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This Agreement is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

By: _____
Bruce Rudd
Its: City Manager

Date: 8/14/13

CITY OF FRESNO
HOME INVESTMENT PARTNERSHIPS (HOME) AGREEMENT

by and between

CITY OF FRESNO,
a municipal corporation

and

PARC GROVE COMMONS NORTHWEST, LP, a California Limited Partnership
regarding

Parc Grove Commons Northwest Affordable Multi-Family Project
2660 E. Clinton, Fresno California 93703 (APN: 446-020-39T)

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HOME INVESTMENT PARTNERSHIPS PROGRAM AGREEMENT

This HOME Investment Partnerships Program Agreement (hereinafter referred to as the "Agreement") is entered into this 7/25, 2013, by and between the City of Fresno, a municipal corporation, acting through its Development and Resource Management Department – Housing and Community Development Division (hereinafter referred to as the "CITY"), and Parc Grove Commons Northwest, LP, a California limited partnership (hereinafter referred to as "DEVELOPER").

RECITALS

A. The CITY has received a HOME Investment Partnerships Program (hereinafter referred to as "HOME Program") grant from the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD"), under Title II of the Cranston-Gonzalez National Affordable Rental Housing Act of 1990, as amended (hereinafter referred to as the "Act").

B. To advance the supply of Affordable Rental Housing within the City of Fresno, the CITY desires, among other things, to encourage investment in the affordable rental housing market.

C. The project will provide for the construction of 147-units affordable multi-family units, of which twenty-six (26) units will be designated as HOME-assisted Affordable Rental Housing units ("HOME-assisted Units" or "Affordable Project Units"), related on-site and off-site improvements, and 1 on-site manager's unit, and parking at the Property and an 8,880 square foot community building identified in EXHIBIT "A" (the "Project").

D. The DEVELOPER desires to act as the owner/developer exercising effective project control, as to the construction of the Project and related on-site and off-site improvements, as more particularly described in the Project Description attached hereto as EXHIBIT "B", incorporated herein.

E. The Project will be constructed upon HOME Program eligible Property owned by the DEVELOPER and located within the boundaries of the City of Fresno, as more particularly described in the attached EXHIBIT "A".

F. To further its goal to increase the supply of Affordable Rental Housing within the City of Fresno, the CITY desires to assist the DEVELOPER by providing a Four Million Five Hundred Thousand dollar and 00/100 ($4,500,000.00) residual receipts HOME Program Loan to the Project (hereinafter referred to as "Loan"), at 3.8% annual interest for a term of fifty-five (55) years, for payment of the HOME Program Eligible Costs, as further identified in the Project Budget, EXHIBIT "C", to be secured by the Property and the Affordable Rental Housing covenants, upon the terms and conditions in this Agreement. Principal and interest will be payable from annual residual receipts at times prior to the Maturity Date and in full upon the Maturity Date.

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G. A June 26, 2006, as amended, environmental review of the Project pursuant to the National Environmental Policy Act ("NEPA") guidelines resulted in a Finding of No Significant Impact. Additionally, a December 6, 2011, environmental review of the Project pursuant to the California Environmental Quality Act ("CEQA") guidelines resulted in the project being found consistent with the General Plan MEIR, as amended April 30, 2013.

H. The CITY has determined that this Agreement is in the best interests of, and will materially contribute to, the Housing Element of the General Plan. Further, the CITY has found that the Project: (i) will have a positive influence in the neighborhood and surrounding environs: (ii) is in the vital and best interests of the CITY, and the health, safety, and welfare of CITY residents: (iii) complies with applicable federal, state, and local laws and requirements: (iv) will increase, improve, and preserve the community's supply of Low-Income Housing available at Affordable Rental Housing cost to Very Low- and Low-Income households, as defined hereunder: (v) planning and administrative expenses incurred in pursuit hereof are necessary for the production, improvement, or preservation of Very Low- to Low-Income Housing, and (vi) will comply with any and all owner participation rules and criteria applicable thereto.

I. The CITY and DEVELOPER have determined that the Project's HOME-Assisted Units constitute routine programmatic/grantee lender activities utilizing available and allocated program/grantee funding, outside the reach of California Constitution Article XXXIV and enabling legislation.

J. On 6/12/13, the Housing and Community Development Commission of the City of Fresno reviewed this Agreement and recommended approval.

K. On 5/22/13, 2013, the Boards' and/or managing members of the DEVELOPER's administrative general partner and managing general partner reviewed and approved the development and authorized entry of a HOME Program Project agreement.

NOW, THEREFORE, IN CONSIDERATION of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for other good and valuable consideration hereby acknowledged, the parties agree as follows:

ARTICLE 1. DEFINITIONS

The following terms have the meaning and content set forth in this Article wherever used in this Agreement, attached exhibits or attachments that are incorporated into this Agreement by reference.

1.1 ADA means the Americans with Disabilities Act of 1990, as most recently amended.

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1.2 Affirmative Marketing means a good faith effort to attract eligible persons of all racial, ethnic and gender groups, in the housing market area, to rent the proposed Affordable Project Units, as hereinafter defined.

1.3 Affordability Period means the minimum period of fifty-five (55) years commencing from the date the City entered Project and tenant information into HUD's Integrated Disbursement and Information System (IDIS).

1.4. Affordable Project means the construction and operation of the twenty-six (26) Affordable Project Units.

1.5 Affordable Project Unit means twenty-six (26) of the one hundred forty-seven (147) affordable housing units located upon a portion of the Property, developed and as described in the Project Description attached hereto and incorporated herein as EXHIBIT "B" which will be rented as floating Very Low-Income and Low-Income housing in accordance with the HOME Program requirements.

1.6 Affordable Project Property means the portion of the Property on which the Affordable Project Units will be located which is described on EXHIBIT "A".

1.7 Affordable Rental Housing means rental housing units which meet the HOME Program affordability requirements of 24 C.F.R. 92.252.

1.8 Budget means the pro-forma Project Budget attached hereto as EXHIBIT "C", for the Project, as may be amended upon the approval of the CITY's Housing and Community Development Division Manager, provided any increase in HOME Program Funds hereunder requires City Council Approval.

1.9 Certificate of Completion means that certificate issued, in the form attached as EXHIBIT "E" to be issued to the DEVELOPER by the CITY evidencing completion of the Project, a release of construction related covenants for the purposes of the Agreement.

1.10 C.F.R. means the Code of Federal Regulations.

1.11 Commencement of Construction means the date February 22, 2013, the day the DEVELOPER or DEVELOPER's construction contractor began substantial physical work on the Property, including, without limitation, delivery of materials and any work, beyond maintenance of the Property in its status quo condition.

1.12 Completion Date means the date that the CITY issues a recorded Certificate of Completion for the Project. The Completion date of the Project is identified in EXHIBIT "B".

1.13 Debt Service means payments made in a calendar year pursuant to the financing obtained for the acquisition, construction, operation and/or ownership of the Project, but excluding payments made pursuant to the Note.

1.14 Declaration of Restrictions means the Declaration of Restrictions, as outlined substantially in the form attached hereto as EXHIBIT "H", which shall be recorded against the Property no later than the date of disbursement of Loan funds, setting out the requirements of this Agreement which shall run with the land.

1.15 Deed of Trust means that standard, subordinate no worse than fourth (4th) position including assignment of rents and security agreement given by the DEVELOPER, as Trustor, to the CITY as beneficiary, issued through an escrow established by the DEVELOPER at its sole cost and expense, with a title company acceptable to the CITY, recorded against the Property, insured in the full amount of the Loan and acceptable to the City Attorney, as well as any amendments to, modifications of and restatements of said Deed of Trust. The terms of any such Deed of Trust shall be substantially the form attached hereto as EXHIBIT "G".

1.16 Eligible Costs means any and all HOME Program eligible Project costs of HOME-assisted Units as may be paid or reimbursed by the Loan, consistent with the "HOME" column and the row entitled "Basic Construction Contract" of the Budget, attached as EXHIBIT "C", allowable under 24 C.F.R. Part 92, as specified in 24 C.F.R. 92.205 and 92.206, Notice CPD 98-2 and not disallowed by 24 C.F.R. 92.214, provided, however, that costs incurred in connection with any activity that is determined to be ineligible under the Program by HUD or the CITY shall not constitute Eligible Costs.

1.17 Event of Default shall have the meaning assigned to such term under Section 10.1 hereunder.

1.18 Family has the same meaning given that term in 24 C.F.R. 5.403.

1.19 Federal HOME Investment Partnerships Funds (also referred to in this Agreement as "HOME Funds" or "HOME Program Funds") means the federal HOME Program monies consisting of the Loan, in an amount not to exceed the sum of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00) to be used for eligible Project costs.

1.20 Funding Sources means: (i) The CITY's HOME Funds; (ii) the Low Income Housing Tax Credits; (iii) Wells Fargo construction loan, California Community Reinvestment Corporation permanent loan, Housing Authority of the City of Fresno and/or Housing Relinquished Fund Corporation loan(s) (HRFC) referred in the Budget as source(s) of funding for the Project, and/or any other financing sources that may become available.

1.21 Hazardous Materials means any hazardous or toxic substances, materials, wastes, pollutants or contaminants which are defined, regulated or listed as "hazardous substances," "hazardous wastes," "hazardous materials," "pollutants," "contaminants" or "toxic substances" under federal or state environmental and health safety laws and regulations, including without limitation, petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos and lead. Hazardous Materials do not include substances that are used or

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consumed in the normal course of developing, operating or occupying a housing project, to the extent and degree that such substances are stored, used and disposed of in the manner and in amounts that are consistent with normal practice and legal standards.

1.22 Household means one or more persons occupying a Unit in the proposed Project.

1.23 HUD means the United States Department of Housing and Urban Development.

1.24 Loan means the non-assumable, loan of HOME Funds, in an amount not to exceed the lesser of (i) the sum of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00) and (ii) the aggregate HOME Program per unit cap (24 C.F.R. 92.250) for the twenty-six (26) HOME-assisted Units, as determined by the CITY and made available by the CITY to the DEVELOPER for the Affordable Project pursuant to this Agreement, as more specifically described in the Budget attached hereto as EXHIBIT "C", and in the Note attached hereto as EXHIBIT "F".

1.25 Loan Documents are collectively this Agreement, the Note, Deed of Trust, Declaration of Restrictions, and all related documents/instruments as they may be amended, modified or restated from time to time along with all exhibits and attachments thereto, relative to the Loan.

1.26 Low-Income for the purposes of this Agreement means those whose annual income does not exceed eighty percent (80%) of the median income for the Fresno County area as determined by HUD and as adjusted for family size, except as HUD may establish income ceilings higher or lower than eighty percent (80%) of the median for the area on the basis of HUD findings that such variations are necessary.

1.27 Note means the non-assumable, HOME Program Loan Note in a principal amount not to exceed the lesser of (i) the sum of Four Million Five Hundred Thousand dollars and 00/1000 ($4,500,000.00) and (ii) the aggregate HOME Program per unit cap (24 C.F.R. 92.250) as determined by the CITY for the 26 HOME-assisted Units, given by the DEVELOPER as promissor, in favor of the CITY as promissee, evidencing the Loan and performance of the affordability and other covenants and restrictions set forth in this Agreement, secured by the Deed of Trust as 4th position lien upon the Property, naming the CITY as beneficiary and provided to the CITY, no later than the date of Affordable Project funding hereunder, an exemplar of which is attached hereto as EXHIBIT "F", and incorporated herein, as well as any amendments to, modifications of and restatements of said Note consented to by CITY.

1.28 Operating Expenses means actual, reasonable and customary (for comparable quality, construction of rental housing in Fresno County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, including, without limitation: painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits

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and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the capital replacement reserve, fees and expenses of property management and common area expenses, fees and expenses of accountants, attorneys and other professionals, the cost of social services, repayment of any completion or operating loans including any and all deferred contractor's fees per the Budget, made to the DEVELOPER, its successors or assigns, and other actual operating costs and capital costs which are incurred and paid by the DEVELOPER, but which are not paid from reserve accounts.

1.29 Program Income has the meaning provided in the HOME Program included in 24 C.F.R. 92.503.

1.30 Project Schedule means the schedule for commencement and completion of the Project included within the Project Description and Schedule, EXHIBIT "B".

1.31 Project Units means the one hundred and forty-eight (148) residential housing units constructed on the property of which twenty-six (26) units will be preserved as Affordable HOME-assisted Units.

1.32 Property means the parcel located at 2660 E. Clinton Ave, Fresno, California, 93703, (APN: 446-020-39t), more specifically described in the attached EXHIBIT "A".

1.33 Rent means the total monthly payment a tenant pays for an Affordable Project Unit including the following: use and occupancy of the Unit and land and associated facilities, including parking, provided by the DEVELOPER(other than parking services acquired by tenants on an optional basis), any separately charged fees or service charges assessed by the DEVELOPER which are required of all tenants (other than security deposits), the cost of an adequate level of service for utilities paid by the tenant (including garbage collection, sewer, water, common area electricity, but not telephone service), any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than the DEVELOPER, and paid by the tenant. Rent does not include payments for any optional services provided by the DEVELOPER.

1.34 Residual Receipts means Residual Receipts as defined in EXHIBIT "F".

1.35 Senior Financing means the financing for the Project set forth on the Budget and Finance Plan which shall be senior to the Loan.

1.36 Senior Lender means one or more lenders providing the Senior Financing for the Project.

1.37 Unit means a dwelling unit of the Project.

1.38 Very Low-Income For the purposes of this Agreement means those whose annual income does not exceed fifty-percent (50%) of the median income for the Fresno, California area as determined by HUD, except as HUD may establish income ceilings higher or lower than 50% of the median income for the area on the basis of HUD findings that such variations are necessary.

ARTICLE 2. TERMS OF THE LOAN

2.1 Loan of HOME Funds. The CITY agrees to provide a Loan of HOME Funds to the DEVELOPER in an amount not to exceed Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00) as take out construction financing/permanent financing, under the terms and conditions provided in this Agreement. The HOME Funds shall only be used for payment of HOME Eligible Costs.

2.2 Loan Documents. The DEVELOPER shall execute and deliver the Note to the CITY and the Deed of Trust to the Title Company for recordation against the Property, as provided for in this Agreement.

2.3 Term of Agreement. This Agreement is effective upon the date of execution and shall remain in force with respect to the Project for the duration of the Affordability Period unless earlier terminated as provided herein. After the fifty-five (55) year Affordability Period, this Agreement will expire. It is understood and agreed upon, however, that if for any reason this Agreement should be terminated in whole or in part as provided hereunder, without default, by the DEVELOPER prior to disbursement of HOME Program funding hereunder, the CITY agrees to record a Notice of Cancellation regarding this Agreement, upon the written request of the DEVELOPER.

2.4 Loan Repayment and Maturity. The Loan will be due and payable in accordance with the Note and not later than the maturity date provided in the Note.

2.5 Incorporation of Documents. The Loan Documents, the Act and HUD regulations at 24 CFR Part 85,92, CPD 98-2 and all exhibits, attachments, documents and instruments referenced herein, as now in effect and as may be amended from time to time, constitute part of this Agreement and are incorporated herein by reference. All such documents have been provided to the parties herewith or have been otherwise provided to/procured by the parties and reviewed by each of them prior to execution hereof.

2.6 Covenants of DEVELOPER. The DEVELOPER for itself and its agents/assigns covenants and agrees to comply with all the terms and conditions of this Agreement and the requirements of 24 C.F.R. Part 92.

2.7 Subordination. This Agreement, the Declaration of Restrictions and the Deed of Trust may be subordinated to certain approved financing (in each case, a "Senior Lender"), to no worse than 4th position, but only on condition that all of the following conditions are satisfied: (a) All of the proceeds of the proposed Senior Loan, less any transaction costs, must be used to provide construction or permanent financing

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for the Project consistent with an approved financing plan; (b) DEVELOPER must demonstrate to the CITY's reasonable satisfaction that subordination of Deed of Trust is necessary to secure adequate construction or permanent financing to ensure the viability of the Project; (c) the subordination agreement must provide the CITY with adequate rights to cure any defaults by the DEVELOPER including providing the CITY or its successor with copies of any notices of default; (d) upon a determination by the City Manager that the conditions in this Section have been satisfied, the City Manager or his/her designee will be authorized to execute the approved subordination agreement , inter-creditor agreements, standstill agreements, and/or other documents as may be reasonably requested by the Lender to evidence subordination to the Project financing, without the necessity of any further action or approval provided that such agreements contain written provisions that are no more onerous and which are consistent with the customary standard requirements imposed by the financing source(s), on subordinate cash flow obligations under their then existing senior financing policies, and further provided that the City Attorney approves such document(s) as to form.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF DEVELOPER

3.1 Existence and Qualification. The DEVELOPER represents and warrants to the CITY as of the date hereof, that the DEVELOPER is a duly organized California limited partnership in good standing with the State of California; the DEVELOPER has the requisite power, right, and legal authority to execute, deliver, and perform its obligations under this Agreement and has taken all actions necessary to authorize the execution, delivery, performance, and observance of its obligations under this Agreement. This Agreement, when executed and delivered by the DEVELOPER and the CITY, shall constitute the legal, valid, and binding obligations of the DEVELOPER enforceable against the DEVELOPER in accordance with its respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar laws of general applicability affecting the enforcement of creditors' rights generally, and (b) the application of general principles of equity without the joinder of any other party.

3.2 No Litigation Material to Financial Condition. The DEVELOPER represents and warrants as of the date hereof that, except as disclosed to and approved by the CITY in writing, no litigation or administrative proceeding before any court or governmental body or agency is now pending, nor, to the best of the DEVELOPER's knowledge, is any such litigation or proceeding now threatened, or anticipated against the DEVELOPER that, if adversely determined, would have a material adverse effect on the financial condition, business, or assets of the DEVELOPER or on the operation of the Project.

3.3 No Conflict of Interest. The DEVELOPER represents and warrants to the CITY as of the date hereof that no official, officer, agent, or employee of the CITY directly or indirectly owns or controls any interest in the DEVELOPER, and no person, directly or indirectly owning or controlling any interest in the DEVELOPER, is an official, officer, agent, or employee of the CITY.

3.4 No Legal Bar. The DEVELOPER represents and warrants to the CITY as of the date hereof that the execution, delivery, performance, or observance by the DEVELOPER of this Agreement will not, to the best of the DEVELOPER's knowledge, materially violate or contravene any provisions of: (a) any existing law or regulation, or any order of decree of any court, governmental authority, bureau, or agency applicable to the DEVELOPER; (b) governing documents and instruments of the DEVELOPER; or (c) any mortgage, indenture, security agreement, contract, undertaking, or other agreement or instrument to which the DEVELOPER is a party or that is binding on any of its properties or assets, the result of which would materially or substantially impair the DEVELOPER's ability to perform and discharge its obligations or its ability to complete the Project under this Agreement.

3.5 No Violation of Law. The Developer represents and warrants as of the date hereof that, to the best of the DEVELOPER's knowledge, this Agreement and the operation of the Project as contemplated by the DEVELOPER, do not violate any existing federal, state or local laws of regulations.

3.6 No Litigation Material to Project. The DEVELOPER represents and warrants as of the date hereof, except as disclosed to, and approved by the City in writing, there is no action, proceeding, or investigation now pending, or any basis therefor known or believed to exist by the DEVELOPER that questions the validity of this Agreement, or of any action to be taken under this Agreement, that would, if adversely determined, materially or substantially impair the DEVELOPER's ability to perform and observe its obligations under this Agreement, or that would either directly or indirectly have an adverse effect or impair the completion of the Project.

3.7 Assurance of Governmental Approvals and Licenses. The DEVELOPER represents and warrants, as of the date hereof, that the DEVELOPER has obtained and, to the best of the DEVELOPER's knowledge, is in compliance with all federal, state, local governmental reviews, consents, authorizations, approvals, and licenses presently required by law to be obtained by the DEVELOPER for the Project as of the date hereof.

ARTICLE 4. COVENANTS OF THE DEVELOPER

The DEVELOPER, for itself and its development team, represents and warrants that:

4.1 Accessibility. The DEVELOPER covenants and agrees with the CITY that it shall comply with all federal regulations concerning accessibility requirements in federally funded housing, including, but not limited to the following:

A. At least five percent (5%) of the dwelling units, or at least two (2), whichever is greater, must be constructed to be accessible for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one (1) units, whichever is greater, must be accessible for persons with hearing or visual disabilities. These units must be constructed in accordance with the Uniform Federal

Accessibility Standards (U.F.A.S.) or a standard that is equivalent or stricter. These mandates can be found at 24 C.F.R. Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

B. The design and construction requirements of the Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended), including the following seven (7) requirements of the Fair Housing Accessibility Guidelines:

(i) Provide at least one accessible building entrance on an accessible route.

(ii) Construct accessible and usable public and common use areas.

(iii) Construct all doors to be accessible and usable by persons in wheelchairs.

(iv) Provide an accessible route into and through the covered dwelling unit.

(v) Provide light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

(vi) Construct reinforced bathroom walls for later installation of grab bars around toilets, tub, shower stalls and shower seats, where such facilities are provided.

(vii) Provide usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

C. Title III of the Americans with Disability Act of 1990 (ADA) as it relates to the required accessibility of public and common use area of the Project.

D. The design and construction requirements as required by the CITY's Universal Design Ordinance pursuant to FMC 11-110, including, but not limited to the following requirements:

i. No step accessible entryway;

ii. All interior doorways and passageways at least 32 inches wide;

iii. One downstairs "flex room" and accessible bathroom with reinforcements for grab bars;

iv. Six square feet of accessible kitchen counter space; and

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v. Hallways at least 42 inches wide.

4.2 Affirmative Marketing. The DEVELOPER warrants, covenants and agrees that it shall comply with all affirmative marketing requirements, including without limitation, those set out at 24 C.F.R. 92.350, 24 C.F.R. 92.351, in order to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market. The DEVELOPER shall be responsible for complying with the CITY's "Affirmative Marketing Policy" document, as amended from time to time. The DEVELOPER shall maintain records of actions taken to affirmatively market units, and to assess the results of these actions.

4.3 Availability of HOME Funds. The DEVELOPER understands and agrees that the availability of HOME Funds is subject to the control of HUD, or other federal agencies, and should the HOME Funds be encumbered, withdrawn or otherwise made unavailable to the CITY, whether earned by or promised to the DEVELOPER, and/or should the CITY in any fiscal year hereunder fail to allocate said Funds, the CITY shall not provide said Funds unless and until they are made available for payment to the CITY by HUD and the CITY receives and allocates said Funds. No other funds owned or controlled by the CITY shall be obligated under this Agreement.

4.4 Compliance with Agreement. The DEVELOPER warrants, covenants and agrees that, in accordance with the requirements of 24 CFR 92.252 and 24 CFR Part 85, upon any uncured default by the DEVELOPER within the meaning of Article 10 of this Agreement, the CITY may suspend or terminate this Agreement and all other agreements with the DEVELOPER without waiver or limitation of rights/remedies otherwise available to the CITY.

4.5 Conflict of Interest. The DEVELOPER warrants, covenants and agrees that it shall comply with the Conflict of Interest requirements of 24 C.F.R. 92.356 including, without limitation, that no officer, employee, agent or consultant of the DEVELOPER (other than an employee or agent of the DEVELOPER) who occupies a Unit as the property manager or maintenance worker) may occupy an Affordable Project Unit. The DEVELOPER understands and acknowledges that no employee, agent, consultant, officer or elected official or appointed official of the CITY, who exercises or has exercised any functions or responsibilities with respect to the Affordable Project, or who is in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from the Affordable Project, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for him or herself or for anyone with which that person has family or business ties, during his or her tenure or for one year thereafter. To the extent provided at 24 C.F.R. 92.356(f), no owner, developer or sponsor of the Affordable Project, or officer, employee, agent or consultant thereof, may occupy an Affordable Project Unit.

4.6 Construction Standards. The DEVELOPER shall construct the proposed Project Units assisted under this Agreement in compliance with all applicable local codes, ordinances and zoning requirements in effect at the time of issuance of CITY building permits.

4.7 Covenants and Restrictions to Run with the Land. The CITY and the DEVELOPER expressly warrant, covenant and agree to ensure that the covenants and restrictions set forth in this Agreement are recorded and will run with the land, provided, however, that, on expiration of this Agreement such covenants and restrictions shall expire, provided that such agreements contain written provisions that are no more onerous and which are consistent with the customary standard requirements imposed by the financing source(s), on subordinate cash flow obligations under their then existing senior financing policies, and further provided that City Attorney approves such document(s) as to form.

A. The CITY and the DEVELOPER hereby declare their understanding and intent that the covenants and restrictions set forth herein directly benefit the land; (a) by enhancing and increasing the enjoyment and ownership of the proposed Project by certain Very Low- and Low-Income households, and (b) by making possible the obtaining of advantageous financing for construction.

B. The DEVELOPER covenants and agrees that after issuance of a recorded Certification of Completion for the Project until the expiration of the Affordability Period it shall cause six (6) of the HOME-assisted Units to be rented as Affordable Housing for Very Low-Income households and twenty (20) of the Home-assisted Units to be rented as Affordable Housing for Low-Income households.

C. Without waiver or limitation, the CITY shall be entitled to injunctive or other equitable relief against any violation or attempted violation of any covenants and restrictions, and shall, in addition, be entitled to damages available under law or contract for any injuries or losses resulting from any violations thereof.

D. All present and future owners of the Property and other persons claiming by, through, or under them shall be subject to and shall comply with the covenants and restrictions. The acceptance of a deed of conveyance to the Property shall constitute an agreement that the covenants and restrictions, as may be amended or supplemented from time to time, are accepted and ratified by such future owners, tenant or occupant, and all such covenants and restrictions shall be covenants running with the land and shall bind any person having at any time any interest or estate in the Property, all as though such covenants and restrictions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

E. The failure or delay at any time of the CITY or any other person entitled to enforce any such covenants or restrictions shall in no event be deemed a waiver of the same, or of the right to enforce the same at any time or from time to time thereafter, or an estoppel against the enforcement thereof.

4.8 Displacement of Persons. The DEVELOPER covenants and agrees with the CITY that pursuant to 24 C.F.R. 92.353, it will take all reasonable steps to minimize the displacement of any persons (families, individuals, businesses, nonprofit organizations and farms). The parties acknowledge and agree that the Property is not occupied with tenants.

4.9 Initial and Annual Income Certification. The DEVELOPER covenants and agrees with the CITY that it shall comply with the procedures for annual income determinations at 24 C.F.R. 92.203 for the twenty-six (26) Affordable Project Units. The DEVELOPER shall obtain, complete and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from each tenant Household renting any HOME-assisted Unit. The DEVELOPER shall make a good faith effort to verify that the income provided by an applicant or occupying Household in an income certification is accurate by taking one or more of the following steps as part of the verification process: (1) obtain a pay stub for the most recent pay period; (2) obtain an income verification form from the applicant's current employer; (3) obtain an income verification form from the Social Security Administration and California Department of Social Services if the applicant receives assistance from either of such agencies; (4) obtain an income tax return for the most recent tax year; or (5) if the applicant is unemployed, obtain another form of independent verification. Copies of household income certification and verification must be available for review by the CITY. The DEVELOPER further warrants, covenants and agrees that it shall cooperate with the CITY in the CITY's income certification/affordability monitoring activities.

4.10 Lead-Based Paint. The DEVELOPER covenants and agrees with the CITY that it shall comply with all applicable requirements of the Lead-Based Paint Poisoning Prevention Act of 42 U.S.C. 4821 et seq., 24 CFR Part 35, including the HUD 1012 Rule, and 24 CFR 982.401(j), and any amendments thereto, and EPA Section 402(c)(3) of the Toxic Substances Control Act 9TSCA) to address lead-based paint hazards created by renovation, repair, and painting activities that disturb lead-based paint in target housing and child-occupied facilities. Contractors performing renovations in lead-based paint units must be EPA-certified renovators. These requirements apply to all Units and common areas of the Project. The DEVELOPER shall incorporate or cause incorporation of this provision in all contracts and subcontracts for work performed on the Project, which involve the application of paint. The DEVELOPER shall be responsible for all disclosure, inspection, testing, evaluation, and control and abatement activities.

4.11 Minority Outreach Activities. The DEVELOPER covenants and agrees with the CITY that it shall comply with all federal laws and regulations described in Subpart H of 24 C.F.R. Part 92, including, without limitation, any requirement that the DEVELOPER comply with the CITY's minority outreach program.

4.12 Other Laws and Regulations. The DEVELOPER covenants and agrees with the CITY that, in addition to complying with the federal laws and regulations already cited in this Agreement, the DEVELOPER has reviewed, and shall comply with and require all its contractors and subcontractors on this Project comply with, all other

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L. The provisions of the Drug-Free Workplace Act of 1988 (42 U.S.C. 701), in accordance with the Act and with HUD's rules at 24 CFR part 24, subpart F.

M. Title 8 of the Civil Rights Act of 1968 PL. 90-284.

N. Executive Order 11063 on Equal Opportunity and Housing.

O. Section 3 of the Housing and Urban Development Act of 1968.

P. The Housing and Community Development Act of 1974.

Q. Clean Water Requirements 33 U.S.C. 1251

R. Civil Rights Requirements, 29 U.S.C. § 623, 42 U.S.C. § 2000, 42 U.S.C. § 6102, 42 U.S.C. § 12112, 42 U.S.C. § 12132, 49 U.S.C. § 5332, 29 C.F.R. Part 1630, 41 C.F.R. Parts 60 et seq.

4.13 Faith Based Organizations. The DEVELOPER warrants, covenants and agrees that it shall not engage in any prohibited activities described 24 C.F.R. 92.257.

4.14 Reporting Requirements. The DEVELOPER warrants, covenants and agrees with the CITY that it shall submit performance reports to the CITY as detailed in Section 7.18. Furthermore, the DEVELOPER agrees to provide, at the sole cost of the DEVELOPER, annual audited Financial Statements for the Project expenses and ongoing financial transactions which occur as a result of this Agreement as detailed in Section 5.6. The DEVELOPER agrees to account for the expenditure of HOME Funds using generally accepted accounting principles, which financial documentation shall be made available to the CITY and HUD, upon their respective written request(s).

4.15 Housing Affordability. The DEVELOPER covenants and agrees with the CITY that twenty-six (26) of the Affordable Project Units will be affordable to Very Low- and Low-Income households and other requirements of 24 CFR 92.252 during the Affordability Period. Six (6) Units, at a minimum, be rented to and occupied by, or, if vacant, available for rental and occupancy by (a) person(s) whose annual household income at the time of initial occupancy is not greater than fifty percent (50%), and Twenty (20) Affordable Project Units shall, at a minimum, be rented to and occupied by or, if vacant available for rental and occupancy (a) person(s) whose annual household income at the time of initial occupancy is not greater than eighty (80%) of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable rent consistent with HOME Program regulations, for the Affordability Period except upon foreclosure or other transfer in lieu of foreclosure following default under a Deed of Trust. However, if at any time following a transfer by foreclosure or transfer in lieu of foreclosure, but still during the Affordability Period, the owner of record prior to the foreclosure or transfer in lieu of foreclosure, or any newly formed entity that includes such owner of record those whom such owner of record has or had business ties, obtains an ownership interest in the Project or the Property, the Affordability Period shall

be revived according to its original terms. In the event the DEVELOPER fails to comply with this Section or the Affordability Period is not revived following transfer by foreclosure or transfer in lieu of foreclosure, the DEVELOPER shall return to the CITY all HOME Funds disbursed to the DEVELOPER by the CITY.

4.16 Terminated Project. The DEVELOPER understands and agrees that, if the Project is terminated before the completion, either voluntary or otherwise, such constitutes an ineligible activity and the CITY shall not be required to provide any further HOME Program assistance funding to the Project Units.

ARTICLE 5. PROPERTY MAINTENANCE

The DEVELOPER covenants and agrees, for the entire term of the Agreement, the following:

5.1 Adequate Repair and Maintenance. After construction of the Project, the DEVELOPER shall maintain the Project and Property in compliance with all applicable codes, laws, and ordinances.

5.2 Affordable Rental Housing. The DEVELOPER covenants and agrees that the Affordable Project shall constitute at least twenty-six (26) Affordable Project Units preserved as floating Very Low- to Low-Income Rental Housing (as provided at 24 C.F.R. 92.252) during the entire Affordability Period. This covenant shall remain in effect and run with and restrict the land during the entirety of the Affordability Period. In the event that the DEVELOPER fails to comply with the time period in which the Affordable Project Units constitute Affordable Rental Housing, the CITY shall without waiver or limitation, be entitled to injunctive relief, as the DEVELOPER acknowledges that damages are not an adequate remedy at law for such breach.

5.3 Compliance with Environmental Laws. The DEVELOPER shall cause the Affordable Project Units to be in compliance with, and not to cause or permit the Project to be in violation of, any Hazardous Materials law, rule, regulation, ordinance, or statute. Although the CITY will utilize its employees and agents for regular inspection and testing of the eligible Property, the DEVELOPER agrees that, if the CITY has reasonable grounds to suspect any such violation, the DEVELOPER shall be entitled to thirty (30) days' notice and opportunity to cure such violation, which thirty (30) day cure period may be extended if any suspected violation is not capable of cure within thirty (30) days, provided DEVELOPER diligently pursues a cure.. If the suspected violation is not cured, the CITY shall have the right to retain an independent consultant to inspect and test the Property for such violation. If a violation is discovered, the DEVELOPER shall pay for the reasonable cost of the independent consultant.

Additionally, the DEVELOPER agrees:

A. That the CITY shall not be directly or indirectly responsible, obligated or liable with the inspection, testing, removal or abatement of asbestos or

federal laws and regulations that apply to the HOME Program, including, without limitation, requirements of 24 C.F.R. 58.6 and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128) and the following:

A. The DEVELOPER does not intend to use any financing that is secured by a mortgage insured by HUD in connection with the Project as part of its demolition or construction of the Project.

B. The Project is not located in a tract identified by the Federal Emergency Management Agency as having special flood requirements.

C. The Project requirements, Subpart F of 24 C.F.R. Part 92, as applicable and in accordance with the type of Affordable Project Units assisted, including, but not limited to, the limit on the HOME per-unit subsidy amount at 24 C.F.R. 92.250.

D. The property standards at 24 CFR 92.251.

E. The Project "Labor" requirements, as applicable, of 24 C.F.R. 92.354 including Davis Bacon prevailing wage requirements (40 U.S.C. 276a - 276a-7), as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

F. The provisions of Section 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor Regulations (29 C.F.R. Part 5), in regards to the construction and management of the proposed Project.

G. The DEVELOPER and its contractors, subcontractors and service providers for the Project, shall comply with all applicable local, state and federal requirements concerning equal employment opportunity, including compliance with Executive Order (E.O.) 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

H. The provisions of the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

I. The provisions of the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

J. The provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).

K. The provision of E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

other hazardous or toxic chemicals, materials, substances, or wastes and that all cost, expense and liability for such work shall be and remain solely with the DEVELOPER;

B. Not to transport to or from the proposed Property, or use, generate, manufacture, produce, store, release, discharge, or dispose of on, under, or about the Property, or surrounding real estate, or transport to or from the Property, or surrounding real estate, any hazardous or toxic chemicals, materials, substance, or wastes or allow any person or entity to do so except in such amounts and under such terms and conditions permitted by applicable laws, rules, regulations, ordinances, and statutes;

C. To give prompt written notice to the CITY of the following:

(i) Any proceeding or inquiry by any governmental authority with respect to the presence of any hazardous or toxic chemicals, materials, substance, or waste in or on the eligible Property or the surrounding real estate or the migration thereof from or to other property; and

(ii) All claims made or threatened by any third party against the DEVELOPER or such properties relating to any loss or injury resulting from any hazardous or toxic chemicals, materials, substance, or waste; and

(iii) The DEVELOPER's discovery of any occurrence or condition on any real property adjoining or in the vicinity of such properties that would cause such properties or underlying or surrounding real estate or part thereof to be subject to any restrictions on the ownership, occupancy, transferability, or use of the property under any environmental law, rule, regulation, ordinance or statute; and

D. To indemnify, defend, and hold the CITY harmless from any and all claims, actions, causes of action, demand, judgments, damages, injuries, administrative orders, consent agreements, orders, liabilities, penalties, costs, expenses (including attorney's fees and expenses), and disputes of any kind whatsoever arising out of or relating to the DEVELOPER or any other party's use of release of any hazardous or toxic chemicals, materials, substance, or wastes on the Property regardless of cause or origin, including any and all liability arising out of or relating to any investigation, site monitoring, containment, cleanup, removal, restoration, or other remedial work of any kind or nature.

5.4 Compliance with Laws. The DEVELOPER shall be responsible for and promptly and faithfully comply with, conform to and obey all present and future federal, state and local statutes, regulations, rules, ordinances and other legal requirements applicable by reason of this Agreement or otherwise to the Project including without limitation prevailing wage requirements. The DEVELOPER acknowledges that the use of federal funds on the Project is subject to extensive federal regulation and covenants and agrees that it shall comply with, conform to and obey (and take such steps as are required of the DEVELOPER to enable the CITY to comply with, conform to and obey) all federal statutes, regulations, rules and policies applicable to the Project.

5.5 Existence, Qualification, and Authority. The DEVELOPER shall provide to the CITY any evidence required or requested by the CITY to demonstrate the continuing existence, qualification, and authority of the DEVELOPER to execute this Agreement and to perform the acts necessary to carry out the Project.

5.6 Financial Statements and Audits. The DEVELOPER (or its successor who shall receive federal financial assistance), as a recipient of federal financial assistance, is required to comply with the provisions of the Single Audit Act of 1984 (31 U.S.C. Sections 7501 et seq.), as amended. Annually, within one hundred and eighty (180) days following: 1) the end of fiscal year(s) in which the federal funds are disbursed hereunder, and 2) the end of fiscal year(s) in which this contract shall terminate, and otherwise upon the CITY's, written request during the term of this Agreement, DEVELOPER, at its sole cost and expense shall submit to the CITY:

A. Audited annual financial statements of the DEVELOPER that are current, signed, and prepared according to generally accepted accounting principles consistently applied (except as otherwise disclosed therein).

B. Audited Financial Statements covering all the income and expenses and financial transactions for the Affordable Project during the prior fiscal year.

5.7 Inspection and Audit of Books, Records and Documents. The DEVELOPER shall be accountable to the CITY for HOME Funds disbursed for the Affordable Project Units pursuant to this Agreement. Any duly authorized representative of the CITY or HUD shall, at all reasonable times, have access to and the right to inspect, copy, make excerpts or transcripts, audit, and examine all books of accounts, records, files and other papers or property, and other documents of the DEVELOPER pertaining to the Project and for up to six (6) years after the expiration or termination of this Agreement.

A. The DEVELOPER will maintain books and records for the Project using generally accepted accounting principles. The DEVELOPER agrees to maintain books and records that accurately and fully show the date, amount, purpose and payee of all expenditures financed with HOME Funds and to keep all invoices, receipts and other documents related to expenditures financed with HOME Funds for not less than six (6) years after the expiration or termination of the Agreement. Books and records must be kept accurate and current. For purposes of this section, "books, records and documents" include, without limitation; plans, drawings, specifications, ledgers, journals, statements, contracts/agreements, funding information, funding applications, purchase orders, invoices, loan documents, computer printouts, correspondence, memoranda, and electronically stored versions of the foregoing. This section shall survive the termination of this Agreement.

B. The CITY may audit any conditions relating to this Agreement at the CITY's expense, unless such audit shows a significant discrepancy in information reported by the DEVELOPER in which case the DEVELOPER shall bear the cost of

such audit. The DEVELOPER shall also comply with any applicable audit requirements of 24 C.F.R. 92.506. This section shall survive the termination of this Agreement.

C. The DEVELOPER will cooperate fully with the CITY and HUD in connection with any interim or final audit relating to the Programs and the Project that may be performed relative to the performance of this Agreement.

5.8 Inspection of Property. Any duly authorized representative of the CITY or HUD shall, at all reasonable times, have access and the right to inspect the Property until completion of the Project and expiration of the applicable Affordability Period within seventy-two (72) hours written notice, subject to the rights of the tenants.

5.9 No Other Liens. The DEVELOPER shall not create or incur, or suffer to be created or incurred, or to exist, any additional mortgage, pledge, encumbrance, lien, charge, or other security interest of any kind on the eligible Property, other than those related to construction, pre-development or permanent loans in relation to the Project consistent with the attached Budget without prior written consent of the CITY.

5.10 Nondiscrimination. The DEVELOPER shall comply with and cause any and all contractors and subcontractors to comply with any and all federal, state, and local laws with regard to illegal discrimination, and the DEVELOPER shall not illegally discriminate against any persons on account of race, religion, sex, family status, handicap, or place of national origin in its performance of this Agreement and the completion of the Project.

5.11 Ownership. Except as required in pursuit hereof or as transferred in connection with the Right of First Refusal and Purchase Option Agreement between DEVELOPER and the Housing Authority of the City of Fresno, California and the Purchase Option between DEVELOPER and Parc Grove Commons Northwest AGP, LLC each dated as of February 13, 2013, the DEVELOPER shall not sell, lease, transfer, assign or otherwise dispose of ("Transfer") all or any material part of any interest it might hold in the Property or the Project without prior written consent of the CITY, which consent shall not be unreasonably withheld or delayed. "Transfer" shall exclude the leasing of any single Unit in the Project.

A. The DEVELOPER shall request CITY's written approval of the granting of the security interests in the Property described in Section 5.9 above.

B. The DEVELOPER is syndicating the low income housing tax credits that will be generated by the Project, which syndication will require the transfer of limited partnership interests. The CITY hereby approves the Transfer of the limited partner interest to affiliates of the investor, provided that in each instance the CITY is given prior written notice.

5.12 Payment of Liabilities. The DEVELOPER shall pay and discharge in the ordinary course of its business all material obligations and liabilities, the nonpayment of which could have a material or adverse impact on its financial condition, business, or

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assets or on the operation of the Project, except such obligations and liabilities that have been disclosed to the CITY in writing and are being contested in good faith.

5.13 Report of Events of Default. The DEVELOPER shall promptly give written notice to the CITY upon becoming aware of any Event of Default under this Agreement.

ARTICLE 6. DISBURSEMENT OF HOME FUNDS

Without waiver of limitation, the parties agree as follows, regarding disbursement of HOME Funds:

6.1 Loan Commitments and Financing Plan. The DEVELOPER shall submit its most current Finance Plan for the Project to the CITY within the time frame provided in the Project Schedule. So long as the Finance Plan is consistent with the Budget, the CITY shall accept the Finance Plan. If the Finance Plan is not consistent with the Budget, then within thirty (30) days after receiving the Finance Plan, the CITY, through its Development and Resource Management Department, Housing and Community Development Division, will review the Finance Plan and deliver notice to the DEVELOPER either approving or disapproving the Finance Plan in its reasonable discretion. If the CITY disapproves the Finance Plan, it will specify the reason for the disapproval and ask the DEVELOPER to provide any additional information the CITY may need to approve the Finance Plan. The failure of the CITY to send notice within such thirty (30) day time period shall be deemed an approval of the Finance Plan.

6.2 Finance Plan Content. The Finance Plan shall contain all Project pre-construction and post-construction, permanent loan or letters of intent from one or more qualified public/private lenders or funding sources, in sufficient amounts, combined with any other developer financing, for the DEVELOPER to complete construction of the Project. The total amount of the liens to be recorded against the Property as presented in the Finance Plan shall not exceed the DEVELOPER's estimated construction Budget.

6.3 Use of HOME Funds. The DEVELOPER warrants, covenants and agrees that it shall request HOME Funds only for payment or reimbursement of Eligible Costs incurred as identified in the attached Budget, attached hereto as EXHIBIT "C", including costs allowable under 24 C.F.R. 92.206, aggregating not more than Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00). The CITY's obligations shall in no event exceed the HOME Funds amount specified in this Agreement.

A. If any such Funds shall be determined to have been requested and/or used by the DEVELOPER for costs other than for Eligible Costs, and subject to the notice and cure provisions of Section 10.2 hereunder, an equal amount from nonpublic funds shall become immediately due and payable by the DEVELOPER to the CITY; provided, however, that the DEVELOPER shall, subject to its full cooperation with the CITY, be entitled to participate in any opportunity to remedy, contest, or appeal such determination.

B. In the event HOME Funds are requested to pay or reimburse Eligible Costs which subsequently lose eligibility as Eligible Costs, the DEVELOPER shall immediately return such HOME Funds to the CITY.

C. The CITY will disburse HOME Funds, only to the DEVELOPER through proper invoicing, for Eligible Costs as provided in this Article 6.

6.4 Conditions Precedent to Disbursement. The CITY shall not be obligated to make or authorize any disbursements of HOME Funds unless all the following conditions are satisfied:

A. There exists no Event of Default as provided in Article 10, nor any act, failure, omission or condition that with the giving of notice would constitute an Event of Default.

B. The DEVELOPER has submitted the Finance Plan to the CITY, and if required, the CITY has approved the Finance Plan.

C. The CITY has approved the requested payment or reimbursement of eligible Project costs.

D. The DEVELOPER has obtained insurance coverage and delivered to the CITY evidence of insurance as required in Article 9.

E. The DEVELOPER is current with its compliance of all reporting requirements set forth in this Agreement.

F. The DEVELOPER has provided the CITY with a written request for Funds (in a CITY-approved Form), for payment or reimbursement of eligible Project costs, and detailing such Eligible Costs applicable to the request.

G. The CITY has received Certification required by Section 6.6 of this Agreement.

H. The CITY has received, and continues to have the right to disburse, HOME Funds.

6.5 Request for and Disbursement of HOME Funds. The DEVELOPER shall request disbursement of HOME Funds using the CITY's Request for Disbursement of Funds form. The DEVELOPER shall only request a maximum of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00) in HOME Program assistance for the Affordable Project Units. All requests must provide in detail such Eligible Costs applicable to the request. All requests for HOME Funds disbursement shall be accompanied with the Certification required by Section 6.6 of this Agreement and demonstrate they are in compliance with the requirements set forth in CPD 98-2 for "floating" units.

6.6 DEVELOPER Certification. The DEVELOPER shall submit to the CITY a written certification that, as of the date of the Request for Disbursement ("Certification"):

A. The representations and warranties contained in or incorporated by reference in this Agreement continue to be true, complete and accurate in all material respects;

B. The DEVELOPER has carried out all of its obligations and is in compliance with all the material obligations or covenants specified in this Agreement, to the extent that such obligations or covenants are required to have been carried out or are applicable at the time of the request for the Disbursement;

C. The DEVELOPER has not committed or suffered an act, event, occurrence, or circumstance that constitutes an Event of Default or that with giving of notice would constitute an Event of Default; and

D. The Disbursement requested will be used solely for payment or reimbursement of Eligible Costs and must be supported by the itemized obligations that have been properly incurred and are properly chargeable in connection with the Affordable Project Units.

6.7 Disbursement of Funds. Disbursements of HOME Program Loan proceeds shall occur within the normal course of business (approximately thirty (30) days) after the CITY receives the Certification and to the extent of annually allocated and available HOME Funds.

ARTICLE 7. DEVELOPMENT AND CONSTRUCTION OF THE PROJECT

Without waiver of limitation, the parties agree as follows:

7.1 Construction Meeting Regarding Program Processes and Procedures. The CITY will schedule, and the DEVELOPER shall attend a meeting with the CITY for the purpose of outlining Project processes and procedures.

7.2 Commencement and Completion of Project. The DEVELOPER shall commence construction and, record a Notice of Completion upon completion of construction of the Project in accordance with the Project Schedule as identified in EXHIBIT "B".

7.3 Contracts and Subcontracts. Consistent with Section 5.3, all demolition, hazardous waste abatement, construction work and professional services for the Project shall be performed by persons or entities licensed or otherwise legally authorized to perform the applicable work or service in the State of California and the City of Fresno. The DEVELOPER shall provide the CITY with copies of all agreements it has entered into with any and all general contractors for the Project. The DEVELOPER shall require that each such general contractor agreement contain a provision whereby the party(ies) to the agreement other than the DEVELOPER agree to: (i) notify the CITY immediately

of any event of default by the DEVELOPER thereunder; (ii) notify the CITY immediately of the filing of a mechanic's lien, (iii) notify the CITY immediately of termination or cancellation of the agreement; and (iv) provide the CITY, upon the CITY's request, an Estoppel Certificate certifying that the agreement is in full force and effect and the DEVELOPER is not in default thereunder. The DEVELOPER agrees to notify the CITY immediately of termination or cancellation of any such agreement(s), notice of filing of a mechanic's lien, or breach or default by other party(ies) thereto.

7.4 Damage to Property. To the extent consistent with the requirements of any permitted encumbrance, or as otherwise approved by the CITY, and subject to Article 9 of this Agreement, if any building or improvement constructed on the Property is damaged or destroyed by an insurable cause, the DEVELOPER shall, at its cost and expense, diligently undertake to repair or restore said buildings and improvements consistent with the original Plans and Specifications of the Project. Such work or repair shall commence within ninety (90) days after the insurance proceeds are made available to the DEVELOPER and shall be complete within two (2) years thereafter, which two (2) year period may be extended due to Force Majeure. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, the DEVELOPER shall make up the deficiency, subject to Senior Lender requirements.

7.5 Fees, Taxes and Other Levies. The DEVELOPER shall be responsible for payment of all fees, assessments, taxes, charges and levies imposed by any public authority or utility company with respect to the Project Property, and shall pay such charges prior to delinquency. However, the DEVELOPER shall not be required to pay and discharge any such charge so long as: (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by the CITY, the DEVELOPER deposits with the CITY any funds or other forms of assurances that the CITY, in good faith, may determine from time to time are appropriate to protect the CITY from the consequences of the contest being unsuccessful. The DEVELOPER shall have the right to apply for and obtain an abatement and/or exemption of the Project from real property taxes in accordance with all applicable rules and regulations, including Section 214(g) of the California Revenue and Taxation Code.

7.6 Financing. The DEVELOPER shall promptly inform the CITY of any new financing or funding not included in the Budget for the Project, and the DEVELOPER shall provide the CITY copies of all agreements with any and all Funding Sources for the Project. The DEVELOPER shall require each agreement with any and all Funding Sources not included in the Budget to contain a provision whereby the party(ies) to the agreement other than the DEVELOPER, if permitted by the parties' applicable rules and regulations, agree to notify the CITY immediately of any event of default by the DEVELOPER thereunder. Should the DEVELOPER not comply with all obligations of this section, the loan shall become immediately due and payable as provided for in this Agreement. This section shall survive expiration or termination of this Agreement.

7.7 Identification Signage. The DEVELOPER shall place a poster or sign, with a minimum four feet by four feet in size, identifying the City of Fresno as a Project participant. The sign shall also include the CITY's Housing Logo, as well as HUD's Equal Housing Opportunity logo, as mandated by HUD. Font size shall be a minimum of 4 inches. The poster/sign shall be appropriately placed, and shall remain in place throughout the Project construction.

7.8 Inspections. The DEVELOPER shall permit, facilitate, and require its contractors and consultants to permit and facilitate observation and inspection at the job site by the CITY and other public authorities during reasonable business hours, for determining compliance with this Agreement, including without limitation biennial on-site inspections required by the CITY by 24 C.F.R. 92.504(d).

7.9 Utilities. The DEVELOPER shall be responsible, at its sole cost and expense, to determine the location of any utilities on the Property and to negotiate with the utility companies for and to relocate the utilities, if any, as necessary to complete the Project.

7.10 Insurance and Bonds. Upon the CITY's reasonable request, the DEVELOPER shall submit for CITY approval, bonds, certificates, and/or applicable endorsements for all insurance and bonds required by this Agreement in accordance with Article 9.

7.11 Mechanic's Liens and Stop Notices. If any claim of lien is filed against the Property or a stop notice affecting any financing, HOME Funds or Funding Sources for the Project, is served on the CITY or any other third party in connection with the Project, the DEVELOPER shall, within twenty (20) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the CITY a surety bond in sufficient form and amount, or provide the CITY with other assurance satisfactory to the CITY that the claim of lien or stop notice will be paid or discharged.

A. If the DEVELOPER fails to discharge, bond or otherwise satisfy the CITY with respect to any lien, encumbrance, charge or claim referred to in this Section 7.11, then, in addition to any other right or remedy, the CITY may, but shall not be obligated to, discharge such lien, encumbrance, charge, or claim at the DEVELOPER's expense. Alternatively, the CITY may require the DEVELOPER to immediately deposit with the CITY the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The CITY may use such deposit to satisfy any claim or lien that is adversely determined against the DEVELOPER. The DEVELOPER hereby agrees to indemnify and hold the CITY harmless from liability for such liens, encumbrances, charges or claims together with all related costs and expenses.

7.12 Permits and Licenses. Upon CITY's reasonable request, the DEVELOPER shall submit, for CITY approval, all the necessary permits and licenses required for Commencement of construction of the Project. As the CITY may reasonably request, the DEVELOPER, at its sole cost and expense, shall provide to the

CITY copies of any and all permit approvals and authorizations including plot plan, plat, zoning variances, sewer, building, and other permits required by governmental authorities other than the CITY in pursuit of the Project, and for its stated purposes in accordance with all applicable building, environmental, ecological, landmark, subdivision, zoning codes, laws, and regulations. DEVELOPER is responsible at its sole cost and expense to determine the location of any utilities on the Property and to negotiate with the utility companies for and to relocate the utilities, if any, as necessary to complete the Project.

7.13 Plans and Specifications.

A. The DEVELOPER has submitted to the CITY preliminary plans and specifications for the Project under Conditional Use Permit file number C-11-146, C-06-236, and C-09-189 ("Project Preliminary Plans"). The DEVELOPER will construct the Project in full conformance with the CITY-approved Conditional Use Permit and plans and specifications and modifications thereto approved by the CITY. The DEVELOPER shall obtain the CITY's prior written approval for any substantial modifications to the plans and specifications.

B. The HOME Agreement shall contain by reference the design and site plan of the Project; such design must be approved by the City Council with the HOME Agreement.

C. The DEVELOPER shall submit to the CITY, for its review and approval, the final Plans and Specifications for the Project. The DEVELOPER will construct the Project in full conformance with the Plans and Specifications and modifications thereto approved by the CITY. The DEVELOPER shall obtain the CITY's prior written approval for any substantial modifications to the Plans and Specifications.

7.14 Project Responsibilities/Public Work-Prevailing Wage Requirements. The DEVELOPER shall be solely responsible for all aspects of the DEVELOPER's conduct in connection with the Project, including but not limited to, compliance with all local, state and federal laws including without limitation, as to prevailing wage and public bidding requirements. The Council of the City of Fresno has adopted Resolution No. 82-297 ascertaining the general prevailing rate of per diem wages and per diem wages for holidays and overtime in the Fresno area for each craft, classification or type of workman needed in the execution of contracts for the CITY. A copy of the resolution is on file at the Office of the City Clerk. Actual wage schedules are available upon request at the City's Construction Management Office. Without limiting the foregoing, the DEVELOPER shall be solely responsible for the quality and suitability of the work completed and the supervision of all contracted work, qualifications and financial conditions of and performance of all contracts, subcontractors, consultants and suppliers. Any review or inspection undertaken by the CITY with reference to the Project and/or payroll monitoring/auditing is solely for the purpose of determining whether the DEVELOPER is properly discharging its obligation to the CITY, and shall not be relied upon by the DEVELOPER or by any third parties as a warranty or

representation by the CITY as to governmental compliance and/or the quality of work completed for the Project.

7.15 Property Condition. The DEVELOPER shall maintain the Property and all improvements on site in a reasonably good condition and repair (and, as to landscaping, in a healthy condition), all according to the basic design and related plans, as amended from time to time. The DEVELOPER and those taking direction under the DEVELOPER shall: (i) maintain all on-site improvements according to all other applicable law, rules, governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (ii) keep the improvements free from graffiti; (iii) keep the Property free from any accumulation of debris or waste material; (iv) promptly make repairs and replacements to on-site improvements; and (v) promptly replace any dead, or diseased plants and/or landscaping (if any) with comparable materials.

7.16 Quality of Work. The DEVELOPER shall ensure that construction of the proposed Project employs building materials of a quality suitable for the requirements of the Project. The DEVELOPER shall cause completion of the construction of the proposed Project in full conformance with applicable local, state and federal laws, statutes, regulations, and building and housing codes.

7.17 Relocation. If and to the extent that construction of the proposed Project results in the permanent or temporary displacement of residential tenants, homeowners or businesses, the DEVELOPER shall comply with all applicable local, state, and federal statutes and regulatory with respect to relocation planning, advisory assistance and payment of monetary benefits. The DEVELOPER shall be solely responsible for payment of any relocation benefit to any displaced persons and any other obligations associated with complying with said relocation laws.

7.18 Reporting Requirements. The DEVELOPER shall submit to the CITY the following Project reports:

A. From the date of the execution of the Agreement, until issuance of the recorded Certificate of Completion, the DEVELOPER shall submit a Quarterly Report, in a form approved by the CITY, which will include the progress of construction of the Project and affirmative marketing efforts (as applicable). The Quarterly Reports are due within fifteen (15) days after each March 31st, June 30th, September 30th, and December 31st, during said period.

B. Annually, beginning on the first day of the month following the CITY's issuance of the Certificate of Completion, and continuing until the termination of the Agreement, the DEVELOPER shall submit an Annual Report to the CITY, in a form approved by the CITY. The Annual Report shall include, at a minimum, the following information: the rents, the annual income and the family size of the Households, the date tenancy commenced for each Affordable rental Unit, certification from an officer of the DEVELOPER that the Units are in compliance with the Affordable Rental Unit Requirements, and such other information the CITY may be required by law to obtain.

The DEVELOPER shall provide any additional information reasonably requested by the CITY.

C. Annually, beginning on the first day of the month following the CITY's issuance of the recorded Certificate of Completion for the Project, and continuing until the expiration of the Agreement, the DEVELOPER shall submit proof of insurance as required in Article 9.

7.19 Scheduling and Extension of Time; Unavoidable Delay in Performance. It shall be the responsibility of the DEVELOPER to coordinate and schedule the work to be performed so that the Commencement of the Project and issuance of the Certificate of Completion will take place in accordance with the provisions of the Agreement and Project Schedule. The time for performance contained in the Project Schedule shall be automatically extended upon the following:

A. The time for performance of provisions of the Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Project or this Agreement which is caused by: war, insurrection, strike or other labor disputes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, suits filed by third parties concerning or arising out of this Agreement, or unseasonable weather conditions ("Force Majeure"). An extension of time for any of the above specified causes shall be granted only if written notice by the party claiming such extension is sent to the other party within thirty (30) calendar days from the date the affected party learns of the commencement of the cause and the resulting delay and such extension of time is accepted by the other party in writing. In any event, the Project must be completed no later than one hundred eighty (180) calendar days after the scheduled completion date specified in this Agreement, notwithstanding any delay caused by that included in this section.

B. Any and all extensions hereunder shall be by mutual written agreement of the CITY's Housing and Community Development Division Manager and the DEVELOPER and shall not cumulatively exceed one hundred eighty (180) days.

7.20 Certificate(s) of Completion. Upon completion of the construction of the Project, the DEVELOPER shall: 1) certify in writing to the CITY that the Project has been constructed in accordance with the Final Plans and CUP; 2) submit to the CITY a cost-certifying final budget for the Project where the DEVELOPER shall identify the actual costs of construction of the Project. The final cost certification shall identify costs in line-item format, consistent with the Project budget; 3) submit to the CITY a Certificate of Occupancy for the Project; 4) submit to the CITY a recorded Notice of Completion for the Project; and 5) submit to the CITY an Architect's certification in a form reasonably acceptable by the CITY. Upon a determination by the CITY that the DEVELOPER is in compliance with all of the DEVELOPER's construction obligations, as specified in this Agreement, the CITY shall furnish, within thirty (30) calendar days of a written request by the DEVELOPER, a recorded Certificate of Completion for the Project in the form attached hereto as EXHIBIT "E". The CITY will not unreasonably

withhold or delay furnishing the recorded Certificate of Completion. If the CITY fails to provide the recorded Certificate of Completion within the specified time, it shall provide the DEVELOPER with a written statement indicating in what respects the DEVELOPER has failed to complete the Project in conformance with this Agreement or has otherwise failed to comply with the terms of this Agreement, and what measures the DEVELOPER will need to take or what standards it will need to meet in order to obtain the recorded Certificate of Completion. Upon the DEVELOPER taking the specified measures and meeting the specified standards, the DEVELOPER will certify to the CITY in writing of such compliance and the CITY shall deliver the recorded Certificate of Completion to the DEVELOPER in accordance with the provisions of this section.

ARTICLE 8. PROJECT OPERATIONS

8.1 Operation of the Project. The DEVELOPER shall lease, operate and manage the Project in full conformity with the terms of this Agreement.

8.2 Occupancy Requirements. Six (6) of the HOME-Assisted Units shall be rented and occupied by, or if vacant, available for rental occupancy by those whose annual household income at the time of initial occupancy is not greater than fifty percent (50%) of the most recent annual median income, calculated and published by HUD for the Fresno Metropolitan Statistical Area, applicable to such household's size, and at an affordable rent consistent with HOME Program regulations (as provided at 24 C.F.R. 92.252) for the term of this Agreement. Twenty (20) of the HOME-Assisted Units shall be rented and occupied by, or if vacant, available for rental occupancy by those whose annual household income at the time of initial occupancy is not greater than eighty percent (80%) of the most recent annual median income, calculated and published by HUD for the Fresno Metropolitan Statistical Area, applicable to such household's size, and at an affordable rent consistent with HOME Program regulations (as provided at 24 CFR 92.252) for the term of this Agreement. The DEVELOPER shall comply with the income targeting requirements of 24 CFR 92.216.

8.3 Leasing the HOME-Assisted Units. Before leasing any Affordable Project Units, the DEVELOPER shall submit its proposed form of lease agreement for the CITY's review and approval. The DEVELOPER covenants and agrees to utilize only leases that have been approved in advance by the CITY. The CITY shall respond to the DEVELOPER's submission of a sample lease agreement within thirty (30) days. Should the CITY not respond within thirty (30) days of the lease agreement submittal, the DEVELOPER shall be authorized to use the submitted sample lease agreement. Additionally, the DEVELOPER agrees not to terminate the tenancy or to refuse to renew or lease with a tenant of the Units assisted with HOME Funds except for serious or repeated violation of the terms and conditions of the lease agreement, for violation of applicable federal, state, or local law, or for other good cause. Any such termination or refusal to renew must be preceded by not less than thirty (30) days' written notice served by the DEVELOPER or its authorized management entity upon the tenant specifying the grounds for such action. The DEVELOPER agrees it shall annually report to the CITY the number of leases that were not renewed or terminated and the reason for such non-renewal or termination.

8.4 Lease of HOME-Assisted Units Provisions. In addition to the requirements of 24 C.F.R. 92.253, the leases are subject to the following:

A. The DEVELOPER shall include in its Leases for the HOME-assisted Units, provisions which authorize the DEVELOPER to immediately terminate the tenancy of any Household of which one or more of its members misrepresented any fact material to the Household's qualification as a Very Low- or Low-Income Household. Each such lease agreement shall also provide that the Household is subject to annual certification, and that, if the Household's annual income increases above the applicable limits for Low-Income, such Household's rent may be subject to increase to the lesser of: 1) the amount payable by tenant under state or local law; or 2) thirty percent (30%) of the Household's actual adjusted monthly income, except that, consonant with the Act, tenants of HOME Funds-assisted units that have been allocated low income housing tax credits by a housing credit agency pursuant to section 42 of the internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42.

8.5 Final Management Plan. Before leasing and at least sixty (60) calendar days prior to the construction Completion Date, the DEVELOPER shall submit to the CITY, for review and approval, a plan for marketing and managing the proposed Affordable Project Units ("Final Management Plan"). The Final Management Plan shall address in detail how the DEVELOPER or its designated management entity plans to market the availability of the Affordable Project Units to prospective tenants and how the DEVELOPER plans to certify the eligibility of potential tenants. The Final Management Plan shall also address how the DEVELOPER and/or the management entity plan to manage and maintain the Affordable Project Units in accordance with HOME Program regulations at Section 92.251 Property Standards, and shall include appropriate financial information and documentation. The Final Management Plan shall contain detailed descriptions of policies and procedures with respect to tenant selections and evictions. Topics to be covered in these procedures shall include at a minimum the following:

- Interviewing procedures for prospective tenants;
- Previous rental history of tenants with references;
- Credit reports;
- Criminal background checks;
- Deposit amounts, purpose, use and refund policy;
- Employment/Income verification;
- Occupancy restrictions;
- Income Limits;
- Equal Housing Opportunity Statement;
- Restrictions on use of the premises; and
- Tenant/Landlord dispute resolution procedures.

The Final Management Plan shall contain copies of all standardized forms associated with the above listed topics. The Final Management Plan shall include a form lease agreement that the DEVELOPER proposes to enter into with the Very Low-

and Low-Income tenants. The DEVELOPER shall abide by the terms of this Final Management Plan, approved by the CITY, in marketing, managing and maintaining the Affordable Project Units.

At least ninety (90) calendar days prior to the Project Completion Date, the DEVELOPER shall also submit any proposed management contract to the CITY for prior review. The CITY shall have the right to review any proposed amendments, other than renewals to the management contract, and any new management contracts during the term of this Agreement. Such management contract(s) shall contain a provision expressing this right.

8.6 Property Management. The DEVELOPER shall comply with the following:

A. Management Responsibilities. The DEVELOPER directly and/or through its designated management entity, is specifically responsible for all management functions with respect to the Project including, without limitation, the selection of tenants, certification and re-certification of Household size and income, evictions, collection of Rents and deposits, construction management, affirmative marketing, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items and security. The CITY shall have no responsibility for such management of the Project.

8.7 Maintenance and Security. The DEVELOPER shall (i) at its own expense maintain the Project in good condition, in good repair and in decent, safe, sanitary, habitable and tenantable living conditions for the benefit of the Unit occupants. The DEVELOPER shall not commit or permit any waste on or to the Project, and shall prevent and/or rectify any physical deterioration of the Project. The DEVELOPER shall maintain the housing Units in conformance with all applicable federal, state and local laws, ordinances, codes and regulations, the Final Management Plan, and this Agreement.

8.8 Nondiscrimination. All of the HOME-assisted Units shall be available for occupancy on a continuous basis to households who are income eligible. The DEVELOPER shall not illegally discriminate or segregate in the constructed complex, the use, enjoyment, occupancy or conveyance of any part of the Project or Property on the basis of race, color, ancestry, national origin, religion, sex, marital status, family status, source of income/rental assistance subsidy, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), sexual orientation, or any other arbitrary basis. The DEVELOPER shall otherwise comply with all applicable local, state and federal laws concerning nondiscrimination in housing. Neither the DEVELOPER nor any person claiming under or through the DEVELOPER, shall establish or permit any such practice or practices of illegal discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants or vendees of any Affordable Project Unit or in connection with employment of persons for the construction of any Affordable Project Unit. All deeds or contracts made or entered into by the DEVELOPER as to the Affordable Project Units or the Project or portion thereof, shall contain covenants concerning nondiscrimination

consistent with this section. The DEVELOPER shall include a statement in all advertisements, notices and signs for availability of Affordable Project Units for rent to the effect that the DEVELOPER is an Equal Housing Opportunity Provider.

A. Nothing in this section is intended to require the DEVELOPER to change the character, design, use or operation of the Project; or to require the DEVELOPER to obtain licenses or permits other than those required for the Project.

8.9 Rent Schedule and Utility Allowances. The DEVELOPER covenants and agrees not to charge rent to tenants for HOME-assisted Units in an amount which exceeds those rents prescribed to the Project as they associate with particular income and rent limitation levels as established annually by HUD, consistent with the HOME Program requirements applicable to the Affordable Project Units in the Fresno, California area, as established by HUD, and further covenants not to impose a monthly allowance for utility services to tenants of such Affordable Project Units in excess of an amount approved by HUD in accordance with 24 C.F.R. 92.252. The DEVELOPER agrees to furnish to the CITY with a certificate setting forth the maximum monthly rentals for the HOME-assisted Units and the monthly allowances for utilities and services to be charged during any annual period until the expiration of the Affordability Period. The DEVELOPER shall reexamine the income of each tenant Household living in the Affordable Project Units at least annually.

ARTICLE 9. INSURANCE AND INDEMNITY

Without waiver of limitation, the parties agree as follows regarding DEVELOPER Insurance and Indemnity Obligations:

9.1 Insurance Requirements. Throughout the life of this Agreement, DEVELOPER shall pay for and maintain in full force and effect all policies of insurance hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by the CITY's Risk Manager. The following policies of insurance are required:

(i) COMMERICAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability of not less than the following:

$1,000,000 per occurrence for bodily injury and property damage
$1,000,000 per occurrence for personal and advertising injury

$2,000,000 aggregate for products and completed operations
$2,000,000 general aggregate applying separately to work performed under the Agreement

(ii) COMMERICAL GENERAL LIABILITY insurance which shall be at as board as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1-Any Auto) with limits of liability of not less than $1,000,000 per accident for bodily injury and property damage.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(iv) EMPLOYEE LIABILITY insurance with limits of liability of not less than $1,000,000 each accident, $1,000,000 disease policy limit and $1,000,000 diseased each employee.

(v) BUILDERS RISK (Course of Construction) insurance in an amount equal to the completion value of the Project with no coinsurance penalty provisions. (Only required if the project includes new construction of a building; or renovation of, or addition to, an existing building.)

(vi) CONTRACTOR POLLUTION LIABILTY (Unless waived in writing by the City's Risk Manager or his/her designee, the DEVELOPER's Pollution Liability is required for all environmental and water remediation work and for all work transporting fuel. Unless waived in writing by the City's Risk Manager or his/her designee, the DEVELOPER's Pollution Liability is also required for demolition, renovation, HVAC, plumbing or electrical (including, without limitation, lighting) work on any structure built prior to the year 1990) i insurance with limits of liability of not less than the following:

$1,000,000 per occurrence or claim
$2,000,000 general aggregate per annual policy period

In the event the DEVELOPER purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

In the event the DEVELOPER involves any lead-based, mold or asbestos environmental hazard, either the Automobile Liability insurance policy or the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by the DEVELOPER pursuant to the HOME Agreement.

In the event the DEVELOPER involves any lead-based environmental hazard (e.g., lead- based paint), the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include coverage for lead based environmental hazards. In the event the DEVELOPER involves any asbestos environmental hazard (e.g., asbestos remediation), the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include coverage for asbestos environmental hazards. In the event the HOME Agreement involves any mold environmental hazard (e.g., mold remediation), the DEVELOPER's Pollution Liability insurance policy shall be endorsed to include coverage for mold environmental hazards and "microbial matter including mold" within the definition of "Pollution" under the policy.

The DEVELOPER shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and the DEVELOPER shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the CITY's Risk Manager or his/her designee. At the option of the CITY's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its officers, officials, employees, agents and volunteers; or (ii) the DEVELOPER shall provide a financial guarantee, satisfactory to CITY's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice has been given to CITY. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, the DEVELOPER shall furnish CITY with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for CITY, the DEVELOPER shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form. The DEVELOPER's Pollution Liability insurance policy shall be written on either an occurrence form, or a claims-made form. The General Liability, Automobile Liability and DEVELOPER's Pollution Liability insurance policies shall name CITY, its officers, officials, agents, employees and volunteers as an additional insured. All such policies of insurance shall be endorsed so the DEVELOPER's insurance shall be primary and no contribution shall be required of CITY. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, officials, employees, agents and volunteers. If the DEVELOPER maintains higher limits of liability than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits of liability maintained by the DEVELOPER. The General Liability insurance policy shall also name the CITY, its officers, officials, agents, employees and volunteers as additional insureds for all ongoing and completed

operations. The Builders Risk (Course of Construction) insurance policy shall be endorsed to name the CITY as loss payee. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers.

The DEVELOPER shall furnish CITY with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the CITY's Risk Manager or his/her designee before work commences. Upon request of CITY, the DEVELOPER shall immediately furnish CITY with a complete copy of any insurance policy required under this HOME Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

Claims-Made Policies - If any coverage required is written on a claims-made coverage form:

(i) The retroactive date must be shown, and must be before the effective date of the commencement of work by the DEVELOPER.
(ii) Insurance must be maintained and evidence of insurance must be provided for at least 5 years after completion of the work or termination of the HOME Agreement, whichever first occurs.
(iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the HOME Agreement, or work commencement date, the DEVELOPER must purchase extended reporting period coverage for a minimum of 5 years after completion of the work or termination of the HOME Agreement, whichever first occurs.
(iv) A copy of the claims reporting requirements must be submitted to CITY for review.
(v) These requirements shall survive expiration or termination of the HOME Agreement.

If at any time during the life of the HOME Agreement or any extension, the DEVELOPER, its contractor, or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this HOME Agreement shall be discontinued immediately, and all payments due or that become due to the DEVELOPER shall be withheld until notice is received by CITY that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to CITY. Any failure to maintain the required insurance shall be sufficient cause for CITY to terminate the Agreement. No action taken by CITY hereunder shall in any way relieve the DEVELOPER of its responsibilities under the HOME Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by CITY that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

The fact that insurance is obtained by the DEVELOPER shall not be deemed to release or diminish the liability of the DEVELOPER, including, without limitation, liability under the indemnity provisions of the HOME Agreement. The duty to indemnify the CITY shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the DEVELOPER. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of the DEVELOPER, its principals, officers, agents, employees, persons under the supervision of the DEVELOPER, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

In the event of a partial or total destruction by the perils insured against of any or all of the work and/or materials herein provided for at any time prior to the final completion of the HOME Agreement and the final acceptance by the CITY of the work or materials to be performed or supplied thereunder, the DEVELOPER shall promptly reconstruct, repair, replace, or restore all work or materials so destroyed or injured at his/her sole cost and expense. Nothing herein provided for shall in any way excuse the DEVELOPER or his/her insurance company from the obligation of furnishing all the required materials and completing the work in full compliance with the terms of the HOME Agreement.

If the DEVELOPER should subcontract all or any portion of the services to be performed under the HOME Agreement, the DEVELOPER shall require each subcontractor to provide insurance protection in favor of CITY, its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with the DEVELOPER and the CITY prior to the commencement of any work by the subcontractor.

A. The above described policies of insurance shall be endorsed to provide an unrestricted thirty (30) day written notice in favor of the CITY, of policy cancellation, change or reduction of coverage. In the event any policy is due to expire during the term of this Agreement, a new certificate evidencing renewal of such policy shall be provided not less than fifteen (15) days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation, change or reduction in coverage, DEVELOPER or its contractors, as the case may be, shall file with the CITY a certified copy of the new or renewal policy and certificates for such policy.

B. DEVELOPER shall furnish the CITY with the certificate(s) and applicable endorsements for ALL required insurance prior to the CITY's execution of this Agreement. DEVELOPER shall furnish the CITY with copies of the actual policies upon the request of the CITY at any time during the life of the Agreement or any extension.

At all times hereunder DEVELOPER shall maintain the required insurance in full force and effect.

9.2 Indemnity. DEVELOPER shall indemnify, hold harmless and defend the CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the CITY, DEVELOPER or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Agreement. DEVELOPER's obligations under the preceding sentence shall apply regardless of whether the CITY or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active negligence or by the willful misconduct of the CITY or any of its officers, officials, employees, agents or volunteers.

A. This section shall survive termination or expiration of this Agreement.

B. This financing is non-recourse to any public housing property (real or personal property including all public housing assets or income), or disposition proceeds approved pursuant to Section 18 of the United States Housing Act of 1937 (unless explicitly permitted by HUD in the Section 18 approval letter).

9.3 Property Insurance. Upon acquisition of the property, the DEVELOPER shall pay for and maintain in full force and effect, throughout the remaining life of this Agreement, a policy(ies) of property insurance acceptable to the CITY, covering the Project premises, with limits reflective of the value of the Project premises upon issuance of the Certificate of Completion, or substantial completion of the Project referenced in this Agreement, including fire and Extended Comprehensive Exposure (ECE) coverage in an amount, form, substance, and quality as acceptable to the CITY's Risk Manager. The CITY shall be added by endorsement as a loss payee thereon.

9.4 Bond Obligations. DEVELOPER shall obtain, pay for and deliver good and sufficient payment and performance bonds in a form acceptable to the CITY from a corporate surety, admitted by the California Insurance Commissioner to do business in the State of California and Treasury-listed, in a form satisfactory to the CITY and naming the CITY as Obligee.

A. The "Faithful Performance Bond" shall be at least equal to 100% of the DEVELOER's estimated construction costs as reflected in the DEVELOPER's pro forma budget, attached hereto as EXHIBIT "C", to the guarantee faithful performance of the Project, within the time prescribed, in a manner satisfactory to the CITY, consistent with this Agreement, and that all material and workmanship will be free from original or developed defects.

B. The "Payment Bond" shall be at least equal to 100% of construction costs approved by the CITY to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond shall be maintained by DEVELOPER in full force and effect until the Project is completed and until all claims for materials and labor are paid and as required by the applicable provisions of Chapter 7, Title 15, Part 4, Division 3 of the California Civil Code.

C. The "Material and Labor Bond" shall be at least equal to 100% of the DEVELOPER's estimated construction costs as reflected in the DEVELOPER's pro forma budget, attached hereto as EXHIBIT "C", to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond shall be maintained by the DEVELOPER in full force and effect until the Project is completed, and until all claims for materials and labor are paid, released, or time barred, and shall otherwise comply with any applicable provision of the California Code.

D. In lieu of the bonds required above, the CITY, in its sole discretion, may accept from the DEVELOPER an Irrevocable Standby Letter of Credit issued with the CITY named as the sole beneficiary in the amounts(s) of the bonds required above. The Standby Letter of Credit is to be issued by a bank, and in the form, acceptable to the CITY. This Irrevocable Standby Letter of Credit shall be maintained by the DEVELOPER in full force and effect until the CITY is provided with a recorded Notice of Completion for the construction of the Project and shall be subject to and governed by the laws of the State of California.

ARTICLE 10. DEFAULT AND REMEDIES

10.1 Events of Default. Each of the following shall constitute an "Event of Default" for purposes of this Agreement after the cure period in Section 10.2 has expired without a cure:

A. DEVELOPER's use of HOME Funds, for costs other than Eligible Costs or for uses not permitted by the terms of this Agreement;

B. DEVELOPER's failure to obtain and maintain the insurance coverage as required under this Agreement;

C. Except as otherwise provided in this Agreement, the failure of the DEVELOPER to punctually and properly perform any other covenant or agreement contained in this Agreement including without limitation the following: (1) the DEVELOPER's substantial deviation in the construction of the Project from the Final Plans/CUP, without the CITY's prior written consent; (2) the DEVELOPER's use of defective or unauthorized materials or defective workmanship in pursuit of the Project; (3) the DEVELOPER's failure to commence or complete the Project, unless delay is permitted under Section 7.19 of this Agreement; (4) the cessation of work on the Project for a period of more than fifteen (15) consecutive days (other than as provided at Section 7.19 of this Agreement) prior to submitting to the CITY, pursuant to Section

7.20, certification that the Project is complete; (5) any material adverse change in the financial condition of the DEVELOPER or the Project that gives the CITY reasonable cause to believe that the Project cannot be completed by the Completion Date according to the terms of this Agreement; (6) the DEVELOPER's failure to remedy any deficiencies in record keeping or failure to provide records to the CITY upon the CITY's request; (7) the DEVELOPER's failure to substantially comply with any federal, state or local laws or applicable CITY restrictions governing the Project, including but not limited to provisions of this Agreement pertaining to equal employment opportunity, nondiscrimination and lead-based paint;

D. Any representation, warranty, or certificate given or furnished by or on behalf of the DEVELOPER shall prove to be materially false as of the date of which the representation, warranty, or certification was given, or that the DEVELOPER concealed or failed to disclose a material fact to the CITY, provided, however, that if any representation, warranty, or certification that proves to be materially false is due merely to the DEVELOPER's inadvertence, the DEVELOPER shall have a thirty (30) day opportunity after written notice thereof to cause such representation, warranty, or certification to be true and complete in every respect;

E. The DEVELOPER shall file, or have filed against it, a petition of bankruptcy, insolvency, or similar law, state or federal, or shall file any petition or answer seeking, consenting to, or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief, and such petition shall not have been vacated within ninety (90) days; or shall be adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, under state or federal law, and such judgment or decree is not vacated or set aside within ninety (90) days;

F. The DEVELOPER's failure, inability or admission in writing of its inability to pay its debts as they become due or the DEVELOPER's assignment for the benefit of creditors;

G. A receiver, trustee, or liquidator shall be appointed for the DEVELOPER or any substantial part of the DEVELOPER's assets or properties, and not be removed within ten (10) days;

H. The failure of DEVELOPER to cause completion of the Project prior to the completion date identified in Exhibit B.

I. DEVELOPER's breach of any other material condition, covenant, warranty, promise or representation contained in this Agreement not otherwise identified within this Section;

J. Any substantial or continuous breach by the DEVELOPER of any material obligation owed by the DEVELOPER imposed by any other agreement with respect to the financing, of the Project, whether or not the CITY is a party to such agreement after expiration of all notice and cure periods contained within such document.

10.2 Notice of Default and Opportunity to Cure. The CITY shall give written notice to the DEVELOPER of any Event of Default by specifying: 1) the nature of the event or deficiency giving rise to the default; 2) the action required to cure the deficiency, if any action to cure is possible; and 3) a date, which shall not be less than the lesser of any time period provided in this Agreement, or thirty (30) calendar days from the date of the notice, by which such deficiency must be cured, provided that if the specified deficiency or default cannot reasonably be cured within the specified time, the DEVELOPER shall have an additional reasonable period to cure so long as it commences cure within the specified time and thereafter diligently pursues the cure in good faith. The CITY acknowledges and agrees that the DEVELOPER shall have the right to cure any defaults hereunder and that notice and cure rights hereunder shall extend to any and all partners of the DEVELOPER that are prior identified in a writing delivered to the CITY in the manner provided in this Agreement.

Prior to declaring or taking any remedy permitted under Loan Documents, the DEVELOPER's limited partners shall have an additional period of not less than thirty (30) days to cure such alleged default. Notwithstanding the foregoing, in the case of a default that cannot with reasonable diligence be remedied or cured within thirty (30) days, the DEVELOPER's limited partners shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than ninety (90) days from the expiration of the initial thirty (30) day period above, and if the DEVELOPER's limited partners reasonably believe that in order to cure such default, the DEVELOPER's limited partners must remove one or both of the DEVELOPER's general partners in order to cure such default, the DEVELOPER's limited partners shall have an additional (30) days following the effective date of such removal to cure such default.

10.3 Remedies Upon an Event of Default. Upon the happening of an Event of Default by the DEVELOPER and a failure to cure said Event of Default within the time specified, the CITY's obligation to disburse any undisbursed Funds shall terminate. The CITY may also at its option and without notice institute any action, suit, or other proceeding in law, in equity or otherwise, which it shall deem necessary or proper for the protection of its interests and may without limitation proceed with any or all of the following remedies in any order or combination that the CITY may choose in its sole discretion:

A. Terminate this Agreement immediately upon written notice to the DEVELOPER;

B. Bring an action in equitable relief (1) seeking specific performance by the DEVELOPER of the terms and conditions of this Agreement, and/or (2) enjoining, abating or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief; and

C. Pursue any other remedy allowed by law or in equity or under this Agreement.

ARTICLE 11. GENERAL PROVISIONS

Without waiver of limitation, the parties agree that the following general provisions shall apply in the performance hereof:

11.1 Amendments. No modification or amendment of any provision of this Agreement shall be effective unless made in writing and signed by the parties hereto. The CITY recognizes that other Project funders and equity investors may require revisions to the Loan Documents to be consistent with their funding and investing requirements. The CITY agrees to reasonably consider and negotiate as to any reasonable amendments to this Agreement to address such requirements, subject to any necessary City Council approval and approval as to form by the City Attorney.

11.2 Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party will be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

11.3 Binding on All Successors and Assigns. Unless otherwise expressly provided in this Agreement, all the terms and provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective nominees, heirs, successors, assigns, and legal representatives.

11.4 Counterparts. This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument. The execution of this Agreement by any party hereto will not become effective until counterparts hereof have been executed by all parties hereto.

11.5 Disclaimer of Relationship. Nothing contained in this Agreement, nor any act of the CITY or of the DEVELOPER, or of any other person, shall in and by itself be deemed or construed by any person to create any relationship of third party beneficiary, or of principal and agent, of limited or general partnership, or of joint venture.

11.6 Discretionary Governmental Actions. Certain planning, land use, zoning and other permits and public actions required in connection with the Project including, without limitation, the approval of this Agreement, the environmental review and analysis under NEPA, CEQA or any other statute, and other transactions contemplated by this Agreement are discretionary government actions. Nothing in this Agreement obligates the CITY or any other governmental entity to grant final approval of any matter described herein. Such actions are legislative, quasi-judicial, or otherwise discretionary in nature. The CITY cannot take action with respect to such matters before completing the environmental assessment of the Project under NEPA, CEQA and any other applicable statutes. The CITY cannot and does not commit in advance that it will give final approval to any matter. The CITY shall not be liable, in contract, law or equity, to the DEVELOPER or any of its executors, administrators, transferees, successors-in-

interest or assigns for any failure of any governmental entity to grant approval on any matter subject to discretionary approval.

11.7 Effective Date. This Agreement shall be effective upon the Parties' complete execution following City Council approval.

11.8 Entire Agreement. This Agreement represents the entire and integrated agreement of the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiations, representations or agreements, either written or oral.

11.9 Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

11.10 Expenses Incurred Upon Event of Default. The DEVELOPER shall reimburse the CITY for all reasonable expenses and costs of collection and enforcement, including reasonable attorney's fees, incurred by the CITY as a result of one or more Events of Default by the DEVELOPER under this Agreement.

11.11 Governing Law and Venue. Except to the extent preempted by applicable federal law, the laws of the State of California shall govern all aspects of this Agreement, including execution, interpretation, performance, and enforcement. Venue for filing any action to enforce or interpret this Agreement will be Fresno, California.

11.12 Headings. The headings of the articles, sections, and paragraphs used in this Agreement are for convenience only and shall not be read or construed to affect the meaning or construction of any provision.

11.13 Interpretation. This Agreement in its final form is the result of the combined efforts of the parties. Any ambiguity will not be construed in favor or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

11.14 No Assignment or Succession. The DEVELOPER shall not sell, lease, transfer, assign or otherwise dispose of all or any material part of any interest it might hold in the Property without the prior written consent of the CITY, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, upon prior written notice to the CITY, the DEVELOPER shall be permitted to assign its rights and obligations under this Agreement with respect to the Project without the CITY's consent.

11.15 No Third-Party Beneficiary. No contractor, subcontractor, mechanic, materialman, laborer, vendor, or other person hired or retained by the DEVELOPER shall be, nor shall any of them be deemed to be, third-party beneficiaries of this Agreement, but each such person shall be deemed to have agreed (a) that they shall look to the DEVELOPER as their sole source of recovery if not paid, and (b) except as otherwise agreed to by the CITY and any such person in writing, they may not enter any claim or bring any such action against the CITY under any circumstances. Except as provided by law, or as otherwise agreed to in writing between the CITY and such

person, each such person shall be deemed to have waived in writing all right to seek redress from the CITY under any circumstances whatsoever.

11.16 No Waiver. Neither failure nor delay on the part of the CITY in exercising any right under this Agreement shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any further exercise thereof or the exercise of any other right. No waiver of any provision of this Agreement or consent to any departure by the DEVELOPER therefrom shall be effective unless the same shall be in writing, signed on behalf of the CITY by a duly authorized officer thereof, and the same shall be effective only in the specific instance for which it is given. No notice to or demand on the DEVELOPER in any case shall entitle the DEVELOPER to any other or further notices or demands in similar or other circumstances, or constitute a waiver of any of the CITY's right to take other or further action in any circumstances without notice or demand.

11.17 Nonreliance. The DEVELOPER hereby acknowledges having obtained such independent legal or other advice as it has deemed necessary and declares that in no manner has it relied on the CITY, it agents, employees or attorneys in entering into this Agreement.

11.18 Notice. Any notice to be given to either party under the terms of this Agreement shall be given by certified United States 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.

If to the CITY: City of Fresno
Department and Resource Management Department
Housing and Community Development Division
Attention: Manager
2600 Fresno Street, Room 3070
Fresno, CA 93721-3605

If to DEVELOPER: Parc Grove Commons Northwest, LP
Attention: Executive Director
c/o Housing Authority of the City of Fresno
1331 Fulton Mall
Fresno, CA 93721

With a copy to: Wells Fargo Affordable Housing
Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attn.: Director of Tax Credit Asset Management

And Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, MA 02110
Attn: Judy K. Crosby

11.19 Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto or document incorporated herein, the terms and conditions of the body of this Agreement will control.

11.20 Recording of Documents. The DEVELOPER agrees to cooperate with the CITY and execute any documents required, promptly upon the CITY's request, the Deed of Trust, and any other documents/instruments that the CITY requires to be recorded, in the Official Records of Fresno County, California, consistent with this Agreement.

11.21 Remedies Cumulative. All powers and remedies given by this Agreement shall be cumulative and in addition to those otherwise provided by law.

11.22 Severability. The invalidity, illegality, or un-enforceability of any one or more of the provisions of this Agreement shall not affect the validity, legality, or enforceability of the remaining provisions hereof or thereof.

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///

IN WITNESS WHEREOF, the parties have executed this Agreement in Fresno, California, the day and year first above written.

CITY OF FRESNO, a Municipal Corporation

By: _____ Date: 8/14/13
Bruce Rudd, City Manager
(Attach notary certificate of acknowledgment)

ATTEST:
YVONNE SPENCE, CMC
City Clerk

By: Sherri L. Badertscher
Deputy

Date: Aug 14, 2013

APPROVED AS TO FORM:
DOUG T. SLOAN
City Attorney

By: Jacyn Parvaman
Deputy City Attorney

Date: August 9, 2013

Parc Grove Commons Northwest, LP, a California limited partnership

By: Silvercrest, Inc., a California non-profit public benefit corporation
Its: Managing General Partner
_____ Date: 8/1/13
By: Preston Prince, Director

By: Parc Grove Commons Northwest AGP, LLC, a California limited liability company
Its: Administrative General Partner
By: Housing Authority of the City of Fresno, California, a public body corporate and politic
_____ Date: 8/1/13
By: Preston Prince, CEO/Executive Director

Attachments:

EXHIBIT A:	PROPERTY DESCRIPTION
EXHIBIT B:	PROJECT DESCRIPTION AND SCHEDULE
EXHIBIT C:	BUDGET
EXHIBIT D:	55-YEAR CASH FLOW STATEMENT
EXHIBIT E:	CERTIFICATE OF COMPLETION
EXHIBIT F:	PROMISSORY NOTE
EXHIBIT G:	DEED OF TRUST
EXHIBIT H:	DECLARATION OF RESTRICTIONS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Fresno

On 8/14/2013 (Date) before me, Katheryn Cornell, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Bruce Rudd (Name(s) of Signer(s))

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.

KATHERYN CORNELL
Commission # 1866130
Notary Public - California
Fresno County
My Comm. Expires Oct 22, 2013

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: Katheryn Cornell (Signature of Notary Public)

Place Notary Seal and/or Stamp Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document City of Fresno, Home Investment Partnerships (HOME) Agreement

Title or Type of Document: by and between City of Fresno, a municipal Corporation and Parc Grove Commons NorthWest

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Individual	☐ Individual
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

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CALIFORNIA

ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of **FRESNO**

On **August 1, 2013**, before me, **TIFFANY B. MANGUM**, Notary Public, personally appeared, **PRESTON PRINCE**,

who proved to me on the basis of satisfactory evidence to 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.

TIFFANY B. MANGUM
Commission # 1956405
Notary Public - California
Fresno County
My Comm. Expires Oct 14, 2015

(Notary Seal)

Signature of Notary Public

Description of the Attached Document (*optional*)

Parc Grove Commons North West closing

Title or description of attached document

Number of Pages _____ Document Date _____

Home Agreement

(Additional Information)

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EXHIBIT "A"

PROPERTY DESCRIPTION

Exhibit A - Property Descritpion

PHASE II

LEGAL DESCRIPTION

The following described property in the City of **Fresno**, County of **Fresno**, State of **California**.

Parcel 1:

All that portion of the North parcel of the land conveyed by the Grant Deed recorded March 18, 2009 as Document No. 2009-0036380, Official Records Fresno County, being a portion of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records, situated in the Southeast quarter of Section 27, Township 13 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official United States Government Township Plat thereof, In the City of Fresno, County of Fresno, State of California, described as follows:

BEGINNING at a point on the North line of said Parcel 1, said point being South 89°59'04" West, 544.97 feet from the Northeast corner of said Parcel 1; thence South 00°00'16" West, 95.81 feet; thence South 89°59'44" East, 48.24 feet to a point on the easement line described as Parcel A of the Declaration of Access and Utility Easement recorded January 28, 2010 as Document No. 2010-0010439, Official Records Fresno County; thence along said easement line of said Document No. 2010-0010439, the following two courses:

1) continuing South 89°59'44" East, 4.36 feet to the beginning of a tangent curve concave to the Southwest having a radius of 24.50 feet; thence
2) Southeasterly, 7.05 feet along said curve through a central angle of 16°28'47"; thence South 00°00'16" West, 197.22 feet on a non-tangent line to last said curve and leaving the easement line of said Document No. 2010-0010439, to a point on the Southerly boundary of the North parcel of the land conveyed by said Document No. 2009-0036380; thence along the Southerly boundary of the land conveyed by said Document No. 2009-0036380, the following fourteen courses:

1) South 89°58'20" West, 13.83 feet; thence
2) South 00°01'39" East, 8.04 feet; thence
3) South 89°58'20" West, 161.58 feet; thence
4) South 00°01'40" East, 13.30 feet; thence
5) South 89°58'20" West, 29.58 feet; thence
6) South 00°01'40" East, 185.49 feet; thence
7) South 00°10'43" West, 80.34 feet; thence
8) South 89°58'20" West, 78.08 feet; thence
9) South 00°01'40" East, 75.51 feet; thence
10) South 89°58'20" West, 194.25 feet; thence
11) South 13°52'36" West, 2.87 feet; thence
12) South 89°46'33" West, 217.10 feet; thence
13) North 00°01'40" West, 24.11 feet; thence
14) South 89°58'20" West, 66.81 feet to the Southwest corner of the North parcel of the land conveyed by said Document No. 2009-0036380, said Southwest corner also being a point on the West line of Parcel 1 of said Parcel Map No. 69-15; thence North 00°04'00" West, 255.36 feet along the West line of said Parcel 1 to the Southwest corner of Parcel 2 of said Parcel Map No. 69-15; thence along the Southerly and Easterly boundary of said Parcel 2 the following four courses:

1) North 89°59'04" East, 150.88 feet; thence
2) North 00°04'00" West, 90.99 feet; thence
3) North 89°59'04" East, 74.94 feet; thence
4) North 00°04'00" West, 289.97 feet to the Northwest corner of said Parcel 1; thence North 89°59'04" East, 477.44 feet along the North line of said Parcel 1, to the POINT OF BEGINNING.

Contains an area of 7.73 acres, more or less.

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Basis of Bearings for this description is the West line of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records. Taken to be North 00° 04' 00" West.

Being the land conveyed in Grant Deed recorded December 6, 2012 as Document No. 2012-0176596, Official Records Fresno County.

Parcel 2:

Access and Utility Easements contained in that certain Instrument entitled "Amendment and Restatement of Declaration of Access and Utility Easement and Reciprocal Easement Agreement" recorded February 20, 2013 as Instrument No. 2013- 0027416 **of Official Records of Fresno County, California.**

Parcel 3:

The nonexclusive rights to use the Common Areas contained in that certain Instrument entitled "Facilities Reciprocal Use Agreement" recorded February 20, 2013 as Instrument No. 2013- 0027417 **of Official Records of Fresno County, California.**

Parcel 4:

An Easement for ingress and egress to maintain that certain Block Wall as conveyed per Document entitled "Agreement to Provide Masonry Wall Between Residential and Commercial Property" recorded April 26, 1983 as Instrument No. 83035820 of Official Records of Fresno County, California over that portion of Parcel 2 of Parcel Map No. 69-15, in the City of Fresno, County of Fresno, State of California according to the map thereof recorded in Book 1 Page 69 of Parcel Maps, in the office of the County Recorder of said County, the exact location or width of said Easement is not disclosed by the Document.

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EXHIBIT "B"

PROJECT DESCRIPTION AND SCHEDULE

Parc Grove Commons Northwest will consist of 148 new construction units (36 1-Bd., 60 2-Bd., 41 3-Bd. and 11 4-Bd.) of which one (1) will be reserved for the on-site Manager's Unit, all of which to be built on a total of 7.73 acres. The newly constructed units can be rapidly absorbed as there is a severe shortage of rental units affordable to households at 60% AMI and below. Twenty-six (26) of the units will be floating HOME-assisted affordable residential units.

The floating HOME-assisted units are as follows:

HOME-ASSISTED UNITS		
Percent of Median Income	Two-Bedroom Units	Three-Bedroom Units
60% or below	14	12
Total	14	12

The twenty-six (26) HOME-assisted units will be reserved as Very Low and Low-Income Housing for a period of fifty-five (55) years.

HOME Funds will be made available by the City of Fresno, CA for payment of construction, take out financing/permanent financing for eligible costs not to exceed the lesser of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00), which is the aggregate HOME Program per unit cap (24 C.F.R. 92.250) for the twenty-six (26) HOME-assisted Units as determined by the City of Fresno, as needed, for HOME eligible project development costs.

PROJECT SCHEDULE	
Construction Financing Closed	February 22, 2013
Construction Start	February 22, 2013
Construction Completion	June 1, 2014
Lease Up Complete	April 1, 2015

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EXHIBIT "C"
PROJECT BUDGET

		Funding Sources				
	Residential Total	City of Fresno HOME	CCRC	Fresno Housing Authority (HRFC) Loan III	Fresno Housing Authority (HRFC)/CCRC Loan II	Tax Credit Equity
Acquisition Costs:						
Purchase Price	2,190,000			2,190,000		
Liens						
Title/Recording/Escrow/Legal- Acq	100,000			100,000		
Extension Payment						
Other:						
SUBTOTAL	2,290,000	0	0	2,290,000	0	0
Construction						
Basic Construction Contract	16,403,752	4,500,000		500,000	500,000	10,903,752
Bond Premium						
Builder's Risk Insurance						
Contruction OH, P, GC	1,884,874					1,884,874
Site Improvements/Landscape	1,574,942			39,442	535,500	1,000,000
Construction Contingency	996,178					996,178
Demolition/Abatement						
Other: Off Site Improvements	60,000					60,000
SUBTOTAL	20,919,746	4,500,000	0	539,442	1,035,500	14,844,804
Development						
Appraisal	5,455				5,455	
Architectural	1,224,023		1,224,023			
Environmental Assessment	95,419		95,419			
Geotechnical Study						
Survey/Engineering	78,229				78,229	
Legal						
Const Closing	148,574		148,574			
Perm Closing	25,000		25,000			
Organization of Partnership	15,000				15,000	
Syndication	20,000		20,000			
Lender Counsel	60,000		60,000			
Bond Counsel						
Syndication Consultant	62,223		62,223			
Developer Fee	2,000,000					2,000,000
Project Management						
TCAC App/Monitoring Fee	172,713		172,713			
CDLAC and CDIAC Fees						
Bond Issuer Fee						
Other Consultants: Market Study	26,632				26,632	
Other: Planning Consultant	30,000				30,000	
Other/Misc: Prevailing Wage Compliance	100,001		100,001			
SUBTOTAL	4,063,269	0	1,907,953	0	155,316	2,000,000
Other Development						
Real Estate Taxes during Acq/Const	90,000		45,000			45,000
Insurance during construction	160,000		80,000			80,000
Relocation	34,915		34,915			
Bidding Costs						
Permits, Fees & Hookups	710,519					710,519
Impact/Mitigation Fees	1,264,342		764,342			500,000
Soft Cost Contingency	309,749		309,749			
Pre-Development Interest	89,270		89,270			
Closing, Title & Recording Costs - Const	35,000		35,000			
Closing, Title & Recording Costs - Perm	20,000		10,816		9,184	
Construction loan Interest	1,206,066		956,066			250,000
Construction Inspection Fees						
Other: HA Loan Fees	73,294		73,294			
Construction Loan Interest - HA Loans	1,030,917		825,868			205,049
Lender Origination Fees	212,727		212,727			
Lender Expenses	50,000		50,000			
Audit/ Cost Certification	35,000		35,000			
Furnishings	350,000		350,000			
Marketing/Leasing Expenses	250,000		250,000			
Rent Up Account						
Capitalized Operating Reserve	570,000		570,000			
Replacement Reserves:						
SUBTOTAL	8,491,799	0	4,692,047	0	9,184	1,790,568
Total Development Costs	33,764,814	4,500,000	6,600,000	2,829,442	1,200,000	18,635,372

EXHIBIT "D"

55-YEAR CASH FLOW STATEMENT

Parc Grove Commons Northwest - 55 YEAR CASH FLOW ANALYSIS

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Schedule Rental Income	**2.5%**	$ 1,064,942	$ 1,091,566	$ 1,119,335	$ 1,147,798	$ 1,176,973	$ 1,206,877	$ 1,237,529	$ 1,268,947	$ 1,301,151
Section 8 Subsidy	**2.0%**	$ 292,690	$ 298,544	$ 304,515	$ 310,605	$ 316,817	$ 323,153	$ 329,616	$ 336,209	$ 342,933
Vacancy Loss	**-7.0%**	$ (95,034)	$ (97,308)	$ (99,669)	$ (102,088)	$ (104,565)	$ (107,102)	$ (109,700)	$ (112,361)	$ (115,086)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 1,262,598**	**$ 1,292,802**	**$ 1,324,180**	**$ 1,356,315**	**$ 1,389,225**	**$ 1,422,929**	**$ 1,457,446**	**$ 1,492,795**	**$ 1,528,998**
OPERATING EXPENSES & RESERVE DEPOSITS										
Operating Expenses	**3.5%**	$ 663,150	$ 686,360	$ 710,383	$ 735,246	$ 760,980	$ 787,614	$ 815,181	$ 843,712	$ 873,242
Replacement Reserve	**3.0%**	$ 44,400	$ 45,732	$ 47,104	$ 48,517	$ 49,973	$ 51,472	$ 53,016	$ 54,606	$ 56,245
Wells Fargo Management Fee	**3.0%**	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	$ 5,796	$ 5,970	$ 6,149	$ 6,334
General Partner Management Fee	**3.0%**	$ 30,000	$ 30,900	$ 31,827	$ 32,782	$ 33,765	$ 34,778	$ 35,822	$ 36,896	$ 38,003
TOTAL EXPENSES & RESERVES		**$ 742,550**	**$ 768,142**	**$ 794,618**	**$ 822,009**	**$ 850,345**	**$ 879,661**	**$ 909,988**	**$ 941,364**	**$ 973,823**
NET OPERATING INCOME		**$ 520,048**	**$ 524,659**	**$ 529,562**	**$ 534,306**	**$ 538,879**	**$ 543,268**	**$ 547,457**	**$ 551,431**	**$ 555,175**
HARD DEBT SERVICE (HDS)										
CCRC Loan A		$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722
CCRC Loan B		$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507
Fresno HA Loan II		$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279
NET CASH FLOW AFTER HDS		**$ 57,540**	**$ 62,151**	**$ 67,054**	**$ 71,798**	**$ 76,371**	**$ 80,760**	**$ 84,949**	**$ 88,923**	**$ 92,667**
DISTRIBUTION OF AVAILABLE CASH FLOW										
HRFC Loan III ($2.8 M)	**40%**	$ 23,016	$ 24,861	$ 26,821	$ 28,719	$ 30,549	$ 32,304	$ 33,980	$ 35,569	$ 37,067
City of Fresno HOME Loan ($4.5 M)	**60%**	$ 34,524	$ 37,291	$ 40,232	$ 43,079	$ 45,823	$ 48,456	$ 50,969	$ 53,354	$ 55,600
Disbursement to Owner(s)	**0%**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Parc Grove Commons Northw

INCOME FROM HOUSING UNITS	Inflation	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19
Schedule Rental Income	2.5%	$ 1,334,160	$ 1,367,994	$ 1,402,674	$ 1,438,221	$ 1,474,656	$ 1,512,003	$ 1,550,283	$ 1,589,520	$ 1,629,738	$ 1,670,961
Section 8 Subsidy	2.0%	$ 349,792	$ 356,787	$ 363,923	$ 371,202	$ 378,626	$ 386,198	$ 393,922	$ 401,801	$ 409,837	$ 418,033
Vacancy Loss	-7.0%	$ (117,877)	$ (120,735)	$ (123,662)	$ (126,660)	$ (129,730)	$ (132,874)	$ (136,094)	$ (139,392)	$ (142,770)	$ (146,230)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 1,566,075**	**$ 1,604,047**	**$ 1,642,935**	**$ 1,682,763**	**$ 1,723,552**	**$ 1,765,327**	**$ 1,808,111**	**$ 1,851,928**	**$ 1,896,804**	**$ 1,942,765**
OPERATING EXPENSES & RESERVE DEPOSITS											
Operating Expenses	3.5%	$ 903,805	$ 935,439	$ 968,179	$ 1,002,065	$ 1,037,137	$ 1,073,437	$ 1,111,008	$ 1,149,893	$ 1,190,139	$ 1,231,794
Replacement Reserve	3.0%	$ 57,932	$ 59,670	$ 61,460	$ 63,304	$ 65,203	$ 67,159	$ 69,174	$ 71,249	$ 73,386	$ 75,588
Wells Fargo Management Fee	3.0%	$ 6,524	$ 6,720	$ 6,921	$ 7,129	$ 7,343	$ 7,563	$ 7,790	$ 8,024	$ 8,264	$ 8,512
General Partner Management Fee	3.0%	$ 39,143	$ 40,317	$ 41,527	$ 42,773	$ 44,056	$ 45,378	$ 46,739	$ 48,141	$ 49,585	$ 51,073
TOTAL EXPENSES & RESERVES		**$ 1,007,404**	**$ 1,042,146**	**$ 1,078,087**	**$ 1,115,271**	**$ 1,153,739**	**$ 1,193,537**	**$ 1,234,710**	**$ 1,277,307**	**$ 1,321,375**	**$ 1,366,967**
NET OPERATING INCOME		**$ 558,671**	**$ 561,901**	**$ 564,848**	**$ 567,492**	**$ 569,813**	**$ 571,790**	**$ 573,400**	**$ 574,621**	**$ 575,429**	**$ 575,798**
HARD DEBT SERVICE (HDS)											
CCRC Loan A		$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722
CCRC Loan B		$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507
Fresno HA Loan II		$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279
NET CASH FLOW AFTER HDS		**$ 96,163**	**$ 99,393**	**$ 102,340**	**$ 104,984**	**$ 107,305**	**$ 109,282**	**$ 110,892**	**$ 112,113**	**$ 112,921**	**$ 113,290**
DISTRIBUTION OF AVAILABLE CASH FLOW											
HRFC Loan III ($2.8 M)	40%	$ 38,465	$ 39,757	$ 40,936	$ 41,994	$ 42,922	$ 43,713	$ 44,357	$ 44,845	$ 45,168	$ 45,316
City of Fresno HOME Loan ($4.5 M)	60%	$ 57,698	$ 59,636	$ 61,404	$ 62,991	$ 64,383	$ 65,569	$ 66,535	$ 67,268	$ 67,753	$ 67,974
Disbursement to Owner(s)	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Parc Grove Commons Northw

INCOME FROM HOUSING UNITS	Inflation	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29
Schedule Rental Income	2.5%	$ 1,713,215	$ 1,756,526	$ 1,800,919	$ 1,846,422	$ 1,893,062	$ 1,940,869	$ 1,989,870	$ 2,040,097	$ 2,091,580	$ 2,144,349
Section 8 Subsidy	2.0%	$ 426,394	$ 434,922	$ 443,620	$ 452,493	$ 461,543	$ 470,773	$ 480,189	$ 489,793	$ 499,589	$ 509,580
Vacancy Loss	-7.0%	$ (149,773)	$ (153,401)	$ (157,118)	$ (160,924)	$ (164,822)	$ (168,815)	$ (172,904)	$ (177,092)	$ (181,382)	$ (185,775)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 1,989,837**	**$ 2,038,046**	**$ 2,087,421**	**$ 2,137,990**	**$ 2,189,783**	**$ 2,242,827**	**$ 2,297,155**	**$ 2,352,798**	**$ 2,409,786**	**$ 2,468,154**
OPERATING EXPENSES & RESERVE DEPOSITS											
Operating Expenses	3.5%	$ 1,274,907	$ 1,319,528	$ 1,365,712	$ 1,413,512	$ 1,462,985	$ 1,514,189	$ 1,567,186	$ 1,622,037	$ 1,678,809	$ 1,737,567
Replacement Reserve	3.0%	$ 77,856	$ 80,191	$ 82,597	$ 85,075	$ 87,627	$ 90,256	$ 92,964	$ 95,753	$ 98,625	$ 101,584
Wells Fargo Management Fee	3.0%	$ 8,768	$ 9,031	$ 9,301	$ 9,581	$ 9,868	$ 10,164	$ 10,469	$ 10,783	$ 11,106	$ 11,440
General Partner Management Fee	3.0%	$ 52,605	$ 54,183	$ 55,809	$ 57,483	$ 59,208	$ 60,984	$ 62,813	$ 64,698	$ 66,639	$ 68,638
TOTAL EXPENSES & RESERVES		**$ 1,414,135**	**$ 1,462,934**	**$ 1,513,419**	**$ 1,565,651**	**$ 1,619,688**	**$ 1,675,593**	**$ 1,733,432**	**$ 1,793,271**	**$ 1,855,179**	**$ 1,919,228**
NET OPERATING INCOME		**$ 575,701**	**$ 575,112**	**$ 574,002**	**$ 572,340**	**$ 570,095**	**$ 567,234**	**$ 563,723**	**$ 559,527**	**$ 554,607**	**$ 548,926**
HARD DEBT SERVICE (HDS)											
CCRC Loan A		$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722
CCRC Loan B		$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507
Fresno HA Loan II		$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279
NET CASH FLOW AFTER HDS		**$ 113,193**	**$ 112,604**	**$ 111,494**	**$ 109,832**	**$ 107,587**	**$ 104,726**	**$ 101,215**	**$ 97,019**	**$ 92,099**	**$ 86,418**
DISTRIBUTION OF AVAILABLE CASH FLOW											
HRFC Loan III ($2.8 M)	40%	$ 45,277	$ 45,042	$ 44,598	$ 43,933	$ 43,035	$ 41,890	$ 40,486	$ 38,808	$ 36,840	$ 34,567
City of Fresno HOME Loan ($4.5 M)	60%	$ 67,916	$ 67,563	$ 66,896	$ 65,899	$ 64,552	$ 62,836	$ 60,729	$ 58,211	$ 55,260	$ 51,851
Disbursement to Owner(s)	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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Parc Grove Commons Northw

INCOME FROM HOUSING UNITS	Inflation	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39
Schedule Rental Income	2.5%	$ 2,198,438	$ 2,253,879	$ 2,310,706	$ 2,368,953	$ 2,428,657	$ 2,489,854	$ 2,552,580	$ 2,616,875	$ 2,682,776	$ 2,750,326
Section 8 Subsidy	2.0%	$ 519,772	$ 530,167	$ 540,771	$ 551,586	$ 562,618	$ 573,870	$ 585,348	$ 597,055	$ 608,996	$ 621,176
Vacancy Loss	-7.0%	$ (190,275)	$ (194,883)	$ (199,603)	$ (204,438)	$ (209,389)	$ (214,461)	$ (219,655)	$ (224,975)	$ (230,424)	$ (236,005)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 2,527,935**	**$ 2,589,163**	**$ 2,651,873**	**$ 2,716,102**	**$ 2,781,886**	**$ 2,849,263**	**$ 2,918,273**	**$ 2,988,954**	**$ 3,061,348**	**$ 3,135,496**
OPERATING EXPENSES & RESERVE DEPOSITS											
Operating Expenses	3.5%	$ 1,798,382	$ 1,861,325	$ 1,926,472	$ 1,993,898	$ 2,063,685	$ 2,135,914	$ 2,210,671	$ 2,288,044	$ 2,368,126	$ 2,451,010
Replacement Reserve	3.0%	$ 104,632	$ 107,770	$ 111,004	$ 114,334	$ 117,764	$ 121,297	$ 124,935	$ 128,684	$ 132,544	$ 136,520
Wells Fargo Management Fee	3.0%	$ 11,783	$ 12,136	$ 12,500	$ 12,875	$ 13,262	$ 13,660	$ 14,069	$ 14,491	$ 14,926	$ 15,374
General Partner Management Fee	3.0%	$ 70,697	$ 72,818	$ 75,002	$ 77,252	$ 79,570	$ 81,957	$ 84,416	$ 86,948	$ 89,557	$ 92,244
TOTAL EXPENSES & RESERVES		**$ 1,985,493**	**$ 2,054,050**	**$ 2,124,978**	**$ 2,198,360**	**$ 2,274,280**	**$ 2,352,827**	**$ 2,434,091**	**$ 2,518,167**	**$ 2,605,153**	**$ 2,695,148**
NET OPERATING INCOME		**$ 542,442**	**$ 535,113**	**$ 526,895**	**$ 517,742**	**$ 507,606**	**$ 496,436**	**$ 484,182**	**$ 470,787**	**$ 456,196**	**$ 440,349**
HARD DEBT SERVICE (HDS)											
CCRC Loan A		$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ 235,722	$ -	$ -	$ -	$ -
CCRC Loan B		$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ 165,507	$ -	$ -	$ -	$ -
Fresno HA Loan II		$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ 61,279	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER HDS		**$ 79,934**	**$ 72,605**	**$ 64,387**	**$ 55,234**	**$ 45,098**	**$ 33,928**	**$ 484,182**	**$ 470,787**	**$ 456,196**	**$ 440,349**
DISTRIBUTION OF AVAILABLE CASH FLOW											
HRFC Loan III ($2.8 M)	40%	$ 31,974	$ 29,042	$ 25,755	$ 22,094	$ 18,039	$ 13,571	$ 193,673	$ 188,315	$ 182,478	$ 176,139
City of Fresno HOME Loan ($4.5 M)	60%	$ 47,960	$ 43,563	$ 38,632	$ 33,140	$ 27,059	$ 20,357	$ 290,509	$ 282,472	$ 273,717	$ 264,209
Disbursement to Owner(s)	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Parc Grove Commons Northw

INCOME FROM HOUSING UNITS	Inflation	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49
Schedule Rental Income	2.5%	$ 2,819,564	$ 2,890,533	$ 2,963,276	$ 3,037,838	$ 3,114,264	$ 3,192,601	$ 3,272,896	$ 3,355,198	$ 3,439,558	$ 3,526,027
Section 8 Subsidy	2.0%	$ 633,599	$ 646,271	$ 659,197	$ 672,380	$ 685,828	$ 699,545	$ 713,536	$ 727,806	$ 742,362	$ 757,210
Vacancy Loss	-7.0%	$ (241,721)	$ (247,576)	$ (253,573)	$ (259,715)	$ (266,006)	$ (272,450)	$ (279,050)	$ (285,810)	$ (292,734)	$ (299,827)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 3,211,442**	**$ 3,289,228**	**$ 3,368,900**	**$ 3,450,503**	**$ 3,534,086**	**$ 3,619,695**	**$ 3,707,381**	**$ 3,797,194**	**$ 3,889,186**	**$ 3,983,410**
OPERATING EXPENSES & RESERVE DEPOSITS											
Operating Expenses	3.5%	$ 2,536,795	$ 2,625,583	$ 2,717,478	$ 2,812,590	$ 2,911,031	$ 3,012,917	$ 3,118,369	$ 3,227,512	$ 3,340,475	$ 3,457,392
Replacement Reserve	3.0%	$ 140,616	$ 144,834	$ 149,180	$ 153,655	$ 158,265	$ 163,012	$ 167,903	$ 172,940	$ 178,128	$ 183,472
Wells Fargo Management Fee	3.0%	$ 15,835	$ 16,310	$ 16,799	$ 17,303	$ 17,823	$ 18,357	$ 18,908	$ 19,475	$ 20,059	$ 20,661
General Partner Management Fee	3.0%	$ 95,011	$ 97,861	$ 100,797	$ 103,821	$ 106,936	$ 110,144	$ 113,448	$ 116,851	$ 120,357	$ 123,968
TOTAL EXPENSES & RESERVES		**$ 2,788,257**	**$ 2,884,589**	**$ 2,984,254**	**$ 3,087,369**	**$ 3,194,054**	**$ 3,304,430**	**$ 3,418,628**	**$ 3,536,778**	**$ 3,659,019**	**$ 3,785,492**
NET OPERATING INCOME		**$ 423,185**	**$ 404,639**	**$ 384,645**	**$ 363,134**	**$ 340,032**	**$ 315,265**	**$ 288,753**	**$ 260,416**	**$ 230,167**	**$ 197,918**
HARD DEBT SERVICE (HDS)											
CCRC Loan A		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCRC Loan B		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fresno HA Loan II		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER HDS		**$ 423,185**	**$ 404,639**	**$ 384,645**	**$ 363,134**	**$ 340,032**	**$ 315,265**	**$ 288,753**	**$ 260,416**	**$ 230,167**	**$ 197,918**
DISTRIBUTION OF AVAILABLE CASH FLOW											
HRFC Loan III ($2.8 M)	40%	$ 169,274	$ 161,856	$ 153,858	$ 145,254	$ 136,013	$ 126,106	$ 115,501	$ 104,166	$ 92,067	$ 79,167
City of Fresno HOME Loan ($4.5 M)	60%	$ 253,911	$ 242,783	$ 230,787	$ 217,880	$ 204,019	$ 189,159	$ 173,252	$ 156,249	$ 138,100	$ 118,751
Disbursement to Owner(s)	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Parc Grove Commons Northw

INCOME FROM HOUSING UNITS	Inflation	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55
Schedule Rental Income	**2.5%**	$ 3,614,658	$ 3,705,504	$ 3,798,622	$ 3,894,068	$ 3,991,899	$ 4,092,177
Section 8 Subsidy	**2.0%**	$ 772,354	$ 787,801	$ 803,557	$ 819,628	$ 836,021	$ 852,741
Vacancy Loss	**-7.0%**	$ (307,091)	$ (314,531)	$ (322,153)	$ (329,959)	$ (337,954)	$ (346,144)
Miscellaneous Income		$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME		**$ 4,079,921**	**$ 4,178,774**	**$ 4,280,026**	**$ 4,383,737**	**$ 4,489,965**	**$ 4,598,773**
OPERATING EXPENSES & RESERVE DEPOSITS							
Operating Expenses	**3.5%**	$ 3,578,400	$ 3,703,644	$ 3,833,272	$ 3,967,436	$ 4,106,297	$ 4,250,017
Replacement Reserve	**3.0%**	$ 188,976	$ 194,645	$ 200,485	$ 206,499	$ 212,694	$ 219,075
Wells Fargo Management Fee	**3.0%**	$ 21,281	$ 21,920	$ 22,577	$ 23,254	$ 23,952	$ 24,671
General Partner Management Fee	**3.0%**	$ 127,687	$ 131,517	$ 135,463	$ 139,527	$ 143,712	$ 148,024
TOTAL EXPENSES & RESERVES		**$ 3,916,344**	**$ 4,051,726**	**$ 4,191,796**	**$ 4,336,717**	**$ 4,486,655**	**$ 4,641,786**
NET OPERATING INCOME		**$ 163,577**	**$ 127,047**	**$ 88,230**	**$ 47,020**	**$ 3,310**	**$ (43,013)**
HARD DEBT SERVICE (HDS)							
CCRC Loan A		$ -	$ -	$ -	$ -	$ -	$ -
CCRC Loan B		$ -	$ -	$ -	$ -	$ -	$ -
Fresno HA Loan II		$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER HDS		**$ 163,577**	**$ 127,047**	**$ 88,230**	**$ 47,020**	**$ 3,310**	**$ (43,013)**
DISTRIBUTION OF AVAILABLE CASH FLOW							
HRFC Loan III ($2.8 M)	**40%**	$ 65,431	$ 50,819	$ 35,292	$ 18,808	$ 1,324	$ (17,205)
City of Fresno HOME Loan ($4.5 M)	**60%**	$ 98,146	$ 76,228	$ 52,938	$ 28,212	$ 1,986	$ (25,808)
Disbursement to Owner(s)	**0%**	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW AFTER DISTRIBUTION		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

EXHIBIT "E
CERTIFICATE OF COMPLETION

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Development and Resource Management Dept.
Housing and Community Development Division
2600 Fresno Street, Room 3070
Fresno, CA 93721-3605

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

This Certificate of Completion is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

A.P.N.: 446-020-39T

City of Fresno

By:_____
Mark Scott, City Manager

Date:_____

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Certificate of Completion

A.P.N.: _____

Recitals:

A. By a City of Fresno ("CITY") HOME Investment Partnerships Program Agreement dated _____, 2013, ("HOME Agreement") between the City of Fresno, a municipal corporation ("CITY"), and Parc Grove Commons Northwest, LP, a California limited partnership, ("DEVELOPER"), as may be amended from time to time, the DEVELOPER agreed to construct one hundred forty seven (147) affordable rental Units and one (1) on-site manager's unit, upon the Property described in EXHIBIT "A" attached to the HOME Agreement, and made part hereof by this reference (the "Property"), with assistance of HOME Funds while meeting the affordable housing, income targeting and other requirements of 24 C.F.R. 92 according to the terms and conditions of the HOME Agreement and Loan Documents and other documents/instruments referenced therein.

B. The HOME Agreement or a memorandum of it was recorded on ___,__2014, as Instrument No. _____ in the Official Records of Fresno County, California.

C. Under the terms of the HOME Agreement, after the DEVELOPER completes the Project, the DEVELOPER may ask CITY to record a Certificate of Completion.

D. The DEVELOPER has asked CITY to furnish the DEVELOPER with a recordable Certificate of Completion.

E. The CITY's issuance of this Certificate of Completion is conclusive evidence that the DEVELOPER has completed the Project as set forth in the HOME Agreement.

NOW THEREFORE:

1. CITY certifies that the DEVELOPER commenced construction of the Project on February 22, 2013, and completed construction of the Project on _____ 2015, and has done so in full compliance with the HOME Agreement.

2. This Certificate of Completion is not evidence of the DEVELOPER's compliance with, or satisfaction of, any obligation to any mortgage or security interest holder, or any mortgage or security interest insurer, securing money lent to finance work on the Property or Project, or any part of the Property or Project.

3. This Certificate of Completion is not a notice of completion as referred to in California Civil Code Section 3093.

4. Nothing contained herein modifies any provision of the HOME Agreement.

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IN WITNESS WHEREOF, CITY has executed this Certificate of Completion as of this _____ day of _____, 20__.

CITY OF FRESNO

By:_____
Mark Scott, City Manager
(Attach notary certificate of acknowledgment)

Date:_____

ATTEST:
YVONNE SPENCE, CMC
CITY CLERK

By:_____
Deputy

Date:_____

APPROVED AS TO FORM:
DOUG T. SLOAN
CITY ATTORNEY

By:_____
Assistant/Deputy City Attorney

Date:_____

PARC GROVE COMMONS NORTHWEST, LP, a California limited partnership

By:_____
Name: Preston Prince
Title: Executive Director
(Attach notary certificate of acknowledgment)

Date:_____

EXHIBIT "F"

DO NOT DESTROY THIS NOTE: When paid, this note must be surrendered to Borrower for Cancellation.

PROMISSORY NOTE
Secured by Deed of Trust

Loan Amount: $4,500,000.00 Date: _____, 2013
Fresno, California

For value received, the undersigned, Parc Grove Commons Northwest, LP, a California limited partnership ("Borrower"), promises to pay to the order of the City of Fresno, a California municipal corporation, ("Lender"), the sum of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00), to the extent that such funds are loaned to Borrower, with interest on the unpaid principal balance running from the date of disbursement with compounded interest at the rate of 3.8% annually in accordance with the HOME Investment Partnerships Agreement dated _____, 2013, entered into between the Lender and Borrower, ("Agreement"), with all principal and interest due and payable on or before the earlier of (i) Borrower's uncured default under the Agreement with respect to the Project, and (ii) fifty-five (55) years from the date of this Note, ("Maturity Date"), on which date the unpaid balance of principal with unpaid interest thereon shall be due and payable, along with attorney's fees and costs of collection, and without relief from valuation and appraisement laws.

This is a Residual Receipts Note. Principal and interest payments in the amount of 60% of annual Residual Receipts, to the extent that Residual Receipts exist and are itemized in audited financial statements supplied to Lender with each payment hereunder, shall be due one hundred eighty (180) days following the end of the year in which the Project converts to its permanent phase under the Financing, and said payment continues each successive year thereafter until the Maturity Date, upon which all principal and interest shall be due and payable (prorated amounts to be paid for the first and last year of the Note). Any failure to make a payment required hereunder within ten (10) days after such payments are due shall constitute a default under the Agreement with respect to the Project and this Note. It shall not be a default hereunder if no payment was made because Project Residual Receipts did not exist for any particular year. Additionally any failure to timely submit to Lender audited financial statements within thirty (30) days after such financial statements are due shall constitute a default under the Agreement with respect to the Project and Note.

Residual Receipts means in each operating year after the conversion of the Project financing to its permanent phase, sixty percent (60%) of the sum of: (i) all cash received by the Project from (A) rents, lease payments, and all sources generally considered in the apartment industry to be "other income" (which does not include payments for optional services provided by Borrower), (B) payments from HUD under a Housing Assistance Program Section 8 Contract to the Project, if any, and excluding (a) tenant security or other deposits required by law to be segregated, and (b) interest on reserves not available for distribution, and (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and extended coverage and title insurance, to the extent not reinvested, less the sum of: (i) all

cash expenditures, and all expenses unpaid but properly accrued, which are Operating Expenses incurred in the operation of the Project's business, excluding expenditures paid from any reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes); (ii) the Project related annual fee payable to the investment limited partner and the annual fees payable to the general partner(s); (iii) all payments on account of any loans (including unpaid principal and accrued reasonable interest) made for the benefit of the Project by the Borrowers pursuant to the terms of any equity investor limited partnership agreement, and; (iv) payments towards the deferred developer fee (including repayment of loans or capital contributions made by a partner to a partnership specifically for the purpose of paying the deferred developer fee); (v) contributions to any prudent and reasonable cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be reasonably required by the lenders to the Project for the operation of the Project not to exceed the amount required by the Project's permanent lender and investment limited partner as may be annually adjusted in accordance with Project's permanent lender and investment limited partner ; (vi) the payment of principal and interest, and any associated fees, expenses, and costs, with respect to the Senior Financing; (vii) payments made to the investors which are required to reimburse the investors a portion of its capital contribution in relation to the Project when there is a shortfall, disallowance, recapture or reallocation of federal low-income housing tax credits initially promised pursuant to any equity investor or partnership agreement; (viii) the payment of any deferred development costs.

Operating Expenses means actual, reasonable and customary (for comparable quality, constructed rental housing developments in Fresno County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, including, without limitation: painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the capital replacement reserve, fees and expenses of property management and common area expenses, fees and expenses of accountants, attorneys and other professionals, the cost of social services, repayment of any completion or operating loans including any and all deferred contractor's fees per the Budget, made to Borrower, its successors or assigns, and other actual operating costs and capital costs which are incurred and paid by Borrower, but which are not paid from reserve accounts.

All capitalized terms used in this Note, unless otherwise defined, will have the respective meanings specified in the Agreement. In addition, as used in this Note, the following terms will have the following meanings:

> Business Day means any day other than Saturday, Sunday, or public holiday or the equivalent for banks generally under the laws of California. Whenever any payment to be made under this Note is stated to be due on a day other than a Business Day, that payment may be made on the next succeeding Business Day.
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> Note Maturity Date means fifty-five (55) years from the date the permanent loan converts.

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This Note, and any extensions or renewals hereof, is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents on real estate in Fresno County, California, that provides for acceleration upon stated events, dated as of the same date as this Note, and executed in favor of and delivered to the Lender ("Deed of Trust"), insured as a 4th position lien on the Property.

Time is of the essence. It will be a default under this Note if Borrower defaults under the Agreement, any other Loan Document with the Lender, or this Note and such default continues beyond the notice and cure period as provided in such documents. In the event of a default by Borrower with respect to any sum payable under this Note and the failure to cure such default within ten (10) days, the Borrower shall pay a late charge equal to the lesser of two percent (2%) of any outstanding payment or the maximum amount allowed by law. All payments collected shall be applied first to payment of any costs, fees or other charges due under this Note or any other Loan Documents then to the interest and then to principal balance. On the occurrence of an uncured default or on the occurrence of any other event that under the terms of the Loan Documents give rise to the right to accelerate the balance of the indebtedness, then, at the option of Lender, this Note or any notes or other instruments that may be taken in renewal or extension of all or any part of the indebtedness will immediately become due without any further presentment, demand, protest, or notice of any kind. Lender acknowledges and agrees that it shall send notice of any default hereunder to the limited partners of Borrower and shall accept any cure offered by such limited partners on the same basis as it would accept a cure from Borrower.

The indebtedness evidenced by this Note may, at the option of the Borrower, be prepaid in whole or in part without penalty. Lender will apply all the prepayments first to the payment of any costs, fees, late charges, or other charges due under this Note or under any of the other Loan Documents and then to the interest and then to the principal balance.

All Loan payments are payable in lawful money of the United States of America at any place that Lender or the legal holders of this Note may, from time to time, in writing designate.

Borrower agrees to pay all costs including, without limitation, reasonable attorney fees, incurred by the holder of this Note in the successful enforcement of payment, whether or not suit is filed, and including, without limitation, all costs, reasonable attorney fees, and expenses incurred by the holder of this Note in connection with any bankruptcy, reorganization, arrangement, or other similar proceedings involving the Borrower that in any way affects the exercise by the holder of this Note of its rights and remedies under this Note. All costs incurred by the holder of this Note in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower.

Any notice, demand, or request relating to any matter set forth herein shall be in writing and shall be given as provided in the Agreement.

No delay or omission of Lender in exercising any right or power arising in connection with any default will be construed as a waiver or as acquiescence, nor will any single or partial exercise preclude any further exercise. Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of Lender's rights under

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this Note, but rather will be deemed to have been made in pursuance of this Note and not in modification. No waiver of any default will be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default.

The Deed of Trust provides as follows:

> Except as provided herein or in the Agreement, if the Trustor/Grantor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

Lender may transfer this Note and deliver to the transferee all or any part of the Property then held by it as security under this Note, and the transferee will then become vested with all the powers and rights given to Lender; and Lender will then be forever relieved from any liability or responsibility in the matter, but Lender will retain all rights and powers given by this Note with respect to Property not transferred.

If any one or more of the provisions in this Note is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. This Note will be binding on and inure to the benefit of Borrower, Lender, and their respective successors and assigns.

Borrower and Lender agree that this Note will be deemed to have been made under and will be governed by the laws of California in all respects, including matters of construction, validity, and performance, and that none of its terms or provisions may be waived, altered, modified, or amended except as Lender and Borrower may consent to in a writing duly signed by Borrower or Lender or its authorized agents.

This Note shall be nonrecourse to Borrower and all its constituent members and may be prepaid at any time without penalty. Neither Borrower nor any of its general and limited partners shall have any personal liability for repayment of the Loan. The sole recourse of the Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Property pursuant to the Deed of Trust and Lender shall have no right to seek or recover any deficiency amount from Borrower or any partner of Borrower.

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IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be executed as of the date and year first above written.

Parc Grove Commons Northwest, LP, a California limited partnership

By: Silvercrest, Inc., a California non-profit Public benefit corporation
Its: Managing General Partner

_____
By: Preston Prince, Director

By: Parc Grove Commons Northwest AGP, LLC, a California limited liability company
Its: Administrative General Partner
By: Housing Authority of the City of Fresno, California, a public body corporate and politic

_____
By: Preston Prince, CEO/Executive Director

Date: _____

EXHIBIT "G"

RECORDING REQUESTED BY and for the benefit of the City of Fresno and is exempt from the payment of a recording fee in accordance with Government Code Sections 6103 and 27383.

AND WHEN RECORDED MAIL TO

Name City of Fresno
Development and Resource
Management Department
Address 2600 Fresno Street, Rm. 3070
City/St Fresno CA 93721-3605

Title Order No. [Number]
Escrow No. [Number]

SPACE ABOVE THIS LINE FOR RECORDER'S USE

File No.:_____
A.P.N.: 446-020-39T

DEED OF TRUST WITH
ASSIGNMENTS OF RENTS

THIS DEED OF TRUST With Assignment of Rents ("Deed of Trust") made this [_____] day of [_____], [2013], by and between Parc Grove Commons Northwest, LP, a California limited partnership (herein "Borrower"), _____ Title Company, a California Corporation (herein "Trustee"), and the City of Fresno, a Municipal Corporation organized and existing under the laws of the State of California whose address is 2600 Fresno Street, Fresno, California 93721 (herein "Beneficiary" and "Lender").

Trustor, in consideration of the indebtedness herein recited and the trust herein created, does irrevocably grant and convey to Trustee, in trust, with power of sale, all Borrower's right, title, and interest now owned or hereafter acquired in the real property ("Land") known as _____, Fresno, CA _____, located in Fresno County, California and more particularly described in the Attached Exhibit A, incorporated by reference (Borrower agrees that any greater to the Land later acquired during the term of this Deed of Trust will be subject to this Deed of Trust), together with the rents, issues, and profits, subject however, to the right, power, and authority granted and conferred on Borrower in this Deed of Trust to collect and apply the rents, issues, and profits; and

Borrower also irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, all of Borrower's right, title and interest now owned or later acquired to the following property (including the rights or interests pertaining to the property) located at the Property:

(1) All buildings ("Buildings") and improvements now or later on the land and all easements, rights, appurtenances, water and water rights, minerals and mineral rights; all machinery, equipment, appliances, and fixtures for the generation or distribution of air, water, heat, electricity, light, fuel, or refrigeration or for ventilating or sanitary purposes or for the exclusion of vermin or insects or for the removal of dust, refuse, or garbage; all wall safes, built-in furniture, and installations, window shades and blinds, light fixtures, fire hoses and brackets, screens, linoleum, carpets, furniture, furnishings, fixtures, plumbing, laundry tubs and trays, refrigerators, heating units, stoves, water heaters, incinerators, and communication systems and installations for which any Building is specially designed; all of these item, whether now or later installed, being declared to be for all purposes of this Deed of Trust a part of the Land, the specific enumerations in this Deed of Trust not excluding the general;

(2) The rents, issues, profits, and proceeds relating to the foregoing; and

(3) The Property to the extent not included on clauses (1) and (2) above.

TO SECURE, in order of priority that Beneficiary determines:

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(1) Payment of the indebtedness evidenced by a note of Borrower of even date with this Deed of Trust in the principal amount of Four Million Five Hundred Thousand dollars and 00/100 ($4,500,000.00) ("Note"), payable to Beneficiary or order, and all extensions, modifications, or renewals of that note;

(2) Payment of the interest on that indebtedness according to the terms of the Note;

(3) Payment of all other sums (with interest as provided herein) becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust;

(4) Performance of every obligation contained in this Deed of Trust, the Note, the HOME Agreement dated the _____ day of _____, 2013 and its related documents, the Declaration of Restrictions dated the _____ day of _____, 2013, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by Borrower as of the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness amending this Deed of Trust or any instrument secured by this Deed of Trust (collectively the "Loan Documents"); and

(5) Payment of all other obligations owed by Borrower to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered except for encumbrances of record. Borrower covenants that Borrower will forever warrant and will defend the grant made in this Deed of Trust against all claims and demands, subject to encumbrances of record. Borrower covenants that Borrower will maintain and preserve the lien of this Deed of Trust until all the indebtedness under the Note is paid in full.

Borrower represents and warrants to Beneficiary that as of the date of this Deed of Trust Borrower is a California limited partnership organized, validly existing, and in good standing under the laws of the State of California and is qualified to do business in California; that Borrower has the requisite power and authority to own, develop, and operate the property; and that Borrower is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.

Borrower represents and warrants to Beneficiary that as of the date of this Deed of Trust the execution, delivery, and performance by the Borrower and the borrowings evidenced by the Note are within the power of the Borrower; have been duly authorized by all requisite corporate or partnership actions, as appropriate; has received all necessary governmental approvals; and will not violate any provision of law, any order of any court or agency of government, the charter documents of Borrower, or any indenture, agreement, or any other instrument to which Borrower is a party or by which Borrower or any of it property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of Borrower, except as contemplated by the provisions of the Loan Documents; and each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

Borrower represents and warrants to Beneficiary that as of the date of this Deed of Trust that the Property is not used principally for agricultural or grazing purposes; that Borrower is engaged in the development and operation of Improvements to the Property; and that the principal purpose of the Loan is the acquisition, development and/or the operation of the Improvements to the Property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal. Borrower shall promptly pay when due the principal indebtedness evidenced by the Note.

2. Hazard Insurance. Borrower, at its sole cost and expense, for the mutual benefit of Borrower and Beneficiary, shall keep the improvements now existing or hereafter erected on the Property insured against loss by

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fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require as set forth in the HOME Agreement referenced above.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

3. Preservation and Maintenance of Property. Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. Borrower shall not permit overcrowded conditions to exist as defined by the U.S. Department of Housing and Urban Development.

4. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender requires mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable laws.

   Any amounts disbursed by Lender pursuant to this Paragraph 5 shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder.

5. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall provide Borrower 72 hours' notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

7. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust be reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be waiver of or preclude the exercise of any such right of

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remedy.

8. Successors and Assignees Bound; Joint and Several Liability; Co-Signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assignees of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. Any borrower who co-signs this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property of Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust or the Note, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

9. Transferability. One of the inducements to Beneficiary for making the Loan is the identity of Borrower. The existence of any interest in the Property other than the interests of Borrower and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in Borrower other than those of the present owners, would impair the Property and the security interest of Beneficiary, and, therefore, except as contemplated by the Right of First Refusal and Purchase Option Agreement between Borrower and the Housing Authority of the City of Fresno, California and the Purchase Option between Borrower and Parc Grove Commons Northwest AGP, LLC each dated as of February 13, 2013 or as provided herein or in the Loan Documents, Borrower will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of Beneficiary. Consent to one transaction by Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If Borrower is a corporation, any sale, transfer, or disposition of fifty percent (50%) or more of the voting interest of Borrower or of any entity that directly or indirectly owns or controls Borrower, including, without limitation, the parent company of Borrower, and the parent company of the parent company of Borrower, will constitute a sale of the Property for purposes of this article. If Borrower is a partnership any change or addition of a general partner of Borrower, change of a partnership interest of Borrower, or sale, transfer, or disposition of fifty percent (50%) or more of the voting interest or partnership interest of any partner of Borrower or of any corporation, partnership or entity that directly or indirectly owns or controls any partner of Borrower , including, without limitation, each parent company of a partner of Borrower and each parent company of any parent company of a partner of Borrower, will constitute a sale of the Property for purposes of this section. If Borrower is a limited liability company, any change of the manager or any sale, transfer or disposition of fifty percent (50%) or more of the partnership interests of Borrower , or disposition of fifty percent (50%) or more of the voting interest of Borrower or of any corporation, partnership or entity that directly or indirectly owns or controls any member of Borrower, including without limitations, each parent company of Borrower and each parent company of any parent company of a member of Borrower , will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the Beneficiary and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note except as prohibited by law.

10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

11. Governing Law; Severability. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust or if the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are declared to be severable. As used herein, "costs", "expenses", and "attorney's fees" include all sums to the extent not prohibited by applicable law or limited herein.

12. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of

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execution or after recordation thereof.

NON-CONFORMING COVENANTS. Borrower and Lender further covenant and agree as follows:

13. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, the Note or the Program restrictions, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 10 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 13, including, but not limited to, reasonable attorney's fees. If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine.

    Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

    Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

14. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower in paragraph 13 hereof, including but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

15. Nonrecourse. Neither Borrower nor any of its general and limited partners shall have any personal liability for repayment of the loan. The sole recourse of the Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Property.

16. Withdrawal, Removal and/or Replacement of General Partner and Transfer of Limited Partner Interest. General partner of the Borrower pursuant to the terms of a partnership agreement due to violation by a general partner of the

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terms of a partnership agreement, or a voluntary withdrawal from a partnership by a general partner, and any transfer of limited partnership interest or interests in the same, shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the loan.

17. Lien of Deed of Trust. Beneficiary agrees that the lien of this Deed of Trust shall be subordinated to any extended low-income housing commitment (as such term is defined in Section (42(h)(6)(B) of the internal Revenue Code) (the "Extended Use Agreement") recorded against the Property, provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Deed of Trust or upon a transfer of the Property by instrument of lieu of foreclosure, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code, subject to the limitations upon evictions, terminations of tenancies and increases in gross rents of tenants of low-income units as provided in that Section.

18. Assignment of Rent; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 13 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

    Upon acceleration under paragraph 13 hereunder or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

19. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust, and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

20. Substitute Trustee. Lender at lender's option, may from time to time, appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the Fresno County Recorder's Office. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Instrument is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

21. Statement of Obligation. Lender may collect a fee not to exceed $50 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

22. Event of Default.

    Prior to declaring or taking any remedy permitted under Loan Documents, (where applicable) Borrower's limited partners shall have an additional period of not less than thirty (30) days to cure such alleged default. Notwithstanding the foregoing, in the case of a default that cannot with reasonable diligence be remedied or cured within thirty (30) days, Borrower's limited partners shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than ninety (90) days from the expiration of the initial thirty (30) day period above, and if the Borrower's limited partners reasonably believe that in order to cure such default, Borrower's limited partners must remove one or both of Borrower's general partners in order to cure such default, Borrower's limited partners shall have an additional (30) days following the effective date of such removal to cure such default. To the extent that there is a conflict between this paragraph 22 and any remedy permitted by the HOME Agreement, Loan Documents, or Loan, the terms of this paragraph 22 shall control.

    The following events are each an "Event of Default":

(a) Default in the payment of any sum of principal or interest when due under the Note or any other sum due under the Loan Documents.

(b) Failure to maintain insurance as provided in Section 2 hereof.

(c) The failure (without cure during the applicable period, if any, for cure) of any Borrower to observe, perform, or discharge any obligation, term, covenant, or condition of any of the Loan Documents, any agreement relating to the Property, or any agreement or instrument between any Loan Party and Beneficiary.

(d) The assignment by Borrower, as lessor or sublessor, as the case may be, of the rents or the income of the Property or any part of it (other than to Beneficiary) without first obtaining the written consent of Beneficiary.

(e) The following events:

(i) the filing of any claim or lien against the Property or any party of it, whether or not the lien is prior to this Deed of Trust, and the continued maintenance of the claim or lien for a period of thirty (30) days without discharge, satisfaction, or adequate bonding in accordance with the terms of this Deed of Trust;

(ii) the existence of any interest in the Property other than those of Borrower, Beneficiary, any tenants of Borrower, and any one listed in a title exception approved by Beneficiary in writing; or

(iii) the sale, hypothecation, conveyance, or other disposition of the Property except with the express written approval of Beneficiary or as otherwise permitted herein, any of which will be an Event of Default because Borrower's obligation to own and operate the Property is one of the inducements to Beneficiary to make the Loan;

(f) Default under any agreement to which Borrower is a party, which agreement relates to the borrowing of money by Trustor from Beneficiary.

(g) Any presentation or warranty made by any Loan Party or any other Person under this Deed of Trust or in, under, or pursuant to the Loan Documents, is false or misleading in any material respect as of the date on which the representation or warranty was made.

(h) Any of the Loan Documents, at any time after their respective execution and delivery and for any reason, cease to be in full force or are declared null and void, or the validity or enforceability is contested by Borrower or any stockholder or partner of Borrower, or Borrower denies that it has any or further liability or obligation under any of the Loan Documents to which it is a party.

If one or more Event of Default occurs and is continuing, then Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of Trustor, or the existence of waste, enter on and take possession of the Property or any party of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon the Indebtedness, all in any order that Beneficiary many determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;

(ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;

(iii) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and

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election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;

(iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Land, or proceed to sell the Personalty separately and without regard to the Land in accordance with Beneficiary's rights and remedies; or

(v) exercise any of these remedies in combination or any other remedy at law or in equity.

23. Noticing.

In the event of default, Beneficiary shall give the Borrower's limited partners notice of any default under the Loan Documents at the following address:

Wells Fargo Bank, National Association
301 South College Street
Charlotte, NC 28288

With a copy to: Wells Fargo Affordable Housing
Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attn.: Director of Tax Credit Asset Management

And

Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, MA 02110
Attn: Judy K. Crosby

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale be mailed to Borrower and Borrower's address hereinbefore set forth, or if none shown, to Trustor at property address.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOU ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

24. Protection of Security.

If an Event of Default occurs and is continuing, Beneficiary or Trustee, without notice to or demand upon Borrower, and without releasing Borrower from any obligations or defaults may:

(a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

(b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of Beneficiary or Trustee;

(c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee is prior or superior to this deed of Trust; and

(d) pay expenses relating to the Property and its sale, employ counsel, and pay reasonable attorneys' fees.

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Borrower agrees to repay on demand all sums expended by Trustee or Beneficiary pursuant to this section with interest at the Note Rate of Interest, and those sums, with interest, will be secured by this Deed of Trust.

25. Effect of Assignment.

The assignment rents as provided herein will not impose on Beneficiary any duty to produce rents, issues, or profits from the Property, or cause Beneficiary to be:

(a) a "mortgage-in-possession" for any purpose;

(b) responsible for performing any of the obligations of the lessor under any of the Leases; or

(c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property.

Beneficiary will not be liable to Borrower or any other party as a consequence of the exercise of the rights granted to Beneficiary under this assignment or the failure of Beneficiary to perform any obligation of Borrower arising under Leases.

26. HUD ACC Limitations.
This financing is non-recourse to any public housing property (real or personal property including all public housing assets or income), or disposition proceeds approved pursuant to Section 18 of the United States Housing Act of 1937 (unless explicitly permitted by HUD in the Section 18 approval letter).

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above.

Parc Grove Commons Northwest, LP, a California limited partnership

By: Silvercrest, Inc., a California non-profit Public benefit corporation
Its: Managing General Partner

_____
By: Preston Prince, Director

By: Parc Grove Commons Northwest AGP, LLC, a California limited liability company
Its: Administrative General Partner
By: Housing Authority of the City of Fresno, California, a public body corporate and politic

_____
By: Preston Prince, CEO/Executive Director

Date: _____

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EXHIBIT "A" TO DEED OF TRUST

PROPERTY DESCRIPTION

Exhibit A - Property Descritpion

PHASE II

LEGAL DESCRIPTION

The following described property in the City of **Fresno**, County of **Fresno**, State of **California**.

Parcel 1:

All that portion of the North parcel of the land conveyed by the Grant Deed recorded March 18, 2009 as Document No. 2009-0036380, Official Records Fresno County, being a portion of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records, situated in the Southeast quarter of Section 27, Township 13 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official United States Government Township Plat thereof, In the City of Fresno, County of Fresno, State of California, described as follows:

BEGINNING at a point on the North line of said Parcel 1, said point being South 89°59'04" West, 544.97 feet from the Northeast corner of said Parcel 1; thence South 00°00'16" West, 95.81 feet; thence South 89°59'44" East, 48.24 feet to a point on the easement line described as Parcel A of the Declaration of Access and Utility Easement recorded January 28, 2010 as Document No. 2010-0010439, Official Records Fresno County; thence along said easement line of said Document No. 2010-0010439, the following two courses:

1) continuing South 89°59'44" East, 4.36 feet to the beginning of a tangent curve concave to the Southwest having a radius of 24.50 feet; thence
2) Southeasterly, 7.05 feet along said curve through a central angle of 16°28'47"; thence South 00°00'16" West, 197.22 feet on a non-tangent line to last said curve and leaving the easement line of said Document No. 2010-0010439, to a point on the Southerly boundary of the North parcel of the land conveyed by said Document No. 2009-0036380; thence along the Southerly boundary of the land conveyed by said Document No. 2009-0036380, the following fourteen courses:

1) South 89°58'20" West, 13.83 feet; thence
2) South 00°01'39" East, 8.04 feet; thence
3) South 89°58'20" West, 161.58 feet; thence
4) South 00°01'40" East, 13.30 feet; thence
5) South 89°58'20" West, 29.58 feet; thence
6) South 00°01'40" East, 185.49 feet; thence
7) South 00°10'43" West, 80.34 feet; thence
8) South 89°58'20" West, 78.08 feet; thence
9) South 00°01'40" East, 75.51 feet; thence
10) South 89°58'20" West, 194.25 feet; thence
11) South 13°52'36" West, 2.87 feet; thence
12) South 89°46'33" West, 217.10 feet; thence
13) North 00°01'40" West, 24.11 feet; thence
14) South 89°58'20" West, 66.81 feet to the Southwest corner of the North parcel of the land conveyed by said Document No. 2009-0036380, said Southwest corner also being a point on the West line of Parcel 1 of said Parcel Map No. 69-15; thence North 00°04'00" West, 255.36 feet along the West line of said Parcel 1 to the Southwest corner of Parcel 2 of said Parcel Map No. 69-15; thence along the Southerly and Easterly boundary of said Parcel 2 the following four courses:

1) North 89°59'04" East, 150.88 feet; thence
2) North 00°04'00" West, 90.99 feet; thence
3) North 89°59'04" East, 74.94 feet; thence
4) North 00°04'00" West, 289.97 feet to the Northwest corner of said Parcel 1; thence North 89°59'04" East, 477.44 feet along the North line of said Parcel 1, to the POINT OF BEGINNING.

Contains an area of 7.73 acres, more or less.

Basis of Bearings for this description is the West line of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records. Taken to be North 00° 04′ 00″ West.

Being the land conveyed in Grant Deed recorded December 6, 2012 as Document No. 2012-0176596, Official Records Fresno County.

Parcel 2:

Access and Utility Easements contained in that certain Instrument entitled "Amendment and Restatement of Declaration of Access and Utility Easement and Reciprocal Easement Agreement" recorded February 20, 2013 as Instrument No. 2013- 0027416 **of Official Records of Fresno County, California.**

Parcel 3:

The nonexclusive rights to use the Common Areas contained in that certain Instrument entitled "Facilities Reciprocal Use Agreement" recorded February 20, 2013 as Instrument No. 2013- 0027417 **of Official Records of Fresno County, California.**

Parcel 4:

An Easement for ingress and egress to maintain that certain Block Wall as conveyed per Document entitled "Agreement to Provide Masonry Wall Between Residential and Commercial Property" recorded April 26, 1983 as Instrument No. 83035820 of Official Records of Fresno County, California over that portion of Parcel 2 of Parcel Map No. 69-15, in the City of Fresno, County of Fresno, State of California according to the map thereof recorded in Book 1 Page 69 of Parcel Maps, in the office of the County Recorder of said County, the exact location or width of said Easement is not disclosed by the Document.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO TRUSTEE

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____ _____

_____

Please mail Deed of Trust,
Note and Reconveyance to _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made

_____

EXHIBIT "H"

RECORDING REQUESTED BY AND for the benefit of the City of Fresno and is exempt from the payment of a recording fee in accordance with Government Code Sections 6103 and 27383.

AND WHEN RECORDED MAIL TO:

CITY OF FRESNO
Housing and Community Development Division
2600 Fresno Street, Rm. 3070
Fresno, CA 93721-3605

Title Order No._____ Escrow No._____

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS, ("Declaration"), is executed as of this 25 of July, 2013 by Parc Grove Commons Northwest, LP a California limited partnership ("Declarant") in favor of the City of Fresno, acting by and through its Downtown and Community Revitalization Department, Housing and Community Development Division, ("CITY").

WHEREAS, Declarant is the owner of the real estate in the City of Fresno, state of California, located at 2660 E. Clinton Avenue, Fresno, California 93703, consisting of APN: 446-020-39T , which is more particularly described in Exhibit "A", attached hereto and made a part hereof (the "Property"); and

WHEREAS, Pursuant to a certain HOME Investment Partnerships Program Agreement dated July 25, 2013 incorporated herein ("HOME Agreement") and instruments referenced therein, Declarant agrees to utilize, and CITY agrees to provide, certain HOME Program Funds from the United States Department of Housing and Urban Development (HUD), to Declarant and Declarant agrees to preserve no less than six (6) units as Affordable Very Low-Income units reserved for households earning fifty percent (50%), or below, of the area median income for the Fresno MSA as adjusted for household size and twenty (20) units as Affordable Low-income units reserved for households earning eighty percent (80%), or below, of the area median income for the Fresno MSA, as adjusted for household size ("Affordable Units"). Fourteen (14) Affordable Units shall be two-bedroom Units and twelve (12) Affordable Units shall be three-bedroom Units subject to the terms and conditions set forth in the HOME Agreement; and

WHEREAS, the HOME Program regulations promulgated by HUD, including without limitation 24 CFR Section 92.252, and the HOME Agreement impose certain affordability requirements upon property owned the Declarant, which affordability restrictions shall be enforceable for a fifty-five (55) year period; and

WHEREAS, these restrictions are intended to bind Declarant and all purchasers and their successors.

NOW THEREFORE, Declarant declares that the Property is held and will be held, transferred, encumbered, used, sold, conveyed and occupied subject to the covenants, restrictions, and limitations set forth in this Declaration, all of which are declared and agreed to be in furtherance of the proposed Affordable Units. All of the restrictions, covenants and limitations will run with the land and will be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, will inure to the benefit of the City, and will be enforceable by it. Any purchaser under a contract of sale covering any right, title or interest in any part of the Property, by accepting a deed or a contract of sale or agreement of purchase, accepts the document subject to, and agrees to be bound by, any and all restrictions, covenants, and limitations set forth in this Declaration commencing on the date the Declarant is notified by the City that the Affordable Unit tenant information has been entered into the HUD's Integrated Disbursement and Information System (IDIS), constituting the commencement of the fifty-five (55) year ("Affordability Period").

1. Declarations. Declarant hereby declares that the Property is and shall be subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of the Project and the HOME Agreement, and are established and agreed upon for the purpose of enhancing and protecting the value of the Property and in consideration for CITY entering into the HOME Agreement with Declarant.

2. Restrictions. The following covenants and restrictions on the use and enjoyment of the Property shall be in addition to any other covenants and restrictions affecting the Property, and all such covenants and restrictions are for the benefit and protection of CITY, and shall run with the Property and be binding on any future owner's of the Property and inure to the benefit of and be enforceable by the CITY. These covenants and restrictions are as follows:

a. Declarant for itself and its successor(s) on title covenants and agrees that from the date of recordation of the CITY's Certificate of Completion, until the expiration of the Affordability Period it shall cause twenty-six (26) of the units in the Project to be used as Affordable Units. Declarant further agrees to file a recordable document setting forth the Project Completion Date(s) and the Affordability Period when determined by the CITY. Unless otherwise provided in the HOME Agreement, the term Affordable Units shall include, without limitation, compliance with the following requirements:

(i) Nondiscrimination. There shall be no discrimination against nor segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, or handicap in the sale, transfer, use, occupancy, tenure, or enjoyment of any of the Property, nor shall Declarant or any person claiming under the Declarant, establish or permit any practice of discrimination or segregation with reference to the selection, location, number, use or occupancy of owners or vendees of the Project and/or Property.

(ii) Principal Residence. Each of the Affordable Units within the Project upon the Property shall be leased only to eligible Very Low- and Low-Income households, who shall occupy the Affordable Units as their principal residence. The foregoing requirement that the Property tenants occupy the Affordable Units as their principal residence does not apply to persons, other than natural persons, who acquire the Property or portion thereof by foreclosure or deed in lieu of foreclosure or HUD qualified entities that acquire the Property or portion thereof, with the consent of the CITY.

(iii) Income Requirements. A total of six (6) Affordable Units may be leased only to eligible households whose annual household income at the time of initial occupancy is not greater than fifty percent (50%) of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area and a total of twenty (20) Affordable Units may be leased only to eligible households whose annual household income at the time of initial occupancy is not greater than eighty percent (80%) of the most recent annual median income calculated and published by HUD for the Fresno Metropolitan Statistical Area applicable to such household's size, and at an affordable rent consistent HOME Program regulations.

3. Enforcement of Restrictions. Without waiver or limitation, the CITY shall be entitled to injunctive or other equitable relief against any violation or attempted violation of any Covenant and Restriction.

4. Acceptance and Ratification. All present and future owners of the Property and other persons claiming by, through, or under them shall be subject to and shall comply with the Covenant and Restrictions. The acceptance of a deed of conveyance to the Property shall constitute an agreement that the Covenant and Restrictions, as may be amended or supplemented from time to time, are accepted and ratified by such future owners, tenant or occupant, and such Covenant and Restriction shall be a covenant running with the land and shall bind any person having at any time any interest or estate in the Property, all as though such Covenant and Restriction was recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Notwithstanding the foregoing, upon foreclosure by a lender or other transfer in lieu of foreclosure, or assignment of an FHA-insured mortgage to HUD, the Affordability Period shall be terminated unless the foreclosure or other transfer in lieu of foreclosure or assignment recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid the termination of low-income affordability. However, the requirements with respect to Affordable Units shall be revived according to their original terms, if during the original Affordability Period, the owner of record before the foreclosure or other transfer, or any entity that includes the former owner or those with whom the former owner has or had formerly, family or business ties, obtains an ownership interest in the Project or the Property, the Affordability Period shall be revived according to its original terms.

5. Benefit. This Declaration shall run with and bind the Property for a term commencing on the date this Declaration is recorded in the Office of the Recorder of the County of Fresno, state of California, and expiring upon the expiration of the Affordability Period. The failure or delay at any time of the CITY or any other person entitled to enforce this Declaration shall in no event be deemed a waiver of the same, or of the right to enforce the same at any time or from time to time thereafter, or an estoppel against the enforcement thereof.

6. Costs and Attorney's Fees. In any proceeding arising because of failure of Declarant or any future owner of the Property to comply with the Covenant and Restrictions required by this Declaration, as may be amended from time to time, the CITY shall be entitled to recover its costs and reasonable attorney's fees incurred in connection with the successful enforcement of such default or failure.

7. Waiver. Neither Declarant nor any future owner of the Property may exempt itself from liability for failure to comply with the Covenant and Restrictions required in this

Declaration; provided however, that upon the transfer of the Property, the transferring owner shall be released from liability hereunder, upon CITY's written consent of such transfer, which consent shall not be unreasonably withheld, conditioned or delayed.

8. Severability. The invalidity of the Covenant and Restrictions or any other covenant, restriction, condition, limitation, or other provision of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration and each shall be enforceable to the greatest extent permitted by law.

9. Pronouns. Any reference to the masculine, feminine, or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include all genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

10. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs, and subparagraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.

11. Amendment. No amendment or modification of this Declaration shall be permitted without the prior written consent of the CITY and Declarant.

12. Recordation. Declarant acknowledges that this Declaration will be filed of record in the Office of the Recorder of county of Fresno, State of California.

13. Capitalized Terms. All capitalized terms used in this Declaration, unless otherwise defined herein, shall have the meanings assigned to such terms in the HOME Agreement.

14. Headings. The headings of the articles, sections, and paragraphs used in this Agreement are for convenience only and shall not be read or construed to affect the meaning or construction of any provision.

15. Neither Declarant nor any of its general and limited partners shall have any personal liability for the obligations under this Declaration. The sole recourse of the City shall be the exercise of its rights against the Property pursuant to the Deed of Trust and Lender shall have no right to seek or recover any deficiency amount from Declarant or any partner of Declarant.

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IN WITNESS WHEREOF, Declarant has executed this Declaration of Restrictions on the date first written above.

DECLARANT:

Parc Grove Commons Northwest, LP, a California limited partnership

By: Silvercrest, Inc., a California non-profit Public benefit corporation
Its: Managing General Partner

_____
By: Preston Prince, Director

By: Parc Grove Commons Northwest AGP, LLC, a California limited liability company
Its: Administrative General Partner
By: Housing Authority of the City of Fresno, California, a public body corporate and politic

_____
By: Preston Prince, CEO/Executive Director

DATE: _____

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EXHIBIT "A" TO DECLARATION OF RESTRICTIONS

PROPERTY DESCRIPTION

Exhibit A - Property Descritpion

PHASE II

LEGAL DESCRIPTION

The following described property in the City of **Fresno**, County of **Fresno**, State of **California**.

Parcel 1:

All that portion of the North parcel of the land conveyed by the Grant Deed recorded March 18, 2009 as Document No. 2009-0036380, Official Records Fresno County, being a portion of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records, situated in the Southeast quarter of Section 27, Township 13 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official United States Government Township Plat thereof, In the City of Fresno, County of Fresno, State of California, described as follows:

BEGINNING at a point on the North line of said Parcel 1, said point being South 89°59'04" West, 544.97 feet from the Northeast corner of said Parcel 1; thence South 00°00'16" West, 95.81 feet; thence South 89°59'44" East, 48.24 feet to a point on the easement line described as Parcel A of the Declaration of Access and Utility Easement recorded January 28, 2010 as Document No. 2010-0010439, Official Records Fresno County; thence along said easement line of said Document No. 2010-0010439, the following two courses:

1) continuing South 89°59'44" East, 4.36 feet to the beginning of a tangent curve concave to the Southwest having a radius of 24.50 feet; thence
2) Southeasterly, 7.05 feet along said curve through a central angle of 16°28'47"; thence South 00°00'16" West, 197.22 feet on a non-tangent line to last said curve and leaving the easement line of said Document No. 2010-0010439, to a point on the Southerly boundary of the North parcel of the land conveyed by said Document No. 2009-0036380; thence along the Southerly boundary of the land conveyed by said Document No. 2009-0036380, the following fourteen courses:

1) South 89°58'20" West, 13.83 feet; thence
2) South 00°01'39" East, 8.04 feet; thence
3) South 89°58'20" West, 161.58 feet; thence
4) South 00°01'40" East, 13.30 feet; thence
5) South 89°58'20" West, 29.58 feet; thence
6) South 00°01'40" East, 185.49 feet; thence
7) South 00°10'43" West, 80.34 feet; thence
8) South 89°58'20" West, 78.08 feet; thence
9) South 00°01'40" East, 75.51 feet; thence
10) South 89°58'20" West, 194.25 feet; thence
11) South 13°52'36" West, 2.87 feet; thence
12) South 89°46'33" West, 217.10 feet; thence
13) North 00°01'40" West, 24.11 feet; thence
14) South 89°58'20" West, 66.81 feet to the Southwest corner of the North parcel of the land conveyed by said Document No. 2009-0036380, said Southwest corner also being a point on the West line of Parcel 1 of said Parcel Map No. 69-15; thence North 00°04'00" West, 255.36 feet along the West line of said Parcel 1 to the Southwest corner of Parcel 2 of said Parcel Map No. 69-15; thence along the Southerly and Easterly boundary of said Parcel 2 the following four courses:

1) North 89°59'04" East, 150.88 feet; thence
2) North 00°04'00" West, 90.99 feet; thence
3) North 89°59'04" East, 74.94 feet; thence
4) North 00°04'00" West, 289.97 feet to the Northwest corner of said Parcel 1; thence North 89°59'04" East, 477.44 feet along the North line of said Parcel 1, to the POINT OF BEGINNING.

Contains an area of 7.73 acres, more or less.

Basis of Bearings for this description is the West line of Parcel 1 of Parcel Map No. 69-15, according to the map thereof recorded in Book 1 of Parcel Maps at Page 69, Fresno County Records. Taken to be North 00° 04' 00" West.

Being the land conveyed in Grant Deed recorded December 6, 2012 as Document No. 2012-0176596, Official Records Fresno County.

Parcel 2:

Access and Utility Easements contained in that certain Instrument entitled "Amendment and Restatement of Declaration of Access and Utility Easement and Reciprocal Easement

Agreement" recorded February 20, 2013 as Instrument No. 2013-0027416 of Official Records of Fresno County, California.

Parcel 3:

The nonexclusive rights to use the Common Areas contained in that certain Instrument entitled "Facilities Reciprocal Use Agreement" recorded February 20, 2013 as Instrument No.

2013-0027417 of Official Records of Fresno County, California.

Parcel 4:

An Easement for ingress and egress to maintain that certain Block Wall as conveyed per Document entitled "Agreement to Provide Masonry Wall Between Residential and Commercial Property" recorded April 26, 1983 as Instrument No. 83035820 of Official Records of Fresno County, California over that portion of Parcel 2 of Parcel Map No. 69-15, in the City of Fresno, County of Fresno, State of California according to the map thereof recorded in Book 1 Page 69 of Parcel Maps, in the office of the County Recorder of said County, the exact location or width of said Easement is not disclosed by the Document.