by a written agreement signed by each of the parties hereto.

Borrower's Initials: \_\_\_\_\_

Guarantor's Initials \_\_\_\_\_

**2.10 Counterparts/Electronic Signatures.** This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**DEBTOR:**

**11681 FOOTHILL, L.P.,**  
a California limited partnership

By: 11681 Foothill GP LLC,  
a California limited liability company,  
its general partner

By: L.A. Family Housing Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

By: Many Mansions, a California Nonprofit Corporation,  
a California nonprofit public benefit corporation,  
its co-managing member

By: \_\_\_\_\_  
Rick Schroeder, President

**BANK:**

**MUFG UNION BANK, N.A.**

By: \_\_\_\_\_  
Name: Brian Roberts  
Title: Managing Director

**GOVERNMENTAL LENDER:**

**CITY OF LOS ANGELES**

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: Daniel Huynh  
Title: Assistant General Manager

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

## **CONSENT AND REAFFIRMATION OF GUARANTY BY GUARANTOR**

The undersigned ("Guarantor") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement, acknowledges and reaffirms its obligations owing under the Loan and Completion Guaranty and the Indemnity Agreement, each dated December 1, 2019 executed by Guarantor (collectively, the "Guaranty"), and any other Borrower Loan Documents to which it is a party, acknowledges and agrees that the "Obligations" as defined in the Guaranty includes the obligations of Debtor set forth in this Second Modification Agreement, and agrees that such Guaranty and Borrower Loan Documents are and shall remain in full force and effect, as amended hereby.

This Consent and Reaffirmation of Guaranty by Guarantor is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Rick Schroeder, President

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425285, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**LOS ANGELES COUNTY DEVELOPMENT AUTHORITY,**  
a public body corporate and politic

By: \_\_\_\_\_  
Executive Director or Designee

\_\_\_\_\_  
Printed Name

APPROVED AS TO FORM:

Dawyn R. Harrison, Acting County Counsel

By: \_\_\_\_\_  
Senior Deputy

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425281, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

### CITY OF LOS ANGELES

By: Los Angeles Housing Department

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

## **CONSENT AND REAFFIRMATION OF SUBORDINATION**

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425289, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**L.A. FAMILY HOUSING CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Stephanie Klasky-Gamer, President and CEO

## CONSENT AND REAFFIRMATION OF SUBORDINATION

The undersigned ("Subordinating Party") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement, acknowledges and reaffirms the subordination of its rights under the Subordination Agreement dated December 1, 2019 ("Subordination Agreement") and recorded on December 20, 2019 in the Official Records of Los Angeles County, California ("Official Records"), as Instrument No. 20191425287, executed by Subordinating Party in favor of MUFG Union Bank, N.A., in its capacity as assignee of the City of Los Angeles, a charter city and a municipal corporation of the State of California, and agrees that the Subordination Agreement shall remain in full force and effect.

This Consent and Reaffirmation is executed as of the date first written above.

**MANY MANSIONS, A CALIFORNIA NONPROFIT CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Rick Schroeder, President

## CONSENT OF TAX CREDIT INVESTOR

The undersigned ("Tax Credit Investor") hereby acknowledges and consents to the terms and conditions set forth in this Second Modification Agreement.

This Consent is executed as of the date first written above.

**MERRITT COMMUNITY CAPITAL FUND XXI, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MERRITT COMMUNITY CAPITAL FUND XIX, L.P.,**  
a California limited partnership

By: Merritt Community Capital Corporation,  
a California nonprofit public benefit corporation,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_