Regular Council Meeting

June 4, 2026

FRESNO CITY COUNCIL

City of FRESNO

Supplement Packet

ITEM(S)

2-Q (ID 26-43)

Actions pertaining to the Ventura Family Apartments affordable rental housing development project, located at the southwest corner of South Eighth Street and Ventura Avenue (a portion of APN 470-052-02T and a portion of 470-05-03T) (City Council District 5)

[TITLE TRUNCATED FOR SUPPLEMENTAL PACKET COVER PAGE]

Contents of Supplement: Amended and Restated Affordable Housing Agreement, Amended and Restated Ground Lease, Assignment and Assumptions of the Affordable Housing Agreement, LHTF Loan Agreement, and License Right of Entry Agreement

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week

prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT

by and among

City of Fresno, a municipal corporation

and

Corporation for Better Housing

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ATTACHMENTS

AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT
7th and Ventura

This **AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT** (Agreement) is entered into as of _____ (Effective Date) by and among the **City of Fresno, a municipal corporation** (City or Owner), and **Corporation for Better Housing** (Developer).

A. This Agreement supersedes and replaces in its entirety the Affordable Housing Agreement by and between the City of Fresno, a municipal corporation, City of Fresno, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno and Corporation for Better Housing, last dated on May 5, 2025. The aforementioned Affordable Housing Agreement was not recorded.

B. City is the fee owner of the land located at the southwest corner of South Eighth Street and Ventura Avenue (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T) (Subject Property), and legally described in Attachment 1 and the existing improvements located thereon.

C. On January 19, 2023, pursuant Resolution Number 2023-019, the Owner declared the Subject Property as Surplus Exempt, pursuant to Government Code section 54221(f)(1)(A) because the Subject Property will be disposed for development based upon Government Code section 37364(a) which requires (1) Minimum of 80% of the area of any parcel shall be used for the development of housing (remaining 20% may be ancillary commercial or park/open space use); (2) Not less than 40% of the total number of housing units developed on any parcel pursuant to this section shall be affordable to households whose incomes are equal to, or less than, 75% of the maximum income of lower income households (80% of area median income), and at least half of which (20% of the units) shall be affordable to very low-income households (50% of area median income); and (3) Dwelling units shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years and shall be recorded against the property.

D. In order to expand and improve the supply of affordable housing for Very Low-Income Households and Low-Income Households, to develop viable urban communities by providing decent, safe housing and a suitable living environment, and to expand economic opportunities for Very Low-and Low- Income households, Owner desires for the Subject Property be developed as a affordable rental housing project in accordance with the terms of this Agreement.

E. On March 24, 2023, Owner issued a Request for Proposals (RFP) for the development of the Subject Property into a mixed-use, mixed income housing and commercial retail development for up to 90 units of multifamily housing.

F. On July 26, 2023, and March 11, 2025, California Department of Housing and Community Development (HCD) confirmed and approved the City's determination that the Subject Property qualifies as exempt surplus land under Government Code section 54221(f)(1)(A).

G. WHEREAS, pursuant to the RFP, Developer submitted a bid proposal responsive to the RFP and Developer's Proposal was selected to develop, entitle and

construct its proposed affordable housing project on the Subject Property with 54 affordable housing units along with onsite and offsite improvements (Project), as more fully described herein, upon the fulfillment of certain conditions precedent as set forth herein.

H. It is the intent of the parties to enter into this Agreement, and a Ground Lease, in order for the Developer to develop the Project. It is the Developer's intent to serve the needs of low-income residents.

I. Owner desires to convey a ground leasehold interest in the Subject Property to Developer for the construction and long-term operation of an affordable rental housing project thereon in accordance with the terms of this Agreement.

J. Council adopted a finding of categorical exemption pursuant to Section 15332/Class 32 (Infill) for the disposition of the property for the Project pursuant to the California Environmental Quality Act (CEQA) guidelines on April 24, 2025.

K. Capitalized terms used in this Agreement are defined in these Recitals and in Section 100, *et seq*.

L. As used herein, "Developer" refers to either Corporation for Better Housing and/or Integrated Community Development, LLC which is duly organized under the laws of the State of California. Developer is experienced in the construction, development, operation, and management of first quality housing which is affordable to persons and families of Low to Moderate Income, including Very Low-and Low-Income Households.

M. Developer desires to (i) ground lease the Subject Property, which shall be in a form and content that shall be approved by Developer and Owner, in their reasonable discretion (Ground Lease), (ii) develop, entitle, construct, and operate the Subject Property with 54 affordable housing units along with onsite and offsite improvements as set forth in its Proposal for Very Low-Income Households and Low-Income Households, of which one unit in the Project, will be occupied by on-site management staff (which unit shall be unrestricted as to income, but the rent charged, if any, for such manager unit(s) shall be restricted to an Affordable Rent for a Low-Income Household), (iii) and operate the Project as affordable housing throughout the Affordability Period pursuant to the requirements of this Agreement.

N. Developer intends to file an application with the California Tax Credit Allocation Committee (TCAC) to obtain allocations of federal 4% and/or 9% Low-Income Housing Tax Credits (Tax Credits) for the Project. If Developer does not receive such allocations of Tax Credits after its first TCAC Application, Developer may submit an Application for Tax Credits in the next round following notification that Developer's first Application was not successful, pursuant to the procedure set forth in this Agreement. Developer received a federal 4% tax credit reservation for the Project from TCAC on August 5, 2025.

O. The parties acknowledge and agree that the financing and other terms set forth in this Agreement may require adjustment to ensure the Project is developed and operated in a manner reasonably acceptable to Owner and financially feasible for Developer. In the event Developer is required to find alternate financing sources for the development and operation of the Project and/or to the extent necessary or appropriate to implement and clarify the terms of this Agreement as to the Project, the parties will negotiate in good faith and reasonably consider entering into one or more additional Implementation Agreements for the Project to set forth more specifically the terms, conditions, and restrictions imposed by or

which otherwise become appropriate because of the inclusion of additional or different funding sources for the Project.

P. The Project is vital to and in the best interest of the City of Fresno and the health, safety and welfare of its residents, and are in accordance with the public purposes of applicable state and local laws and requirements.

Q. Notwithstanding any provision of this Agreement (or any Implementation Agreements), the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of federal funds, and that such commitment of funds may occur only upon satisfactory completion of environmental review and receipt by City of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties hereto are further prohibited from undertaking or committing any federal funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance; the parties understand that the violation of this provision may result in the denial of any federal funds under this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

100. DEFINITIONS

101. Defined Terms. The defined terms set forth in this Section 101 shall be used to interpret this Agreement and all attachments hereto except to the extent such terms are otherwise defined in the attachments hereto.

"Affiliate" shall mean any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer, which shall include each of the constituent partners or members of Developer's limited partnership. The term "control," as used in the immediately preceding sentence, means, with respect to a person that is a corporation, the right to the exercise, directly or indirectly, at least 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

"Affordability Period" shall mean the 55-year duration of the affordable housing and operational covenants, conditions, restrictions, and requirements which are set forth in this Agreement, including the Ground Lease and Regulatory Agreement, as set forth in Section 403. The Affordability Period may be extended by the Parties in the event the Ground Lease extends beyond the Initial Term.

"Affordable Rent" shall mean the maximum amount of out-of-pocket housing cost to be charged monthly by Developer and paid by each of the eligible Very Low-Income Households and Low-Income Households for each of the Housing Units at the Project as determined and calculated pursuant to the affordable rent and the rent limitations according to TCAC, the Tax Credit Rules, the Tax Credit Regulatory Agreement applicable to the Project, and any other federal resources used in the development of the Project. For purposes of Affordable Rent, the monthly housing payment shall mean the total of monthly payments by each tenant household of a Housing Unit for use and occupancy of a Housing Unit and facilities associated therewith, including a reasonable allowance for utilities for an adequate level of service, as set forth in more detail in Section 402 hereof.

"Agreement" shall mean this Affordable Housing Agreement, including all attachments hereto, between Owner and Developer.

"Annual Financial Statement" shall mean the certified financial statement of Developer for the Project using generally accepted accounting principles (GAAP), including Operating Expenses and Annual Project Revenue, prepared at Developer's expense, by an independent certified public accountant reasonably acceptable to Owner, once every three years or sooner as and when requested by the Owner, by the City Manager along with and as a part of the Annual Financial Statement, Developer shall submit true, legible, and complete copies of the source documentation supporting the Annual Financial Statement for the Project.

"Annual Project Revenue" shall mean all gross income and all revenues of any kind from the Project in a calendar year, of whatever form or nature, whether direct or indirect, with the exception of the items excluded below, received by, paid to, or for the account or benefit of Developer or any Affiliate of Developer or any of their agents or employees (provided, in no event shall amounts counted as Annual Project Revenue be double counted if paid by a Developer to one or more of its Affiliates), from any and all sources, resulting from or attributable to the operation, leasing and occupancy of the Project, determined on the basis of GAAP applied on a consistent basis, and shall include, but not be limited to: (i) gross rentals paid by tenants of the applicable Project under leases, and payments and subsidies of whatever nature, including without limitation any payments, vouchers or subsidies from HUD or any other person or organization, received on behalf of tenants under their leases; (ii) amounts paid to Developer or any Affiliate of Developer on account of Operating Expenses for further disbursement by Developer or such Affiliate to a third party or parties, including, without limitation, grants received to fund social services or other housing supportive services at the applicable Project; (iii) late charges and interest paid on rentals; (iv) rents and receipts from licenses, concessions, vending machines, coin laundry, and similar sources; (v) other fees, charges, or payments not denominated as rental but payable to Developer in connection with the rental of office, retail, storage, or other space in the Project; (vi) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases; and (vii) interest and other investment earnings on security deposits, reserve accounts and other Project accounts to the extent disbursed. Notwithstanding the foregoing, Annual Project Revenue shall not include the following items: (a) security deposits from tenants (except when applied by Developer to rent or other amounts owing by tenants); (b) capital contributions to Developer by its members, partners or shareholders (including capital contributions required to pay the portion of the Deferred Developer Fee permitted to be included in eligible basis pursuant to the Tax Credit Rules); (c) condemnation or insurance proceeds; (d) there shall be no line item, expense, or revenue shown allocable to vacant unit(s) at the applicable Project; (e) receipt by an Affiliate of management fees or other bona fide arms-length payments for reasonable and necessary Operating Expenses associated with the applicable Project.

"Application" shall mean, Developer's Tax Credit applications to be submitted to TCAC to obtain an allocation of Tax Credits for the Project or such other financing as may be applied for pursuant to Section 310. All Applications submitted by Developer shall be consistent with the terms of this Agreement.

"Applicable Federal Rate" shall mean the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low-Income Housing

Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"Area Median Income" and ***"AMI"*** shall mean the area median household income set forth for each county in California (and for this Agreement for Fresno County), adjusted for household size , as set forth by regulation of TCAC.

"Basic Concept Drawings" shall mean the plans and drawings to be submitted and approved by City, as set forth in Section 302.1 hereof.

"Best Knowledge" shall mean the actual knowledge or constructive knowledge of the party's employees and agents who manage the Subject Property or have participated in the preparation of this Agreement, and all documents and materials in the possession of such party, and shall not impose a duty of investigation, except as to documents of record or actually provided to such party or its employees or agents, whether actually known or not.

"Capital Replacement Reserve" shall mean a separate reserve fund account to be established upon closing of the permanent Primary Loan for the Project and maintained by Developer for the Project, which shall equal not less than Two Hundred Fifty Dollars ($250) per year for each Housing Unit (i.e. 54 units in the Project (54 times $250 equals $13,500)), to be used as the primary resource to fund capital improvements and replacement improvements for the Project. The amount of $250 for each Housing Unit that is set aside by the partnership (or its Property Manager) shall be allocated from the gross rents received from the applicable portion of the Subject Property and deposited into a separate interest bearing trust account for capital replacements to the Subject Property fixtures and equipment that are normally capitalized under generally accepted accounting principles and shall include common areas. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve or lessen Developer's obligation to undertake any and all necessary capital repairs and improvements and to continue to maintain the Projects in the manner prescribed herein. Not less than once per year, Developer, at its expense, shall submit to City Manager an accounting for the Capital Replacement Reserve for the Project. Capital repairs to and replacement of the Project shall include only those items with a long useful life, including without limitation the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. Pursuant to the procedure for submittal of each Annual Budget for the Project to City Manager by Developer, City Manager may evaluate the cumulative amount on deposit in the Capital Replacement Reserve account for the Project and exercise her sole, reasonable discretion to determine if existing balance(s) in, proposed deposits to, shortfalls, if any, and/or a cumulative unexpended/unencumbered account balance in such Capital Replacement Reserve account are adequate to provide for necessary capital repairs and improvement to the Subject Property and the Project (provided that required annual deposits thereto are not required to exceed $250/per Housing Unit).

"City" shall mean the City of Fresno, a California municipal corporation and charter

city.

"City Manager" shall mean and include the City of Fresno's City Manager and her authorized designees. Whenever consent, approval or other actions of the "City Manager" is required, such consent may be provided by City Manager or her authorized designees.

"Closing" shall mean the close of escrow for the Project, whereby Owner shall convey a ground leasehold interest in the Subject Property, as applicable, to Developer pursuant to Section 205.4, and such applicable Ground Lease becomes effective and the Term thereof commences.

"Closing Date" shall mean, the date the Memorandum of Ground Lease is recorded against the Subject Property as more specifically set forth in Section 205.4 hereof.

"Conditions Precedent" shall mean the conditions precedent to the execution, effectiveness and commencement of the Ground Lease.

"Construction Contract" shall mean each and every contract between Developer, the Contractor, and/or any Subcontractor for the construction of the Project, or any part thereof, including construction of any on-site or off-site improvements included in the Scope of Development, the land use entitlement approved by the City, and the Development Plans. The Construction Contract between Developer and the Contractor shall be for a fixed fee to complete all work to be performed or caused to be performed by the Contractor under such Construction Contract.

Developer shall provide the Owner with copies of all agreements it has entered into with any and all general contractors or subcontractors for this Project. 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 Owner immediately of any event of default by the Developer thereunder, (ii) notify the Owner immediately of the filing of a mechanic's lien, (iii) notify the Owner immediately of termination or cancellation of the construction agreement on the Project, and (iv) provide the Owner, upon its 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 Owner 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. Developer shall also require each contract to include a full recitation of Section 3 and the Section 3 Clause with an express acknowledgement and agreement by the Contractor and each Subcontractor, as applicable, to fully comply with the Section 3 Clause, (ii) an express acknowledgement and agreement that as a condition precedent to the final payment under its contract, the Contractor or Subcontractor, as applicable, shall provide written evidence, in form reasonably satisfactory to Owner that it and all its subcontractor(s) have complied with the Section 3 Clause in completing the development of the Project, and (iii) reference to all other applicable federal regulations and laws based on the final federal funding sources, if any, to which such Contractor or Subcontractor, as applicable, must comply in undertaking the construction and development of the applicable Project; provided it is understood by the parties that it is and shall remain primarily the Developer's obligation to obtain and submit all required Section 3 Clause documentation.

"Construction Drawings" shall mean the construction plans and drawings to be submitted and approved by City for the Project, as set forth in Section 302.3 hereof.

"Contractor" shall mean one or more general contractors hired by Developer to perform and complete, or to engage and supervise others to perform and complete, the construction of the Project and all other on-site and off-site improvements required to be constructed in connection with the Project, in accordance with the Scope of Development, the land use entitlement as and when approved by Owner, and the Development Plans. Developer shall submit to Owner evidence regarding the entity serving as the Contractor for the construction of the Project and all other on-site and off-site improvements required to be constructed in connection therewith in accordance with the Scope of Development, the land use entitlement as and when approved by Owner, and the Development Plans, including all required licenses, certifications, insurance, etc., as reasonably requested by the Owner. The parties acknowledge that the Contractor is an Affiliate of the Administrative General Partner; however, Owner wishes to ensure that the costs of constructing the Project are at all times reasonable and that the scope of the construction to be performed is adequate and appropriate. To that end, Owner shall have the ongoing right to review (i) a detailed scope of work for the construction of the Project, (ii) the construction of the Project as such work is performed by Contractor (and its subcontractors), and (iii) invoices, inspection reports, testing, and other evidence showing the work undertaken, to be undertaken, and progress on the construction, and the cost thereof.

"Contractor Fee" shall mean a fee to be paid by Developer to the Contractor pursuant to the Partnership Agreement and Construction Contract, which fee is compensation to perform and complete, or to engage and supervise others to perform and complete, the construction of the Project and all other on-site and off-site improvements required to be constructed in connection therewith in accordance with the Scope of Development, the land use entitlement as and when approved by Owner, and the Development Plans, and all other Improvements required to be constructed in connection with the Project, all in accordance with the Scope of Development, the land use entitlement, and the approved Development Plans. Payment and disbursement of the Contractor Fee shall be postponed, as provided in Section 203, *et seq.,* and pursuant to the Partnership Agreement. The parties acknowledge the amount of the Contractor Fee may increase or decrease in the event the cost of the construction of the Project and all other on-site and off-site improvements required to be constructed in connection therewith increase or decrease and a change order subject to Owner approval is issued reflecting such increased or decreased costs; provided, however, Developer represents and warrants to Owner that the Contractor Fee shall not exceed the amount allowed pursuant to the Tax Credit Rules.

"Corporation for Better Housing" shall mean the Corporation for Better Housing, a California nonprofit public benefit corporation.

"County" shall mean the County of Fresno, California.

"CUAC" shall mean the California Utility Allowance Calculator which may be used to set the tenant utility allowance.

"Debt Service" shall mean payments made in a calendar year pursuant to the approved Primary Loans obtained for the lease, construction/development, and operation of the Project pursuant to Section 310.

"Default" or ***"Event of Default"*** shall mean the failure of a party to perform any action or comply with any covenant required by this Agreement, including the attachments hereto, within the time periods provided herein following notice and opportunity to cure, as set forth

in Section 501 hereof.

"Deferred Contractor Fee" shall mean any deferred Contractor Fee allowable under the financing and the Construction Contract which has been approved by Owner pursuant to Section 310.2. In no event shall the Contractor be eligible for disbursement of the Deferred Contractor Fee or any part thereof for the Project prior to completion of construction for such Project, including all on-site and off-site improvements, as approved by the Owner and as evidenced by the issuance by Owner of the Release of Construction Covenants for such Project.

"Deferred Developer Fee" shall mean any deferred Developer Fee allowable under the financing which has been approved by Owner pursuant to Section 310. In no event shall Developer be eligible for disbursement of the Deferred Developer Fee or any part thereof for an applicable Project prior to completion of construction for the Project, including all on-site and off-site improvements, as approved by the Owner and as evidenced by the issuance by Owner of the Release of Construction Covenants.

"Design Development Drawings" shall mean the plans and drawings for the Project to be submitted to and approved by Owner, as set forth in Section 302.2 hereof.

"Developer(s)" shall mean, Corporation for Better Housing, a California non-profit public benefit corporation and/or Integrated Community Development, LLC a for-profit limited liability company, and their permitted successors and assigns.

"Developer Fee" shall mean a fee for the Project to be paid by the entity to Developer that will develop the Project pursuant to this Agreement, which fee is compensation to perform, or to engage and supervise others to perform, services in connection with the negotiating, coordinating, and supervising the planning, architectural, engineering and construction activities necessary to cause completion and complete the Project, including all other on-site and off-site improvements required to be constructed in connection therewith, in accordance with the Scope of Development, the land use entitlement, and the Development Plans, as set forth in the Final Budget and approved as a part of the evidence of financing pursuant to Section 310 herein.

"Development Impact Fees" shall mean amounts required to be paid to or through the Owner prior to and as a condition to issuance of building permits for the Project, including, without limitation, sanitation district, traffic signal assessment, schools, public works/drainage, public works/sewer connection, and/or public works/sewer assessment.

"Development Plans" shall mean the Basic Concept Drawings, Design Development Drawings and Construction Drawings for the Project to be submitted to Owner for review and approval, pursuant to Section 302.

"Environmental Claim" shall mean (i) any judicial or administrative enforcement actions, proceedings, claims, orders (including consent orders and decrees), directives, notices (including notices of inspection, notices of abatement, notices of non-compliance or violation and notices to comply), requests for information or investigation instituted or threatened by any governmental authority pursuant to any Governmental Requirements, or (ii) any suits, arbitrations, legal proceedings, actions or claims instituted, made or threatened that relate, in the case of either (i) or (ii), to any damage, contribution, cost recovery, compensation, loss or injury resulting from the release or threatened release (whether sudden or non-sudden or accidental or non-accidental) of, or exposure to, any Hazardous Materials,

or the violation or alleged violation of any Governmental Requirements, or the general, manufacture, use, storage, transportation, treatment, or disposal of Hazardous Materials.

"Environmental Laws" shall mean all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq.*; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq.*; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq.*; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq.*; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City, or any other political subdivision in which the Subject Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Subject Property.

"Environmental Reports" shall mean the Phase I and Phase II reports regarding the Subject Property, which have been delivered by Owner to Developer.

"Escrow" shall have the meaning set forth in Section 205, *et seq.*

"Escrow Agent" shall have the meaning set forth in Section 205, *et seq.*

"Final Budget" shall mean the final budget for the construction and development of the Project, as approved by Owner pursuant to Section 310 hereof.

"Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the State of California, the County, the City, or any other political subdivision in which the Subject Property is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over Developer or the Subject Property, as may be amended from time to time.

"Ground Lease" shall mean, the Ground Lease to be entered into for the Project by Owner and the Developer which shall be in a form reasonably acceptable to Developer and Owner in their reasonable discretion.

"*Hazardous Material*" or ***"Hazardous Materials"*** shall mean and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, Fresno County Health Care Agency, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under

Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903); (xi) Methyl tert Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601,*et seq.* (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq.*, specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the applicable Project, including without limitation alcohol, aspirin, tobacco and saccharine.

"Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Subject Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Subject Property.

"HCD" shall mean the State of California Department of Housing and Community Development.

"Housing Unit" and ***"Housing Units"*** shall mean, one of the 54 housing units in the Project to be constructed and operated by Developer on the Subject Property as affordable rental housing for the Affordability Period.

"HUD" shall mean the United States Department of Housing and Urban Development.

"Implementation Agreement" and ***"Implementation Agreements"*** shall mean, individually and collectively, agreements entered into by Owner and Developer (or its permitted successors and/or assigns) in order to implement and/or clarify the terms of this Agreement, in accordance with the terms of this Agreement.

"Improvements" shall mean the Affordable Housing Units and any other improvements to be constructed on the Subject Property as part of the Project pursuant to this Agreement and as approved by the Owner.

"Indemnitees" is defined in Section 204.4.

"Integrated Community Development, LLC" shall mean Integrated Community Development, a California for-profit limited liability company.

"Investor Limited Partner" shall mean each Tax Credit limited partner of Developer for the Project and their successors/assigns.

"Legal Description" shall mean the description of the Subject Property which is attached hereto as Attachment No. 1 and incorporated herein.

"Lender" shall mean each of the responsible financial lending institutions or persons or entities approved by Owner in its reasonable discretion, which provide the Primary Loans, including acquisition loan(s), construction loan(s) or permanent loan(s) for the construction, development, and/or operation of the applicable Project, as set forth in Section 310 hereof.

"Low-Income," "Lower Income," "Low-Income Households" or ***"Lower Income Households"*** shall have the same meaning as prescribed in Section 405.1 hereof and shall mean and include both: (i) lower income households as defined in the Tax Credit Rules and (ii) 60% AMI Low-Income Households. Lower Income Households include Very Low-Income Households and Extremely Low-Income Households, as defined in the Tax Credit Rules.

"Marketing Program" shall mean the marketing plan and tenant selection program to be prepared by Developer and submitted to Owner for its review and approval as a Condition Precedent to obtaining a Certificate of Occupancy as further described in Section 408.

"Memorandum of Agreement" shall mean the Memorandum of Affordable Housing Agreement to be executed by the parties in substantially the form attached hereto as Attachment No. 9 and fully incorporated by this reference, which Memorandum of Agreement shall include notice of this Agreement and the obligations of Developer to enter into the Ground Lease, complete the construction of the Project, and operate the Project as affordable rental housing pursuant to the terms of this Agreement.

"Memorandum of Ground Lease" shall mean, collectively, the Memorandum of Ground Lease for the Project to be executed by the Developer in a form to be reasonably approved by Owner in its reasonable discretion, which Memorandum of Ground Lease shall include notice of the Ground Lease for the Project and the terms and provisions contained therein, and shall state that in no event shall Owner's fee interest in the Subject Property be subordinated to deeds of trust or any other liens for financing recorded against the Subject Property.

"Notice" shall mean a notice in the form prescribed by Section 602 hereof.

"Notice of Affordability Restrictions" shall mean, collectively, the notices to be executed by the parties in substantially the forms attached hereto as Attachment No. 7 and incorporated herein, which shall recite the affordability restrictions and restrictions on transfer imposed on the Subject Property by this Agreement, the Ground Lease, and the Regulatory Agreement, and which shall be recorded against the Subject Property, as applicable, at the Closing for the Project.

"*Official Records*" shall mean the official land records of the County.

"Operating Budget" and ***"Annual Budget"*** shall mean the annual operating budget for the Project that sets forth the projected Operating Expenses for the upcoming year that is

subject to and shall be submitted for review and approval by Owner, through the City Manager each year during the Affordability Period as set forth in Section 413 hereof.

"Operating Expenses" shall mean actual, reasonable and customary (for comparable first quality 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, which are in accordance with the annual Operating Budget for the Project approved by Owner pursuant to Section 413 hereof, including but not limited to: 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, fees and expenses of property management, fees and expenses of accountants, attorneys and other professionals, the cost of social services and other housing supportive services provided at the Project consistent with Developer's approved Application to TCAC for the Project and rules imposed by HUD with respect to the provision of Project Based Section 8 assistance, if any, repayment of any completion or operating loans made to Developer, deferred developer fee payments, and other actual, reasonable and customary operating costs and capital costs which are directly incurred and paid by Developer, but which are not paid from or eligible to be paid from the Capital Replacement Reserve or any other reserve accounts for the Project. To the extent the Operating Expenses for a Project are not reasonably consistent with the annual Operating Budget for a given year, the Owner shall reasonably review and approve to confirm such Operating Expenses are reasonable and actually incurred; provided, no approval shall be required for emergency expenditures reasonably necessary or appropriate to preserve life, limb, or property.

Operating Expenses shall *exclude* all of the following: (i) salaries of employees of Developer or Developer's general overhead expenses, or expenses, costs and fees paid to an Affiliate of Developer, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the Fresno County area for the same work or services; (ii) any amounts paid directly by a tenant of the Project to a third party in connection with expenses which, if incurred by Developer, would be Operating Expenses; (iii) optional or elective payments with respect to the Primary Loan (unless made with the consent of the City Manager in her reasonable discretion); (iv) any payments with respect to any Project-related loan or financing other than the Primary Loan (unless made with the consent of the City Manager in her sole discretion); (v) expenses, expenditures, and charges of any nature whatsoever arising or incurred by Developer prior to completion of the applicable Project with respect to the development, maintenance and upkeep of the Project, or any portion thereof, including, without limitation, all costs and capitalized expenses incurred by Developer in connection with the lease of the Subject Property from the Owner (e.g. not leasing to low-income tenants), all predevelopment and preconstruction activities conducted by Developer in connection with the Project, including, without limitation, the preparation of all plans and the performance of any tests, studies, investigations or other work, and the construction of the Project and any on-site or off-site work in connection therewith; (vi) depreciation, amortization, and accrued principal and interest expense on deferred payment debt; and (vii) any Partnership Related Fees to the extent they are not paid as capitalized expenses.

"Operating Reserve" shall mean the Operating Reserve for the Project, which shall

be funded by an installment of Tax Credit equity in a target amount equal to three (3) months of (i) Debt Service on the permanent Primary Loan and (ii) Operating Expenses pursuant to an approved Annual Budget for the applicable Project (Target Amount). The Operating Reserve shall thereafter be replenished from later installments of Tax Credit Equity and from Annual Project Revenue to maintain the Operating Reserve balance of the Target Amount. The operating reserve shall be used in compliance with Tax Credit Regulations and the Partnership Agreement.

"Owner Covenants" shall mean applicable affordable housing, and related land use/zoning covenants imposed by and as condition(s) of approval of the land use entitlement for the Project, if any. Pursuant to the requirements of the land use entitlement for the Project, any Owner Covenants shall be a senior, non-subordinate lien against the Subject Property and shall not be subordinated to the Primary Loan or any other liens.

"Partnership Agreement" shall mean the agreement(s) which set(s) forth the terms of Developer's (or its approved Affiliate(s)) limited partnership, as such agreement(s) may be amended from time to time, so long as consistent with the requirements of this Agreement.

"Postponed Fees" is defined in Section 203.

"Preliminary Budget" shall mean, budget, for the construction and development of the Subject Property, which are attached hereto as Attachment No. 3A and incorporated herein.

"Primary Loan" shall mean, the permanent and construction financing obtained by Developer for the Project from one or more institutional lender(s) other than an Affiliate of Developer, as approved by Owner, which loan(s) shall be senior to Owner's Regulatory Agreement, but subordinate to Owner's fee interest in the Subject Property and the land use entitlement obtained by Developer, including the Owner Covenants.

"Project" shall mean, 54 Housing Units and associated (on-site and off-site) and appurtenant improvements, upon the Subject Property as affordable rental housing development to be made available to Low-Income Households and Very Low-Income Households at an Affordable Rent, as more particularly described in Section 301 hereof and in the Scope of Development attached hereto as Attachment No. 4 and incorporated herein.

"Property Management Plan" shall mean the management plan required to be created by Developer and submitted to Owner for approval, which approval shall not be unreasonably withheld, which shall include a detailed plan and strategy for long term marketing, operation, maintenance, repair and security of the Project, inclusive of on-site social services to the residents of the Project, and the method of selection of tenants, rules and regulations for tenants, and other rental policies and procedures for the applicable Project as set forth in Section 411.2.

"Property Manager" shall mean the individual property manager or property management company contracted by and with Developer, after obtaining Owner's written approval of such individual or company, to perform the operation, maintenance, and management of the Project pursuant to Section 411.

"Regulatory Agreement" shall mean, the Regulatory Agreement for the Project which shall be entered into by Owner and Developer concurrently with the Closing for the Project and which will be recorded as an encumbrance to the Subject Property in substantially the

form attached hereto as Attachment No. 6 and incorporated herein, in accordance with Section 416 hereof. The Regulatory Agreement for the Project may be subordinate to the Primary Loan and the Tax Credit Regulatory Agreement for that Project subject to the requirements of this Agreement.

"Release of Construction Covenants" shall mean the documents which shall evidence Developer's satisfactory completion of the Project, as set forth in Section 305 hereof, substantially in the form of Attachment No. 5 hereto.

"Request for Notice" or ***"Request for Notice of Default"*** shall mean the requests for notice of default pursuant to Civil Code Section 2924b to be recorded against the Subject Property in connection with the Escrow substantially in the form attached hereto as Attachment No. 8 and fully incorporated by this reference.

"Reservation" means collectively, the reservations of Tax Credits by TCAC for the Project.

"Reserve Deposits" shall mean any payments to the Capital Replacement Reserve and Operating Reserve accounts pursuant to Sections 412 and 413 hereof.

"Schedule of Performance" shall mean (1) that certain Schedule of Performance attached hereto as Attachment No. 3 and incorporated herein, which sets forth the time for performing the various obligations of this Agreement and shall include (2) each supplemental Schedule of Performance to be attached to and incorporated into each Implementation Agreement for the Project, as the context dictates.

It is understood the Schedule of Performance is subject to all of the terms and conditions set forth in this Agreement. The summary of the items of performance set forth in the Schedule of Performance is not intended to supersede or modify the more complete description in this Agreement; in the event of any inconsistency between the Schedule of Performance and this Agreement, this Agreement shall govern.

The time periods set forth in the Schedule of Performance for Owner's approval of submittals, including, without limitation, any plans and drawings, submitted to Owner by Developer shall only apply and commence upon Developer's complete submittal of all the required information. In no event shall an incomplete submittal by Developer trigger any of Owner obligations of review and/or approval hereunder; provided, however, that the Owner shall notify Developer of an incomplete submittal as soon as is practicable and in no event later than the applicable time set forth for Owner's action on the particular item in question.

The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between Developer and City Manager. Any and all extensions hereunder shall be by mutual written agreement of the City Manager and the Developer, which shall not cumulatively exceed 180 days without City Council approval.

"Scope of Development" shall mean that certain Scope of Development attached hereto as Attachment No. 4 and incorporated herein, which describes the scope and quality of the Project to be constructed by Developer pursuant to the terms and conditions of this Agreement.

"Section 3" shall mean and refer to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. § 1701u, as amended. Owner has prepared a Section 3 "checklist" and other forms related to Section 3 compliance; and as provided by Owner to the Developer,

its Contractor, Subcontractors, or other contractor(s) or subcontractor(s), as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies.

"Section 3 Clause" shall mean the language, set forth below, which is required to be included in each and every Construction Contact entered into by Developer, the Contractor, each Subcontractor and/or any other contractor(s) or subcontractor(s), as applicable, for the development of the Project. For purposes of this Section 3 Clause and compliance therewith, whenever the word "contractor" is used it shall mean and include, as applicable, the Developer, Contractor, any and all Subcontractors, and any other contractor(s) and subcontractor(s) performing work on the Project.

Developer hereby acknowledges and agrees to take all responsibility for compliance with all Section 3 Clause federal requirements and further acknowledges and agrees that compliance with all Section 3 Clause requirements by Developer, the Contractor, all Subcontractors, and/or other contractor(s), subcontractor(s), and other agents, is the primary obligation of Developer. Developer shall provide or cause to be provided to its Contractor and each Subcontractor, and each of its other contractor(s),subcontractor(s) and agents, a checklist for compliance with the Section 3 Clause federal requirements, to obtain from the Contractor, each Subcontractor, and other contractor(s), subcontractor(s), and agents, all applicable items, documents, and other evidence of compliance with the items, actions, and other provisions within the checklist, and to submit all such completed Section 3 Clause documentation and proof of compliance to the City.

The particular text to be utilized in any and all contracts of the Contractor or any Subcontractor doing work covered by Section 3 shall be in substantially the form of the following Section 3 Clause, as reasonably determined by City, or as directed by HUD or its representative, and shall be executed by the applicable contractor under penalty of perjury:

"(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons (inclusive of Very Low-Income Persons, Very Low-Income Households, and Very Low-Income Tenants served by the Project), particularly persons who are recipients of HUD assistance for housing.

(ii) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of notices in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of person(s) taking applications for each of the positions; and the

anticipated date the work shall begin.

(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (a) after the contractor is selected but before the contract is executed, and (b) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(vi) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(vii) With respect to work performed in connection with Section 3 covered Indian Housing assistance, section 7(b) of the Indian Self Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible, (a) preference and opportunities for training and employment shall be given to Indians, and (b) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."

After the foregoing Section 3 Clause, each Developer as to its Project shall add the signature block of the Contractor, Subcontractor, or other contractor(s) and subcontractor(s), as applicable, and shall add the following text immediately above the signature block: "The contractor/provider by this his signature affixed hereto declares under penalty of perjury that contractor has read the requirements of this Section 3 Clause and accepts all its requirements contained therein for all of his operations related to this contract."

"Site Map" shall mean the map of the Site which is attached hereto as Attachment No. 2 and incorporated herein.

"Subcontractor" and ***"Subcontractors"*** shall mean, individually and collectively, one or more subcontractors hired by Developer's Contractor for the Project to perform and complete, or to engage and supervise others to perform and complete, the construction of the Project and all other on-site and off-site improvements required to be constructed in connection with the Project, all of which shall be in accordance with the Scope of Development, the land use entitlement to be approved by Owner, and the Development Plans. Developer shall submit to Owner information regarding the entity serving as the Subcontractor

for any portion of the construction of the Project and all other on-site and off-site improvements required to be constructed in connection therewith in accordance with the Scope of Development, the land use entitlement to be approved by Owner, and the Development Plans, including all required licenses, certifications, insurance, etc., as reasonably requested by City Manager.

"Subject Property" shall mean the real property consisting of approximately 73,560 square feet, more or less, of land located at the southwest corner of South Eighth and Ventura Avenue (a portion of previous APN 470-052-02T and a portion of previous 470-052-03T) in Fresno, California, as more particularly described in Attachment 1. Whenever the term "Subject Property" is used in this Agreement it shall mean and include the land and all Improvements.

"Tax Credit Regulatory Agreement" shall mean, collectively, the regulatory agreement(s) which may be required to be recorded against the Subject Property, as applicable, with respect to the issuance of Tax Credits for the Project. The Tax Credit Regulatory Agreement shall be subordinate and junior to the Ground Lease and Owner Covenants, if any..

"Tax Credit Rules" shall mean Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*., as applicable, as the foregoing may be amended from time to time, and the rules and regulations implementing the foregoing.

"Tax Credits" shall mean federal 4% and/or 9% Low-Income Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*., as applicable.

"TCAC" shall mean the California Tax Credit Allocation Committee, the allocating agency for Tax Credits in California.

"Term" shall mean the 55-year term of the Ground Lease with two (2) options to extend the Term for ten (10) years each (each, an "Extension Term"), as defined therein, as it may be earlier terminated or extended according to the terms thereof. The term of the Ground Lease shall become effective on the Closing Date and upon recordation of the Memorandum of Ground Lease in the Official Records.

"Third Party Costs" is defined in Section 616.

"Transfer Net Proceeds" shall mean the proceeds of any transfer, in whole or in part, of Developer's leasehold interest in the Subject Property or any sale, assignment, sublease, or other transfer, in whole or in part of the Developer's interests in the Subject Property, net reasonable and customary costs and expenses incurred in connection with such transfer.

"Very Low-Income" and/or ***"Very Low- Income Households"*** shall mean and include: (i) very low-income households as defined in the Tax Credit Rules; (ii) 30% AMI Very Low-Income Households; (iii) 45% AMI Very Low-Income Households; and (iv) 50% AMI Very Low-Income Households. Very Low-Income Households include Extremely Low-Income Households, as defined in the Tax Credit Rules.

"30% AMI Very Low-Income Households" shall mean those households earning not greater than 30% of Fresno County Area Median Income, adjusted for household size, which

is set forth by regulation of TCAC.

"45% AMI Very Low-Income Households" shall mean those households earning not greater than 45% of Fresno County Area Median Income, adjusted for household size, which is set forth by regulation of TCAC.

"50% AMI Very Low-Income Households" shall mean those households earning not greater than 50% of Fresno County Area Median Income, adjusted for household size, which is set forth by regulation of TCAC.

60% AMI Low-Income Households" shall mean those households earning not greater than 60% of Fresno County Area Median Income, adjusted for household size, which is set forth by regulation of TCAC.

200. GROUND LEASE OF THE SUBJECT PROPERTY

201. Ground Lease. Subject to the terms and conditions set forth in this Agreement, Owner agrees to lease the Subject Property to Developer and Developer agrees to lease the Subject Property from Owner pursuant to the terms of the Ground Lease, which shall be in a form and content reasonably acceptable to the Developer and to the Owner, subject to approval as to legal form by City Attorney, in their reasonable discretion.

201.1 Term. The Term of the Ground Lease shall be effective on the Closing Date and upon recordation of Memorandum of Ground Lease in the Official Records (Commencement Date) and shall continue thereafter until the earlier to occur of (a) the 55th anniversary of the recordation of the Memorandum of Ground Lease in the Official Records (the "Initial Term") or (b) upon earlier termination as set forth in this Agreement or the Ground Lease. Tenant shall have two (2) ten-year options to extend the Initial Term (each, an "Extension Term"), subject to the requirements set forth in the Ground Lease. Upon proper and timely exercise of each option by tenant, the Initial Term shall automatically be extended for the applicable Extension Term. The Initial Term of the Ground Lease shall commence upon satisfaction, completion, or waiver of the Conditions Precedent as set forth in Section 202.

201.2 Rent. Developer shall pay to Owner an amount equal to One Dollar ($1.00) on or before the first day of each calendar year during the Term of the Ground Lease (together with the advance rental payment, "Rent"), subject to payment of Additional Rent and the Rent adjustment set forth in subdivisions (a) and (b) of this Section 201.2.

(a) Additional Rent. In addition to the Rent required by Section 201.2 above, Developer shall also pay to Owner as "Additional Rent" under the Ground Lease any amounts required to be paid by Developer to reimburse Owner for any payments made by Owner that are required to be paid by Developer pursuant to the Ground Lease, such as taxes and other impositions, insurance premiums, or costs of maintaining the Subject Property and the Project, all with interest, as shall be set forth in more detail in the Ground Lease.

201.3 Title to Improvements. Upon execution of Ground Lease for the Project, fee title to all Improvements located at the Project shall be held by the Developer for the Project. Upon expiration or earlier termination of the Ground Lease for the Project, the Improvements located on the Subject Property shall automatically vest in Owner; provided, in the event of a foreclosure of Developer's interest in the Ground Lease, title to

the Improvements shall vest in the successor tenant under the Ground Lease, subject to the terms of the Ground Lease (or, if requested by successor tenant, a new Ground Lease approved by Owner and successor tenant entered into after such foreclosure), which shall provide that upon ultimate termination or expiration of the Ground Lease or such new Ground Lease entered into upon foreclosure or deed in lieu of foreclosure, title to such Improvements shall automatically vest in Owner.

202. Conditions Precedent to Commencement of Ground Lease. The commencement of the Term of the Ground Lease and Owner's obligation to make the conditioned upon the satisfaction (or waiver by the benefited party) of the following terms and conditions within the times designated below (each, a "Condition Precedent," collectively, "Conditions Precedent").

202.1 Owner's Conditions Precedent to the Closing. The commencement of the Term and effectiveness of the Ground Lease is subject to the fulfillment by Developer (or written waiver by Owner) of each and every one of the Conditions Precedent (a) through (q), inclusive, described below, which are solely for the benefit of Owner, and which shall be fulfilled by the Developer entity or waived by Owner within the time periods provided herein:

(a) Execution and Recording of Documents. Developer shall have duly executed and delivered to Escrow Agent the Regulatory Agreement, Ground Lease, Memorandum of Ground Lease, Memorandum of Agreement, Notice of Affordability Restrictions, Request for Notice, Owner Covenants, if any, and any other documents required hereunder for the Project, and such documents shall be ready for and meet all conditions to the Closing pursuant to the requirements of this Agreement, including any Implementation Agreement(s). The Owner Regulatory Agreement, Memorandum of Ground Lease, Memorandum of Agreement, Notice of Affordability Restrictions, Request for Notice, and Owner Covenants, if any, shall be ready to record in the Official Records at Closing.

(b) Grading Permits and Building Plans/Permits. Developer shall have obtained Owner approval of its Construction Drawings and all final grading and building plans for all of the Improvements to be constructed during the Project as required by Section 304. Grading permits shall be ready to issue upon payment of fees and any and all conditional building permits shall be ready to be issued concurrently with the grading permits upon payment of all necessary fees and all required security shall have been posted in order to commence and complete construction of both Projects. The conditional building permits shall state that final unconditional building permits shall be issued upon satisfactory completion of grading, subject to the sole discretion of City's Building and Planning Departments.

(c) Land Use Entitlements; Owner Covenants. Developer shall have obtained Owner approval of the Basic Concept Drawings and Design Development Drawings pursuant to Section 302 herein, and shall have received all land use entitlements for the Project (but for payment of fees associated therewith) from the Owner, including conditional use permit(s) or variance(s), if required, and including approval of all documentation, studies, and other reports

required by the California Environmental Quality Act and the National Environmental Policy Act (NEPA), as applicable.

In connection therewith, the land use entitlements may require that Developer cause to be recorded Owner Covenants, if any, in a senior, non-subordinate lien position with respect to the Project.

(d) Final Budget. Developer shall have submitted to Owner for its approval the detailed Final Budget for the Project of the construction and development of the Project, and Owner shall have approved the Final Budget for the Project in its reasonable discretion.

(e) Evidence of Financing. Developer shall have provided written proof reasonably acceptable to Owner that Developer has obtained commitments for equity contributions, reservation of Tax Credits, and other approved affordable housing subsidies and/or loans, and Primary Loans (including the construction and permanent financing) for the Project, all subject to customary conditions, and Owner shall have reasonably approved such financing commitments pursuant to Section 310.

(f) Partnership Agreement; Organizational Documents; Resolution. Developer shall have duly executed or, shall execute concurrently with Closing, a Partnership Agreement reasonably acceptable to Owner in accordance with Section 310 and a Certificate of Limited Partnership shall have been filed with the California Secretary of State, under which the limited partners are committed to make equity contributions in an amount, which together with the proceeds of the Primary Loan, the Tax Credits, and any additional affordable housing subsidies and loans are sufficient to finance the construction and development of the Project. In addition, Developer shall have certified in writing to Owner that the Primary Loan, Tax Credits, any additional affordable housing subsidies, Postponed Fees, Deferred Developer Fee, Deferred Contractor Fee, and required equity contributions, are together projected to be sufficient to pay for the completion of development of the Project. Owner shall have received and approved the Partnership Agreement and any other relevant organizational documents of Developer, including a resolution authorizing a representative of Developer to enter into this Agreement, the Regulatory Agreement, the Ground Lease, any Implementation Agreement(s) and to execute all of their documents required under the terms of this Agreement, all on behalf of Developer.

(g) Construction Contract. Developer shall provide Owner with copies of all agreements it has entered into with any and all general contractors or subcontractors for this Project. 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 Owner immediately of any event of default by the Developer thereunder, (ii) notify Owner immediately of the filing of a mechanic's lien, (iii) notify Owner immediately of termination or cancellation of the construction agreement on the Project, and (iv) provide Owner, upon the Owner'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 Owner 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. Each Construction Contract shall include the Section 3 Clause, as applicable. The Construction Contract with the Contractor shall be for a fixed, all-inclusive fee to complete all work to be performed by the Contractor to construct the Project, subject to approved change orders.

(h) Construction Security. If required by the construction lender and if City funds are used for and during the course of construction then the developer or its General Contractor shall obtain, pay for and deliver good and sufficient payment and performance bonds along with a Primary Obligee, Co-Obligee, or Multiple Obligee Rider in a form acceptable to the Owner 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 Owner and naming the Owner as Obligee.

(i) The "Faithful Performance Bond" shall be at least equal to 100% of the Developer's estimated construction costs as reflected in the Developer's budget, attached hereto as Attachment 3A, to the guarantee faithful performance of the Project, within the time prescribed, in a manner satisfactory to the Owner, consistent with this Agreement, and that all material and workmanship will be free from original or developed defects.

(ii). The "Payment Bond" shall be at least equal to 100% of construction costs approved by the Owner 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 and as required by the applicable provisions of Chapter 7, Title 15, Part 4, Division 3 of the California Civil Code.

(iii). 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 budget, attached hereto as Attachment 3A, 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.

(i) Review and Approval of Title. Developer shall not have elected to terminate this Agreement due to the condition of title to the Subject Property pursuant to Section 205.7.

(j) Owner's Title Policy. The Title Company (as hereinafter defined) shall have unconditionally committed to issue the Owner Title Policy for the Subject Property, as applicable, to Owner pursuant to Section 205.8.

(k) Environmental Condition of the Site. The environmental condition of the entire Subject Property shall be reasonably acceptable to

Developer, and Developer shall not have elected to terminate this Agreement pursuant to Section 204.3.

(l) Proof of Insurance. Developer shall have provided to Owner certificates of insurance and endorsements which satisfy all requirements of Section 306 hereof as to the Project.

(m) Property Management Plan. Developer shall have submitted to Owner, and Owner shall have reasonably approved, the Property Management Plan for the Project.

(n) No Default; Representations and Warranties. Developer shall not be in Default of any of its obligations under the terms of this Agreement. All representations and warranties of Developer contained herein shall be true and correct in all material respects on and as of the Closing Date for the Project as though made at that time, and all covenants of Developer which are required to be performed prior to the Closing shall have been performed by such date.

202.2 Developer Conditions Precedent to the Closing. For the Project, Developer's obligations to proceed with the commencement of the Term and effectiveness of Ground Lease are subject to the fulfillment or waiver by Developer as applicable, of each and all of the Conditions Precedent (a) through (j), inclusive, described below, which are solely for the benefit of the Developer entity, and which shall be fulfilled or waived by the time periods provided for herein:

(a) Land Use Entitlement. Developer shall have obtained Owner approval of the Basic Concept Drawings and Design Development Drawings and shall have received the necessary land use entitlement for the Project from Owner, including conditional use permit(s) or variance(s), if required.

(b) Grading Permits and Building Plans/Permits. Developer shall have obtained Owner approval of its Construction Drawings and all final grading and building plans for the Project. Initial rough grading as well as complete grading permits shall be ready to issue upon payment of fees and any and all conditional building permits shall be ready to be issued concurrently with such grading permits upon payment of all necessary fees and all required security shall have been posted in order to commence and complete construction of the Project. The conditional building permits shall state that final unconditional building permits shall be issued upon satisfactory completion of all rough and complete grading subject to the sole discretion of City's Building and Planning Departments.

(c) Condition of Site. Owner shall have fulfilled its obligations pursuant to Section 301.2 hereof to deliver the Subject Property to Developer clear of occupants and improvements.

(d) Final Budget. Owner shall have approved a detailed Final Budget for the construction and development of the Project, and Owner shall have approved the Final Budget for the Project in its reasonable discretion.

(e) Evidence of Financing. Developer shall have obtained, and Owner shall have approved, a commitment for equity contributions, a reservation of Tax Credits, and other affordable housing subsidies and/or loans, and the Primary Loan, including the construction financing and permanent financing commitment for the

applicable Project in form and substance acceptable to Developer, all subject to customary conditions, and Owner shall have reasonably approved such financing pursuant to Section 310.

(f) Review and Approval of Title. Developer shall have reviewed and approved the condition of title to the Subject Property as provided herein.

(g) Developer's Title Policy. The Title Company shall have unconditionally committed to issue the Developer Title Policy for the Subject Property, as applicable, to Developer pursuant to Section 205.8.

(h) Environmental Condition of the Site. The environmental condition of the Subject Property shall be reasonably acceptable to Developer and Developer shall not have elected to terminate this Agreement pursuant to Section 204.3.

(i) No Default; Representations and Warranties. Owner shall not be in Default of any of its obligations under the terms of this Agreement. All representations and warranties of Owner contained herein shall be true and correct in all material respects on and as of the Closing Date for the Project as though made at that time, and all covenants of Developer which are required to be performed prior to Closing for the Project shall have been performed by such date.

203. Payment of Developer Fee and Contractor Fee The Developer Fee and the Contractor Fee shall be paid pursuant to Developer's Limited Partnership Agreement and Construction Contract so long as both agreements have been provided to Owner for review and are in compliance Tax Credit Regulations.

204. Environmental Condition of the Subject Property.

204.1 Environmental Condition of the Subject Property. True copies of Phase I and Phase II reports regarding the Subject Property, have been delivered by Owner to Developer (collectively, "Environmental Reports"). Except for the foregoing, Owner represents to Developer that it is not aware of, to its Best Knowledge, and it has not received any additional or unrelated notice or communication from any governmental agency having jurisdiction over the Subject Property, notifying it of the presence of Hazardous Materials in, on, or under the Subject Property, or any portion thereof. At all times relevant to this Agreement or the Ground Lease, Developer agrees to provide Owner with any additional supplemental or updated documents relating to the physical and/or environmental condition of the Subject Property, including those relating to the soils and groundwater, which are received by Developer.

204.2 Studies and Reports. Prior to the commencement of the Ground Lease, Developer may obtain data and make any other or additional surveys, tests, studies, and reports necessary to evaluate the suitability of the Subject Property for the Project to carry out this Agreement, including the investigation of the environmental condition of the Subject Property (collectively, the "Studies"). Any studies undertaken on the Subject Property by Developer prior to the commencement of the applicable Ground Lease shall be done at the sole expense of Developer, and Developer shall execute a Right of Entry and License Agreement in a form reasonably acceptable to Owner prior to undertaking such work and entering the Subject Property. Any studies shall be undertaken only after all insurance required by and conforming to the requirements of such Right of Entry and License Agreement has been issued and is in full force and effect, and Developer has

secured any necessary permits therefor from the appropriate governmental agencies. Developer hereby agrees to promptly provide Owner with any and all Studies relating to the environmental condition of the Subject Property upon Developer's acquisition thereof.

204.3 Approval of Environmental Condition of the Site. Prior to the Closing, and within the time set forth in the Schedule of Performance attached to each Implementation Agreement, Developer shall approve or disapprove the environmental condition of the Subject Property by written notice to Owner. In the event that Developer disapproves the environmental condition of the Subject Property, this Agreement shall be terminated as provided in Section 504 hereof prior to the Closing for the Project. In the event Developer disapproves the condition of the Subject Property because it determines that environmental remediation is required to place the Subject Property in a condition suitable for use as required hereunder and subject to Developer's termination right set forth in the immediately preceding sentence, Owner and Developer shall negotiate in good faith regarding the remediation of the Subject Property, and the allocation of the cost of performing such environmental remediation. If after such negotiation the parties are unable to reach agreement upon the remediation of the Subject Property, any party may terminate this Agreement as provided herein prior to the Closing.

204.4 Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to Owner), indemnify and hold harmless Owner, and its respective elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Site; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Site; (iii) the physical and environmental condition of the Site, and (iv) any Liabilities relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Site; provided, however, that the foregoing indemnity shall not apply to any Liabilities arising or occurring (a) prior to the commencement of the Ground Lease, (b) after the expiration or earlier termination of the Term of the Ground Lease or the date Developer vacates the property, whichever occurs later, or (c) as a result of the grossly negligent or wrongful acts or omissions of Owner. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the applicable Ground Lease. This indemnification supplements and in no way limits the indemnification set forth in Section 307.

204.5 Duty to Prevent Hazardous Material Contamination. During the construction, development, operation and management of the Project, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Subject Property. Such precautions shall include, but not be limited to, compliance with all Environmental Laws and other Governmental Requirements. Developer shall notify Owner, and provide to Owner a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Developer shall report to Owner, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

204.6 Release of Owner by Developer. With the exception of the obligations of Owner under the Ground Lease, the land use entitlements for the Project, Environmental Laws and Government Requirements (except to the extent the responsibility for compliance with Environmental Laws and Governmental Requirements has been assumed by Developer hereunder), Developer hereby waives, releases and discharges forever the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorney's fees, court and litigation costs and fees of expert witnesses, present and future, arising out of or in any way connected with Developer's possession or use of the Subject Property pursuant to the Ground Lease, improvement of the Subject Property in accordance with this Agreement, the Scope of Development, and the land use entitlements obtained by Developer for the Project, and for the operation of the Project at the Subject Property, of any Hazardous Materials on the Subject Property, or the existence of Hazardous Materials contamination in any state on, under, or about the Subject Property, however they came to be located there.

In connection with the foregoing, Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

As such relates to this Section 204.6, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Notwithstanding the foregoing, this waiver, discharge, and release shall not be effective in the event the presence or release of Hazardous Materials on the Subject Property occurs as a result of the gross negligence or willful misconduct of Owner or their officers, employees, representatives and agents.

204.7 Environmental Inquiries. Developer shall notify Owner upon receipt, and provide to Owner a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Subject Property and the Project:

notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Developer shall report to Owner, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Subject Property; and

Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Subject Property or Owner's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after the release, furnish to Owner a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of Owner, but subject to any limitations imposed by law or by court order, Developer shall furnish to Owner a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Subject Property in Developer's possession and/or shall notify Owner of any environmental entitlements or inquiries relating to or affecting the Subject Property within Developer's actual or constructive knowledge if Developer is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

205. Escrow. Within the time set forth in the Schedule of Performance (or any revised Schedule of Performance appended to each Implementation Agreement, if any) for the Project, the parties shall open an escrow (each an "Escrow") for the Closing for the conveyance by Owner to Developer (or Developer's approved Affiliate assignee) of a ground leasehold interest in the Subject Property, with TICOR Title or another escrow company

mutually satisfactory to both parties (Escrow Agent). "Closing" the Project refers to the close of Escrow, including the execution of this Agreement and the Ground Lease, and the execution and recordation of the Owner Covenants, if applicable, Regulatory Agreement, Memorandum of Agreement, Memorandum of Ground Lease, Notice of Affordability Restrictions and Request for Notice of Default and the commencement of the Ground Lease Term.

205.1 Costs of Escrow. Developer shall pay all Escrow charges, the premium for Developer's Title Policy, Owner's Title Policy (including both an owner's policy and a lender's policy, both with requested endorsements), all recording fees and documentary transfer taxes, if any, due with respect to the Closing, and all other fees, charges, and costs which arise from Escrow.

205.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of Developer and Owner, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties agree to do all acts reasonably necessary to close each Escrow within the time set forth in the Schedule of Performance. All funds received in each Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any state or national bank doing business in the State of California.

If in the opinion of any party it is necessary or convenient in order to accomplish the Closing of the Project's Escrow, a party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control, unless the supplemental escrow instructions expressly state the intent to amend this Agreement. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Project's Closing shall take place within five days after the date when the Conditions Precedent set forth in Section 202 have been satisfied or waived (or authorized by Owner to be postponed until a date certain post-Closing) by the respective parties as the Project. Escrow Agent is instructed to release Owner's Escrow Closing statement and Developer's Escrow Closing statement to the respective parties.

205.3 Authority of Escrow Agent. Escrow Agent is authorized to, and shall:

(a) Pay and charge Developer for the premium of the Developer's Title Policy and the Owner's Title Policy (including both an owner's policy and a lender's policy, both with requested endorsements), and any endorsements thereto requested by Developer and/or Owner and any amount necessary to place title in the condition necessary to satisfy this Agreement;

(b) Pay and charge Developer for all Escrow fees and charges;

(c) Verify proper and complete execution of the Owner Covenants, if applicable, Memorandum of Ground Lease, Regulatory Agreement, Memorandum of Agreement, Notice of Affordability Restrictions, and Request for Notice of Default upon Closing; and

(d) Do such other actions as necessary, including obtaining any Developer and Owner title insurance, required to fulfill parties' obligations under this

Agreement.

205.4 Escrow Closing. The Closing for the conveyance of the ground leasehold estate in the Subject Property, as applicable, by Owner to Developer, and commencement of the Term of the Ground Lease, pursuant to the Ground Lease shall occur within five days of the parties' satisfaction of all of the Conditions Precedent set forth in Section 202 hereof and within 180 days from the award of tax credits, unless extended by TCAC (Closing Date). The Closing Date may be extended by the mutual written agreement of Developer and the Owner (through its City Manager).

205.5 Termination of Escrow. If Escrow is not in condition to close by the Closing Date, then any party who is not in material default under this Agreement may, in writing, demand the return of money or property and proceed under the default and/or termination provisions of this Agreement. If any party makes a written demand for return of documents or properties, the Escrow shall not cancel until five (5) days after Escrow Agent shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement shall be without prejudice as to whatever legal rights any party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

205.6 Closing Procedure. Escrow Agent shall close Escrow as follows:

(a) Accept receipt of fully and duly executed Owner Covenants, if any, Ground Lease, Memorandum of Ground Lease, Regulatory Agreement, Memorandum of Agreement, Notice of Affordability Restrictions, and Request for Notice of Default;

(b) Record documents in the following order:

(i) Record first the Memorandum of Ground Lease in the Official Records, with instructions for the Recorder of Fresno County, California to deliver the Memorandum of Ground Lease to Owner;

(ii) If applicable, Record the Owner Covenants in the Official Records with instructions for the Recorder of Fresno County, California, to deliver the Owner Covenants to the City Clerk (unless required to be subordinated by the Primary Loan);

(iii) Record the Primary Loan lien instrument, including the deed of trust securing the Primary Loan, in the Official Records;

(iv) Record the Memorandum of Agreement in the Official Records, with instructions for the Recorder of Fresno County, California to deliver the Memorandum of Agreement to Owner;

(v) Record the Regulatory Agreement in the Official Records, with instructions for the Recorder of Fresno County, California to deliver the Regulatory Agreement to Owner;

(vi) Record the Notice of Affordability Restrictions in the Official Records, with instructions for the Recorder of Fresno County, California to deliver the Notice of Affordability Restrictions to Owner;

(vii) Record the Request for Notice of Default in the Official Records, with instructions for the Recorder of Fresno County, California to deliver the Request for Notice of Default to Owner;

(c) Instruct the Title Company to deliver Developer's Title Policy to Developer and Owner's Title Policy to Owner;

(d) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements; and

(e) Forward to both Developer and Owner a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

205.7 Review of Title. For the Project, Owner shall be responsible for obtaining a preliminary title report (Title Report) from TICOR Title or another title company mutually satisfactory to both parties (Title Company) with respect to the title to the Subject Property. Developer and Owner each shall have the right to reasonably approve or disapprove the exceptions to title set forth in the Title Report (Exceptions); provided, however, that the following Exceptions are hereby approved by the parties:

(a) The lien of any non-delinquent property taxes and assessments (to be prorated at the time of Closing); and

(b) The provisions to be set forth in the Memorandum of Ground Lease (which shall incorporate by reference the terms of the Ground Leases), Regulatory Agreements, Memorandum of Agreement (which incorporates by reference the terms of this Agreement), and Notices of Affordability Restrictions.

Each party shall have thirty (30) days from the date of its receipt of the Title Report and legible copies of all back-up documents listed as Exceptions therein or shown on any Survey to give written notice to the other party and to Escrow Agent of approval or disapproval of any of such Exceptions; provided, however, that if following review of the Title Report, the Title Company adds additional exceptions to coverage for matters not caused by a party, each party shall have the right to approve or disapprove any such exceptions (such new exceptions shall likewise be included within the definition of the term "Exceptions"). Except for deed(s) of trust and regulatory agreement(s) approved as part of the financing for the Project pursuant to Section 310, Owner and Developer shall not voluntarily create any new exceptions to title following the Date of Agreement and prior to the Closing, including without limitation any liens or stop notices related to any studies or other work at the Subject Property. Owner and Developer shall use good faith efforts to attempt to remove or modify any Exceptions which are unacceptable. If any Exceptions disapproved by Developer are not removed, insured, or endorsed around, by the Title Company, each party shall have the option to either proceed to Closing and accept title in its existing condition, or to terminate this Agreement.

205.8 Title Insurance. Concurrently with the Closing for the Project, there shall be issued to Developer at Developer's sole cost, a CLTA or, if requested by Developer, an ALTA leasehold policy of title insurance, together with all endorsements Developer may reasonably require (collectively, the "Developer Title Policy"), issued by the Title Company insuring that Developer holds proper interest in the Subject Property, as tenant under the

Ground Lease and that the title to the Subject Property, is vested in Owner in the condition required by this Agreement. The Title Company shall provide Developer and Owner with copies of the Developer Title Policy.

Concurrently with the Closing for the Project, there shall be issued to Owner an ALTA owner's policy and an ALTA lender's policy of title insurance, together with all endorsements Owner may reasonably require (collectively, the "Owner Title Policy"), issued by the Title Company insuring that Owner continues to hold proper fee interest in the Subject Property, as fee owner. The Title Company shall provide Developer and Owner with copies of the Owner Title Policy. The Owner Title Policy insuring Owner's fee interest in the Subject Property shall be for the estimated fair market value of the to be improved Subject Property, including both the land and improvements.

300. DEVELOPMENT OF THE PROJECT.

301. Development of the Project. Subject to the terms of this Agreement, Developer agrees to construct and develop or cause construction and development through completion of the Project, including all on-site and off-site improvements required to be constructed in accordance with the Scope of Development and in compliance with the land use entitlement approved by the Owner and all applicable local codes, development standards, ordinances and zoning ordinances, other applicable Governmental Requirements, and the Development Plans which are approved by the Owner pursuant to Section 302 hereof.

The Project shall include fifty-four (54) Housing Units (sixteen (16) of which shall be one-bedroom Housing Units, nineteen (19) shall be two-bedroom Housing Units, and the remaining nineteen (19) shall be three-bedroom Housing Units, inclusive of one unrestricted manager unit), a community room, management office, central laundry facilities, elevators, on-site covered parking, and passive recreational areas. Each Housing Unit shall include a range, frost-free refrigerator, dishwasher, garbage disposal, central heating and air conditioning, granite countertops, coat closets, mini blinds, vinyl flooring in kitchens and bathrooms, carpeting in living areas and shall include CAT 5 wiring. All of the Housing Units shall be designed for energy efficiency and include energy efficient appliances.

The project shall comply with 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), including, without limitation, the construction of the Project so that it meets the applicable accessibility requirements, including, but not limited to, the following:

A. At least 5% of the dwelling units, or at least three, whichever is greater, must be constructed to be accessible for persons with mobility disabilities. An additional 2% of the dwelling units, or at least two 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.

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 requirements of the Fair Housing Accessibility Guidelines:

a. Provide at least one accessible building entrance on an accessible route.

b. Construct accessible and usable public and common use areas.

c. Construct all doors to be accessible and usable by persons in wheelchairs.

d. Provide an accessible route into and through the covered dwelling unit.

e. Provide light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

f. Construct reinforced bathroom walls for later installation of grab bars around toilets, tubs, shower stalls and shower seats, where such facilities are provided.

g. 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 Fresno Municipal Code 11-110, including, but not limited to the following requirements:

a. No step accessible entryway;

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

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

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

e. Hallways at least 42 inches wide.

301.1 RESERVED. Management.

301.2 Delivery of Clear Site. Prior to the Closing, Owner shall have cleared the Subject Property of existing improvements, if any, located at the Subject Property.

302. Design Review.

302.1 Basic Concept Drawings. Withing the time set forth in the Schedule of Performance, Developer shall submit to Owner and Owner shall review and approve, disapprove, or conditionally approve basic concept drawings for the Project and all appurtenant improvements, including materials, color board, elevations of all four sides of the Project, preliminary landscape plans (both hardscape and softscape and other amenities of common areas) consistent with the City of Fresno Municipal Code, a traffic and circulation plan as applicable or as may be required, and a rendered perspective, and all appurtenant improvements (collectively, "Basic Concept Drawings"). In the event Developer wishes to in any way alter or modify such Basic Concept Drawings, Developer shall re-submit such modified Basic Concept Drawings to Owner for its reasonable review and approval of such modifications.

302.2 Design Development Drawings. Within the time set forth in the Schedule of Performance attached to each Implementation Agreement for the Project, Developer shall submit to Owner, and Owner shall review and approve, disapprove, or

conditionally approve, the plans and drawings with respect to the Project ("Design Development Drawings") consistent with the City of Fresno Municipal Code, including each of the following:

(a) Applicable accessibility requirements including, but not limited to the design and construction requirements as required by the City's Universal Design Ordinance pursuant to Fresno Municipal Code section 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

v. Hallways at least 42 inches wide

(b) A fully dimensioned Site Plan which complies with the City's land use entitlement and site plan submittal process for review by the City (through City's Planning Director, administrative approval of the land use entitlement, or as applicable, the Planning Commission or City Council approval of same all pursuant to applicable local, state and federal laws and regulations), which includes a landscape plan, with hardscape and softscape plans, sections and elevations, including lighting, equipment, furnishings and planting schedules, materials, and color board for all such improvements.

(c) Floor plans.

(d) Roof plans.

(e) Elevations and project sections.

(f) Tabulation of areas/uses.

(g) Elevations of major public spaces.

(h) Graphics and signage plans, together with schedules and samples or manufacturer's literature.

(i) Parking areas, both for tenants and guests.

(j) Common area amenities, including all recreational or leisure areas or improvements.

(k) Lighting schedules with samples or manufacturer's literature for exterior lighting and lighting on building exteriors. Lighting locations are to be shown on landscape plans and elevations.

In the event Developer wishes to in any way alter or modify the Design Development Drawings, Developer shall re-submit such modified Design Development Drawings, including provision for each of the above elements set forth in subsections (a) through (k) above, to Owner for its reasonable review and approval of such modifications.

302.3 Construction Drawings and Related Documents. Within the time

set forth in the Schedule of Performance attached to the Implementation Agreement for the Project, Developer shall submit to Owner, and Owner shall review and approve, disapprove, or conditionally approve, detailed construction plans/working drawings with respect to the Project, including without limitation a grading plan, which shall have been prepared by a registered civil engineer (Construction Drawings).

302.4 Standards for Disapproval. Owner shall have the right to disapprove the Basic Concept Drawings in its sole and complete discretion. Owner shall have the right to disapprove in its reasonable discretion any of the Design Development Drawings if (a) the Design Development Drawings do not conform to the approved Basic Concept Drawings, or (b) the Design Development Drawings do not conform to the Owner guidelines, or (c) the Design Development Drawings do not conform to this Agreement, or (d) the Design Development Drawings are incomplete. Owner shall have the right to disapprove in its reasonable discretion any of the Construction Drawings if (a) the Construction Drawings do not conform to the approved Design Development Drawings, or (b) the Construction Drawings do not conform to the Scope of Development or this Agreement, or (c) the Construction Drawings are incomplete. Owner review and subsequent approval or disapproval shall be conducted within the time periods set forth in the Schedule of Performance attached to each Implementation Agreement for its Project, and any Owner disapproval, if any, shall include a written statement of the reasons for such disapproval. Developer, upon receipt of any such disapproval, shall revise such portions and resubmit the disapproved Basic Concept Drawings, Design Development Drawings, or Construction Drawings, as the case may be, by the time established therefor in the Schedule of Performance attached to the Implementation Agreement for the Project; provided, however, in no event shall any such drawings be deemed approved.

Developer acknowledges and agrees that Owner is entitled to approve or disapprove the Basic Concept Drawings, Design Development Drawings and Construction Drawings (collectively, "Development Plans") in order to satisfy Owner's obligation to promote the sound development of the Subject Property, to promote a high level of design which will impact the surrounding development, and to provide an environment for the social, economic and psychological growth and well-being of the citizens of the City and all residents of the Project.

302.5 Consultation and Coordination. During the preparation of the Development Plans and throughout construction of the Project, Owner and authorized representatives of Developer shall hold joint progress meetings to coordinate the preparation of, submission to, and review of the Development Plans by City. Owner and authorized Developer representatives shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to Owner can receive prompt and thorough consideration. Owner shall designate a member to serve as the project manager for the Project, who shall be responsible for the coordination of Owner's activities under this Agreement and for coordinating the permitting process.

302.6 Revisions and Change Orders. In the event Owner disapproves or conditionally approves the Development Plans, or any part(s) thereof, or if Developer desires to propose any substantial revisions to the approved Development Plans, or any part(s) thereof, Developer shall submit its revisions or proposed changes thereto to Owner and shall also proceed in accordance with any and all Governmental Requirements regarding such revisions, within the time frame set forth in the Schedule of Performance

attached to each Implementation Agreement for the Project for the resubmittal of such Development Plans, or any part(s) thereof. Any revision or change to such Development Plans proposed by Developer may be approved through the City Manager in her sole and absolute discretion. Any and all change orders or revisions required by the Owner and its inspectors that are required under the Fresno Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other Governmental Requirements shall be included by Developer in its Development Plans and completed during the construction of the Project. In the event Developer requests revisions, alterations, or modifications to the Development Plans, or any part(s) thereof, for any reason including increased construction costs because of unforeseen occurrences or conditions relating to the construction of the Project, said changes shall be covered using Developer's 5% hard cost contingency. Developer shall be responsible for any changes orders in the event there are no funds available in the 5% hard cost contingency, however, Developer shall have the ability to reallocate soft cost savings subject to the approval of the construction lender.

302.7 Defects in Development Plans. Owner shall not be responsible to Developer or to any third parties in any way for (a) any defects in the Development Plans, (b) any structural or other defects in any work done according to the approved Development Plans, nor (c) any delays caused by the review and approval processes established by this Section 302.7. Developer shall hold harmless, indemnify and defend the Indemnitees from and against any claims or suits for damages to property or injuries to persons (including death) arising out of or in any way relating to defects, latent or patent, in the Development Plans, or the actual construction work and improvements comprising the Project, including, without limitation, the violation of any Governmental Requirements, or arising out of or in any way relating to any defects in any work done and/or improvements completed according to the approved Development Plans.

303. Timing of Development of Project. Developer hereby covenants and agrees to commence the construction and development of the Project within the time set forth in the Schedule of Performance attached and appended to and included in each Implementation Agreement for the Project (subject to force majeure pursuant to Section 503 hereof). Developer further covenants and agrees to diligently prosecute to completion the construction and development of the Project in accordance with the approved Development Plans (as the same may be modified in accordance herewith) and to file a notice of completion therefor pursuant to California Civil Code Section 3093 (Notice of Completion) within the time set forth in the Schedule of Performance attached to the Implementation Agreement for the Project.

304. City and Other Governmental Permits. As a Condition Precedent to Closing for the Project pursuant to Section 202, Developer shall have received, or shall be ready to receive upon payment of required fees, all required final grading permits and conditional building permits for the construction of the Project. Before commencement of construction of the Project or any environmental remediation required for the Project, if any, Developer shall secure or cause its Contractor (and subcontractors) to secure any and all permits and approvals which may be required by City or any other governmental agency affected by such construction, including, without limitation, rough grading permits, final grading permits, conditional building permits, final building permits. The conditional building permits may state that the final unconditional building permits shall be issued upon satisfactory

completion of rough and complete grading, subject to the sole discretion of the City's Building and Planning Departments. Developer shall pay all necessary fees and timely submit to the Owner final drawings with final corrections to the Development Plans to obtain any and all such permits. Owner will, without obligation to incur liability or expense therefor, use their reasonable efforts to expedite the Owner's issuance of final building permits and certificates of occupancy that meet Governmental Requirements and this Agreement.

305. Release of Construction Covenants. Promptly after the completion of the Project in conformity with this Agreement (as reasonably determined by the City Manager) and as determined completed by the City's building official, upon the written request of Developer, Owner shall furnish Developer with a Release of Construction Covenants for the Project as applicable (substantially in the form attached hereto as Attachment No. 5 incorporated herein) which evidences and determines the satisfactory completion of the construction and development of the Project in accordance with this Agreement. The issuance and recordation of the Release of Construction Covenants with respect to the Project shall not supersede, cancel, amend or limit the continued effectiveness of any obligations relating to the maintenance, operation, uses, payment of monies, or any other obligations, except for the obligation to complete the development of the Project as of the time of the issuance of the Release of Construction Covenants as to the Project.

306. Insurance Requirements.

(a) Throughout the life of this Agreement, DEVELOPER shall pay for and maintain in full force and effect all insurance as required herein with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by CITY'S Risk Manager or his/her designee at any time and in his/her sole discretion. The required policies of insurance as stated herein shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Agreement or any extension, DEVELOPER or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to 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 this Agreement. No action taken by CITY pursuant to this section shall in any way relieve DEVELOPER of its responsibilities under this 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.

(c) The fact that insurance is obtained by DEVELOPER shall not be deemed to release or diminish the liability of DEVELOPER, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify 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 DEVELOPER. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of DEVELOPER, vendors, suppliers, invitees, contractors, sub-contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage 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 not less than those set forth under "Minimum Limits of Insurance."

2. The most current version of ISO *Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

MINIMUM LIMITS OF INSURANCE

DEVELOPER shall procure and maintain for the duration of the contract, and for 5 years thereafter, insurance with limits of liability not less than those set forth below. However, insurance limits available to CITY and its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified herein or the full limit of any insurance proceeds available to the named insured:

1. COMMERCIAL GENERAL LIABILITY

(i) $2,000,000 per occurrence for bodily injury and property damage;

(ii) $2,000,000 per occurrence for personal and advertising injury;

(iii) $4,000,000 aggregate for products and completed operations; and,

(iv) $4,000,000 general aggregate applying separately to the work performed under the Agreement.

2. COMMERCIAL AUTOMOBILE LIABILITY

$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation Insurance as required by the State of California with statutory limits and EMPLOYER'S LIABILITY with limits of liability not less than:

(i) $1,000,000 each accident for bodily injury;

(ii) $1,000,000 disease each employee; and,

(iii) $1,000,000 disease policy limit.

4. CONTRACTORS POLLUTION LEGAL LIABILITY with coverage for bodily injury, property damage or pollution clean-up costs that could result from of pollution condition, both sudden and gradual. Including a discharge of pollutants brought to the work site, a release of pre-existing pollutants at the site, or other pollution conditions with limits of liability of not less than the following:

(i) $1,000,000 per occurrence or claim; and,

(ii) $2,000,000 general aggregate per annual policy period.

(a) In the event this Agreement involves the transportation of hazardous material, either the Commercial Automobile policy or other appropriate insurance policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by DEVELOPER pursuant to the Agreement.

UMBRELLA OR EXCESS INSURANCE

In the event DEVELOPER purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY and its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

DEVELOPER shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

(i) All policies of insurance required herein 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 days written notice has been given to CITY, except ten (10) days for nonpayment of premium. DEVELOPER is also responsible for providing written notice to the CITY under the same terms and conditions. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, 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 and 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.

(ii) The Commercial General, Automobile, and Pollution Liability insurance policies shall be written on an occurrence form.

(iii) The Commercial General, Automobile and Contractors Pollution Liability insurance policies shall be endorsed to name City and each of their officers, officials, agents, employees and volunteers as an additional insured. DEVELOPER shall establish additional insured status for the City and for all ongoing and completed operations under both Commercial General and Commercial Pollution Liability policies. The Commercial General endorsements must be as broad as that contained in ISO Forms: GC 20 10 11 85 or both CG 20 10 & CG 20 37.

(iv) All such policies of insurance shall be endorsed so the DEVELOPER'S insurance shall be primary and no contribution shall be required of City and its officers, officials, agents,

employees and volunteers. The primary and non-contributory coverage under the General Liability policy shall be as broad as that contained in ISO Form CG 20 01 04 13. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers.

(v) Should any of these policies provide that the defense costs are paid within the Limits of Liability, thereby reducing the available limits by defense costs, then the requirement for the Limits of Liability of these polices will be twice the above stated limits.

(vi) All policies of insurance shall contain, or be endorsed to contain, a waiver of subrogation as to CITY and its officers, officials, agents, employees and volunteers.

PROVIDING OF DOCUMENTS - DEVELOPER shall furnish CITY with all certificate(s) and applicable endorsements effecting coverage required herein All certificates and applicable endorsements are to be received and approved by the CITY'S Risk Manager or his/her designee prior to CITY's execution of the Agreement and before work commences. All non-ISO endorsements amending policy coverage shall be executed by a licensed and authorized agent or broker. Upon request of CITY, DEVELOPER shall immediately furnish CITY with a complete copy of any insurance policy required under this 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. All subcontractors working under the direction of DEVELOPER shall also be required to provide all documents noted herein.

SUBCONTRACTORS -If DEVELOPER subcontracts any or all of the services to be performed under this Agreement, DEVELOPER shall require, at the discretion of the CITY Risk Manager or designee, subcontractor (s) to enter into a separate Side Agreement with the City to provide required indemnification and insurance protection. Any required Side Agreement(s) and associated insurance documents for the subcontractors must be reviewed and preapproved by CITY Risk Manager or designee. If no Side Agreement is required, DEVELOPER shall be solely responsible for verifying that its subcontractors maintain insurance meeting all the requirements stated herein. The subcontractors' certificates and endorsements shall be on file with DEVELOPER and CITY, prior to commencement of any work by the subcontractors.

307. Indemnity. To the furthest extent allowed by law, including California Civil Code section 2782, DEVELOPER shall indemnify, defend and hold harmless CITY and each of their officers, officials, employees, agents, and volunteers from any and all claims, demands, actions in law or equity, loss, liability, fines, penalties, forfeitures, interest, costs including legal fees, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, property damage, or loss of any type) arising or alleged to have arisen directly or indirectly out of (1) any voluntary or involuntary act or omission, (2) error, omission or negligence, or (3) the performance or non-performance of this Contract . DEVELOPER'S obligations as set forth in this section shall apply regardless of whether 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 or sole negligence, or the willful misconduct, of CITY or any of their officers, officials, employees, agents or volunteers.

To the fullest extent allowed by law, and in addition to the express duty to indemnify, DEVELOPER, whenever there is any causal connection between the DEVELOPER's

performance or non-performance of the work or services required under this Contract and any claim or loss, injury or damage of any type, DEVELOPER expressly agrees to undertake a duty to defend CITY and any of their officers, officials, employees, agents, or volunteers, as a separate duty, independent of and broader that the duty to indemnify. The duty to defend as herein agreed to by DEVELOPER expressly includes all costs of litigation, attorneys fees, settlement costs and expenses in connection with claims or litigation, whether or not the claims are valid, false or groundless, as long as the claims could be in any manner be causally connected to DEVELOPER as reasonably determined by CITY.

Upon the tender by CITY to DEVELOPER, DEVELOPER shall be bound and obligated to assume the defense of CITY and any of its officers, officials, employees, agents, or volunteers, including the a duty to settle and otherwise pursue settlement negotiations, and shall pay, liquidate, discharge and satisfy any and all settlements, judgments, awards, or expenses resulting from or arising out of the claims without reimbursement from CITY or any of their officers, officials, employees, agents, or volunteers.

It is further understood and agreed by DEVELOPER that if CITY tenders a defense of a claim on behalf of CITY or any of its officers, officials, employees, agents, or volunteers and DEVELOPER fails, refuses or neglects to assume the defense thereof, CITY and its officers, officials, employees, agents, or volunteers may agree to compromise and settle or defend any such claim or action and DEVELOPER shall be bound and obligated to reimburse CITY and their officers, officials, employees, agents, or volunteers for the amounts expended by each in defending or settling such claim, or in the amount required to pay any judgment rendered therein.

The defense and indemnity obligations set forth above shall be direct obligations and shall be separate from and shall not be limited in any manner by any insurance procured in accordance with the insurance requirements set forth in this Contract. In addition, such obligations remain in force regardless of whether CITY provided approval for, or did not review or object to, any insurance DEVELOPER may have procured in a accordance with the insurance requirements set forth in this Contract. The defense and indemnity obligations shall arise at such time that any claim is made, or loss, injury or damage of any type has been incurred by CITY, and the entry of judgment, arbitration, or litigation of any claim shall not be a condition precedent to these obligations.

The defense and indemnity obligations set forth in this section shall survive termination or expiration of this Contract.

If DEVELOPER should subcontract all or any portion of the work to be performed under this Contract, DEVELOPER shall require each subcontractor to Indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms as set forth above.

308. Entry by Owner. From the date of the Closing and thereafter, Developer (and its successor and assigns) shall permit Owner and their officers, employees, consultants, and agents at all reasonable times, and in compliance with the reasonable safety policies and procedures of Developer and its contractor, to enter onto the Subject Property and inspect the work of development of the Project to determine that the same is in conformity with the Development Plans and all the requirements hereof. Developer acknowledges that Owner is under no obligation to supervise, inspect, or inform Developer of the progress of construction, and Developer shall not rely upon Owner therefor. Any inspection by Owner

is entirely for its purposes in determining whether Developer is in compliance with this Agreement and is not for the purpose of determining or informing Developer of the quality or suitability of construction or any other work at the Subject Property. Developer shall rely entirely upon its own supervision and inspection in determining the quality and suitability of the materials and work, and the performance of architects, subcontractors, and material suppliers.

309. Compliance with Laws. Developer shall carry out the design, construction, development and operation thereof in conformity with all applicable federal, state and local laws, including, without limitation, all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Fresno Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.,* Government Code Section 4450*, et seq.,* Government Code Section 11135*, et seq.,* and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, and any other applicable Governmental Requirements. Developer (and its Affiliates and successors and assigns) shall pay prior to delinquency all *ad valorem* real estate taxes, possessory interest taxes, and assessments as to the Project, subject to Developer's (and its Affiliates and successors and assigns) right to contest in good faith any such taxes. Developer may apply for and receive any exemption from the payment of property taxes or assessments on any interest in or as to the Project without the prior approval of Owner.

309.1 Prevailing Wage Laws. Developer shall carry out the construction through completion of the Project and the overall development of the Subject Property in conformity with all applicable federal, state and local labor laws and regulations, including, without limitation, as applicable, the requirements to pay prevailing wages under federal law (the Davis-Bacon Act, 40 U.S.C. Section 3141, *et seq.*, and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, "Davis-Bacon")) and California law (Labor Code Section 1720, *et seq.*). 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, City Hall, second floor. Actual wage schedules are available upon request at the City's Construction Management Office, 1721 Van Ness Avenue.

Developer shall be solely responsible, expressly or impliedly, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, labor laws and standards, and Owner makes no representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state and local laws to the Projects, either onsite or offsite. Developer expressly, knowingly and voluntarily acknowledges and agrees that Owner has not previously represented to Developer or to any representative, agent or Affiliate of Developer, or its Contractor or any subcontractor(s) for the construction or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction undertaken pursuant to this Agreement is (or is not) a "public work," as defined in Section 1720 of the Labor Code or under Davis-Bacon.

Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all disclosures or identifications as required by Labor Code Section 1781

and/or by Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend (with legal counsel chosen by Owner) and hold harmless the Indemnitees, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer with any applicable local, state and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the development and construction (as defined by applicable law or regulation) of the Project, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis-Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. "Increased costs," as used in this Section 309.1, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of both Projects by Developer.

309.2 Section 3 Compliance. Developer agrees to comply with and to cause the Contractor, each Subcontractor, and any other contractors and/or subcontractors or agents of Developer to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u, and the implementing regulations, in connection with the construction of the Project, if applicable. Developer shall submit to Owner each Construction Contract with appropriate provisions providing for the construction of the Project in conformance with the terms of this Agreement, including the Section 3 Clause. The Contractor, each Subcontractor, and any other contractors or subcontractors or agents of Developer shall have provided to Owner the certification in appendix B of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the Project, and Owner shall be responsible for determining whether each contractor has been debarred.

310. Financing of the Project.

310.1 Preferred Financing Structure. Developer shall use its reasonable and best efforts to apply for and secure an allocation of Tax Credits and additional gap financing for the Project pursuant to Title 4, California Code of Regulations Section 10323(c)(2). The parties acknowledge and agree that the specific financing for the Project is not assured, and that the possible financing structures and varied funding sources and scenarios for the Project shall be pursued in the following order of preference and priority.

(a) Project.

(i) Developer shall submit a complete Tax Credit Application for the Project (which Application shall be consistent with the terms of this Agreement) to TCAC on or before the TCAC deadline for such submission next following the Date of Agreement.

(ii) In the event Developer does not receive an allocation of Tax Credits for the Project based on its first Application submittal to TCAC, Owner and Developer shall meet and confer in good faith to determine if another method of financing the Project is available and preferable to the method set forth herein. After such meeting(s) with Developer, Owner shall, at its reasonable discretion but sole option, either: (i) allow Developer to submit a second Application to TCAC for Tax Credits for the Project, on or before the deadline immediately following the notice from TCAC that Developer has not received an allocation of Tax Credits for the Project, (ii) negotiate with Developer regarding alternative financing methods and sources of funding for the Project, or (iii) terminate this Agreement pursuant to Section 505. Upon such termination Developer shall deliver true and legible copies or originals of all Development Plans, architectural drawings, and other plans and documents related to planning, design, and construction of the Project.

(iii) If, pursuant to subsection (ii) of Section 310.1(a) above, Owner directs Developer to submit a second Tax Credit Application and Developer does not receive an allocation of federal Tax Credits in response to such second Application, Developer and Owner shall again meet and confer in good faith regarding alternate financing methods and/or the reasonable potential of a submission by Developer of an additional Application for an allocation of Tax Credits and Owner shall, in its reasonable discretion but sole option, determine whether to permit Developer to submit a third Application for Tax Credits. If Developer is permitted to submit a third Application for an allocation of Tax Credits pursuant to the immediately preceding sentence but does not obtain an allocation of Tax Credit for the Project after such Application, either Developer or Owner may terminate this Agreement. Upon such termination Developer shall deliver true and legible copies or originals of all Development Plans, architectural drawings, and other plans and documents related to planning, design, and construction of the Project.

(iv) In the event Owner terminates this Agreement as permitted by subdivisions (ii) and (iii) above, Developer shall deliver, convey and assign to Owner all of Developer's right and interest in and to all Development Plans and all planning, architectural, design and construction plans, drawings, specifications or other related documents prepared for the Project.

(v) Developer's Tax Credit Applications for the Project shall each incorporate the maximum possible points, including readiness points, to maximize the likelihood of an allocation of Tax Credits for the Project.

(b) No Additional Owner Subsidy. In no event shall Owner be obligated to provide any financial assistance or subsidy to the Project other than the leasehold interest in the Subject Property pursuant to the Ground Lease (as set forth in Section 201) under this Agreement. To the extent that any future Owner financial assistance or subsidy (Owner Assistance) is awarded to Developer, the Owner Assistance shall be addressed in a separate funding agreement consistent with any and all applicable funding requirements.

310.2 Submission of Evidence of Financing. Prior to and as a Condition Precedent to the Closing, Developer shall submit to Owner, and Owner (and its financial consultant(s) and legal counsel(s)) shall review and approve evidence that Developer has obtained sufficient equity capital and firm and binding commitments for financing necessary to undertake the construction, completion and operation of the Project in accordance with this Agreement. Developer shall not create or incur, or suffer to be created or incurred, or to exist, any additional mortgage, pledge, lien, charge or other security interest of any kind on the Subject Property, other than those related to the Project's construction, consistent with the Financing Plan, without the prior written consent of the Owner.

(a) Required Financing Submittals; Submittal of Construction Contract. Such evidence of financing for the Project and readiness to commence construction of the Project shall include all of the following:

(i) An updated pro forma and Final Budget for the applicable Project showing the projected costs of construction of the applicable Project, including all onsite and offsite improvements to be constructed in connection therewith.

(ii) A copy of the Lender's binding commitment obtained by Developer for the Primary Loan for the Project and, when available, copies of all loan documents evidencing the Primary Loan therefor. The Primary Loan commitments for financing shall be in such form and content acceptable to Owner and its financial advisor(s) and its legal advisor(s) and as such reasonably evidences a legally binding, firm and enforceable commitment, subject only to the Lender's customary and normal conditions and terms. Developer shall provide written certification to Owner that the loan documents submitted are correct copies of the actual loan documents to be executed by Developer concurrently with the Closing. If the Lender requires a subordination agreement between or among Lender, Owner and/or Developer, Owner shall review the form of subordination subject to the reasonable review and approval of City Manager and legal counsel(s), subject to one or more of the conditions set forth in Section 310.11 necessary for the Primary Loan to be a title insured first monetary lien on the applicable Project; provided, however, in no event shall Owner's fee interest in the Subject Property be subordinated to the Primary Loan or any other financing obtained by Developer or any other encumbrance or lien against the Subject Property. All costs incurred for the review and completion of each subordination agreement (except and excluding the first subordination agreement entered into at the Closing for the Project) and any amendment, modification or other reaffirmation thereof shall be expressly subject to Developer (or another person or entity other than Owner) paying all Third Party Costs (as defined in Section 716) incurred by Owner in connection therewith, with payment of such incurred costs a condition precedent to any obligation of Owner to sign such subordination or reaffirmation document, except as to the first subordination agreement pre-Closing for the Project for which Owner will assume the costs.

(iii) A current certified financial statement of Developer (and all partners and members thereof, except the Investor Limited Partner) and/or other documentation satisfactory to Owner as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference, if any, between construction and completion costs, and the financing authorized by the Tax Credits, Primary Loan, and any additional subsidies, sources of funding, or financing obtained by Developer for the development of the applicable Project.

(iv) Copies of the Construction Contract(s) and all other contracts between Developer and its Contractor for the construction of the Project and any other on-site or off-site improvements required to be constructed for such Project, certified by Developer to be a true, correct, and fully executed copy thereof, and which shall include reference to this Agreement and Contractor's specific obligation to carry out the construction and completion of the applicable Project (or part thereof) in conformity with the approved Development Plans, Section 3, all applicable federal and state prevailing wage laws, applicable Environmental Laws, and all applicable Governmental Regulations. The scope of work in the Construction Contracts shall conform in all respects to the Scope of Development, the land use entitlement, and the approved Development Plans, and such scope of work shall be subject to the City Manager, or designees sole and absolute approval.

Owner shall have the right to approve or disapprove such evidence of financing within 30 days of submission by Developer to Owner of all complete items required by this Section 310 or as otherwise reasonably imposed by Developer's financing and such approval or disapproval shall be not less than ten days prior to the date scheduled for the Closing (so long as Owner has had not fewer than 30 days for review of a complete submittal). In this regard, Developer agrees it shall use best efforts to cause its Lender to timely provide complete drafts of documents for review by Owner and its legal counsel(s) to perform within such time frames. Approval shall not be unreasonably withheld or conditioned. If Owner disapproves any such evidence of financing, Owner shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to Owner new evidence of financing within reset but equal time periods. If Developer's submission of new evidence of financing is timely and complete and provides Owner with adequate time to review such evidence within the times established in this Section 310, Owner shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 310 for the approval or disapproval of the evidence of financing as submitted to Owner initially.

The evidence of financing shall be deemed to be an ongoing representation by Developer that the sum total of all sources of financing are equal to and not greater than the amount of the approved Project costs as set forth in the Final Budget for the Project and that such Final Budget conforms to the Tax Credit Application, Tax Credit Reservation, and any and all updates thereto submitted by Developer to TCAC. Once the complete evidence of financing is approved by Owner, Developer shall promptly notify Owner in writing of any change in, additional conditions to, or additional sources of financing, including without limitation, the award of state or federal Tax Credits, and any updates or additional information material or relevant to such financing and/or the Tax Credits. The representations made by Developer with respect to the budgets and costs for the Project and the sources of funding and method of financing for the Project, inclusive of all submittals and information related to the Tax Credits, were and remain the basis used by Owner to negotiate the financial terms of this Agreement and any change in such budgets and sources of Project funding or financing for the Project shall, at the sole discretion of Owner, because to renegotiate the financial terms hereof for the Project.

310.3 Alternate Financing Sources. It is the intent of the parties to make every effort to secure sources of non-local subsidies for the Project. Developer shall apply for an allocation of federal Tax Credits for the Project, in accordance with Section 310.1(a)

and (b), and shall attempt to increase the chance of obtaining an award of Tax Credits by maximizing the points maintained by the Project, including readiness points, and shall re-apply for Tax Credits within the times set forth in Section 310.1(a) and (b) and in the Schedule of Performance attached to the Implementation Agreement for the Project in the event the Project does not receive an allocation of Tax Credits in response to the first Tax Credit Application submitted by Developer.

310.4 Reserved

310.5 Required Submissions. Developer shall submit the following documents as evidence of Tax Credit financing:

(a) The Partnership Agreement or equivalent funding commitment letter from the equity investors in the applicable Project which demonstrates that Developer has sufficient funds and committed capital/equity for commencement through completion of construction, and that such funds have been committed to construction of the applicable Project, and a current financial statement of Developer.

(b) A complete copy of each Application and supporting documentation submitted to TCAC by each Developer, within five (5) days following Developer's submission thereof to TCAC.

(c) A copy of a preliminary Reservation letter from TCAC notifying Developer that an allocation of Tax Credits, has been reserved for construction of the Project, and further documentation demonstrating that Developer remains eligible and qualified to receive such allocation, along with certification that there have not been any material changes to the information provided by Developer in the Application, as defined and referenced in such Reservation letters, and that if there are material changes then such information will be provided to TCAC (and Owner) forthwith.

310.6 Holder Performance of Development of the Project. The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to develop the Project or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder.

310.7 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure. With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever Owner may deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder or under any other document executed pursuant to this Agreement, Owner shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand. Each holder shall (insofar as the rights granted by Owner are concerned) have the right, but not the obligation, at its option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize any holder to undertake or continue the construction or completion of the Project, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Owner under this Agreement as to such Project by a written

assumption agreement reasonably satisfactory to Owner and its legal counsel(s). The holder, in that event, must agree to complete, or cause to be completed by a party which is reasonably acceptable to Owner, in the manner provided in this Agreement, the improvements to which the lien or title of holder relates. Any holder (or assignee approved by Owner) properly completing the improvements for the Project shall be entitled, upon compliance with the requirements of Section 305 of this Agreement, to a Release of Construction Covenants as to such Project. It is understood that a holder (or assignee approved by Owner) shall be deemed to have satisfied the ninety (90) day time limit set forth above for commencing to cure or remedy a Developer default which requires possession of the Subject Property, as applicable (or portion thereof), if and to the extent any holder (or assignee approved by Owner) has within the ninety (90) day period commenced proceedings to obtain possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

310.8 Notice of Default to Limited Partner; Right to Cure. Whenever Owner shall deliver any notice to Developer with respect to any Default by Developer hereunder, Owner shall at the same time deliver a copy of such Notice to the limited partner(s) of Developer at the notice address provided by Developer to Owner. No Notice of Default shall be effective as to such limited partner(s) unless such notice is given. Each limited partner shall (insofar as the rights of Owner are concerned) have the right, at its option, within 60 days after the receipt of the copy of the Notice, to cure or remedy or commence to cure or remedy any such Default. Any cure of any Default hereunder made or tendered by the limited partner shall be deemed to be a cure by Developer and shall be accepted or rejected on the same basis as if made or tendered by the Developer.

310.9 Intentionally Deleted.

310.10 Right of Owner to Cure Mortgage or Deed of Trust Default. In the event of Developer's default or breach of the Primary Loan, including the loan agreement, promissory note, mortgage or deed of trust, or a default under the terms of Developer's Partnership Agreement for the Project, Developer shall immediately deliver to Owner a copy of any default notice pertaining thereto. Subject to the terms and conditions of the subordination agreement executed by and among senior lender, Owner and Developer, Owner shall have the right but not the obligation to cure the default of the Primary Loan, including the loan agreement, promissory note, mortgage or deed of trust. Owner shall likewise have the right but not the obligation to cure any Partnership Agreement default. In such event, Owner shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by Owner in curing any default.

310.11 Subordination of Affordability Covenants; Non-Subordination of Owner's Fee Interest. In the event Owner finds that an economically feasible method of financing for the construction and operation of the Project without the subordination of the Affordable Housing Agreement and/or Regulatory Agreement Owner may agree to subordinate the necessary covenants contained in either Agreements to the Primary Loan and/or the Tax Credit Regulatory Agreement, subject to the terms of this Section 310.11. Each and any subordination agreement evidencing or affirming Owner's subordination of the Regulatory Agreement (but not, and in no event, Owner's fee interest in the Subject Property, or the Owner Covenants, if any) entered into by Owner shall be in form and substance acceptable to Owner. Notwithstanding the foregoing, the Ground Lease shall be senior and non-subordinate to the Primary Loan, including any and all

construction and permanent financing for the Project. The Owner is aware that it will be required to sign a TCAC Standstill Agreement and record against the leasehold interest.

310.12 Failure to Obtain Financing. In the event Developer, despite exercising its reasonable and best efforts to obtain required construction financing for the Project, fails to obtain financing as specified in the Agreement by the time required in Section 310.1(a) and (b) and in the Schedule of Performance attached hereto and as appended to each Implementation Agreement for the Project, either Developer or Owner may terminate this Agreement as provided in Sections 504 and 505 hereof, respectively.

400. OPERATION OF HOUSING.

401. Number of Housing Units. Developer covenants and agrees to make available, restrict occupancy to, and rent the Housing Units in the Project to Very Low - and Low-Income Households, in accordance with this Section 401 and the Regulatory Agreement for the Project as follows:

(i) Two (2) of the one-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(ii) Three (3) of the one-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(iii) Eight (8) of the one-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(iv) Three (3) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(v) Two (2) of the two-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(vi) Three (3) of the two-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(vii) Ten (10) of the two-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(viii) Four (4) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(ix) Two (2) of the three-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(x) Three (3) of the three-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(xi) Nine (9) of the three-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(xii) Four (4) of the three-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(xiii)

401.1 On-Site Manager. One additional three-bedroom unrestricted Housing Unit will be occupied by an on-site manager. The on-site manager is not

required to income qualify as a Very Low-Income Household or Low-Income Household; provided, however, the monthly housing payment charged for the on-site managers' Housing Unit shall not exceed the Affordable Rent that may be charged to a 60% AMI Low-Income Household.

402. Affordable Rent. Affordable Rent shall be charged for all Housing Units for the Affordability Period. The maximum Affordable Rent chargeable for the Housing Units shall be annually determined by Developer (and as charged and implemented by Developer) in accordance with the following requirements:

(i) The Affordable Rent for the Housing Units to be rented to 30% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 30% AMI for Fresno County as determined and published annually by TCAC for a family size appropriate to the Housing Unit.

(ii) The Affordable Rent for the Housing Units to be rented to 45% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 45% AMI for Fresno County as determined and published annually by TCAC for a family size appropriate to the Housing Unit.

(iii) The Affordable Rent for the Housing Units to be rented to 50% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 50% AMI for Fresno County as determined and published annually by TCAC for a family size appropriate to the Housing Unit.

(iv) The Affordable Rent for the Housing Units to be rented to 60% AMI Low-Income Households shall not exceed thirty percent (30%) of 60% AMI for Fresno County as determined and published annually by TCAC for a family size appropriate to the Housing Unit.

Developer shall, and shall cause its Property Manager to, operate the Project and cause occupancy of all Housing Units thereon in conformity with these covenants and this Agreement.

For purposes of this Agreement, "Affordable Rent" shall mean the total of monthly payments for (a) use and occupancy of each Housing Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, or cable TV or internet services, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. No additional charge shall be assessed against tenant households of the Housing Units for any social or supportive services provided at the Subject Property.

403. Duration of Affordability Requirements; Affordability Period for the Project. The Project and all the Housing Units thereon shall be subject to the requirements of this Section 400, *et seq.* for the full term of not less than 55-years from the date that the Notice of Completion is recorded against the Subject Property, in the Official Records. The duration of these covenants and this requirement for the Project shall be known as the "Affordability Period." The Affordability Period may be extended by the parties in the event

the Ground Lease extends beyond the Initial Term.

404. Selection of Tenants. Developer shall be responsible for the selection of tenants for the Housing Units in compliance with all lawful and reasonable criteria, and shall adopt a tenant selection system which shall be approved by City Manager in her reasonable discretion, which establishes a chronological waiting list system for selection of tenants, which shall be set forth in the Marketing Program and the Property Management Plan, both of which are required to be submitted by Developer and approved by Owner pursuant to Sections 202, 408 and 411.2 hereof for the Project and as a Condition Precedent to the Closing.

Developer shall not refuse to lease to a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a program pursuant to the HOME Investment Partnership Act, 42 U.S.C. §12701, *et seq.* and the implementing regulations located at 24 CFR part 92, as such now exist and as may hereafter be amended, a Section 8 voucher program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria (collectively "Voucher Programs").

405. Household Income Requirements. Developer covenants and agrees with Owner that it shall comply with the procedures for annual income determination. Developer shall obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from the tenants of the Housing Units. 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 three pay periods; (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 income tax return for the most recent three years; 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 and approval by Owner prior to initial lease up.

Developer further warrants, covenants and agrees that it will cooperate with Owner in the Owner's income certification/affordability monitoring activities. On or before 120 days following the end of Developer's fiscal year, commencing the first year after issuance of the first certificate of occupancy for the Project, and annually thereafter, Developer shall prepare and submit to Owner, at Developer's expense, a written summary of the income, household size, and rent payable by each of the tenants of the Housing Units and, upon the written request of the Owner, copies of each and all leases or rental agreements and the current rules and regulations for the Project. At Owner's request, Developer shall also provide to Owner completed income computation and certification forms, all in a form reasonably acceptable to Owner, for each and all tenants. Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Housing Unit demonstrating that such household is a 30% AMI Very Low-Income Household, 45% AMI Very Low-Income Household, 50% AMI Very Low-Income Household, or 60% AMI Low-Income Household, as applicable and according to the Area Median Income annually determined and published by TCAC for Fresno County, and meets the eligibility and

occupancy requirements established for the Housing Unit. Developer shall verify, or shall cause to be verified by the Property Manager, the income and household size certification of the tenant household.

405.1 Income Categories.

(i) **"30% AMI Very Low-Income Households"** shall mean those households not earning greater than thirty percent (30%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

(ii) **"45% AMI Very Low-Income Households"** shall mean those households not earning greater than forty-five percent (45%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

(iii) **"50% AMI Very Low-Income Households"** shall mean those households not earning greater than fifty percent (50%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

(iv) **"60% AMI Low-Income Households"** shall mean those households not earning greater than sixty percent (60%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

(v) **"Very Low-Income" or "Very Low-Income Households"** shall mean and include (i) very low-income households as defined in the Tax Credit Rules and (ii) 30% AMI Very Low-Income Households, (iii) 45% AMI Very Low-Income Households, and (iv) 50% AMI Very Low-Income Households. Very Low-Income Households include Extremely Low-Income Households, as defined in the Tax Credit Rules.

(vi) **"Low-Income" or "Lower-Income Households"** shall mean and include both: (i) lower-income households as defined in the Tax Credit Rules, and (ii) 60% AMI Low-Income Households, as defined in the Tax Credit Rules.

406. Intentionally Omitted

407. Leases; Rental Agreements for Housing Units. Developer shall submit a standard lease form, which shall comply with the requirements of this Agreement, including all applicable provisions of the Act and the HAL, to Owner for its approval. Owner shall reasonably approve such lease form upon finding that such lease form is consistent with this Agreement. Developer shall enter into a written lease, in the form approved by Owner, with each tenant/tenant household of the Project. During the Affordability Period, any material changes to the lease form are subject to the reasonable review and approval of the City Manager.

408. Marketing Program. Prior to and as a Condition Precedent to the issuance of the Certificate of Occupancy, Developer shall prepare and obtain Owner's approval, which approval shall not be unreasonably withheld, of the Marketing Program. During the Affordability Period, any material changes to an approved Marketing Program are subject to reasonable review and approval by the City Manager. The rental of the Housing Units, as and when they are vacated by the existing tenants, shall be conducted in accordance with the approved Marketing Program and any affirmative marketing and minority outreach activity requirements to attract eligible persons from all racial, ethnic and gender groups in the housing market in the rental of the Housing Units. The availability of Housing Units shall be marketed in accordance with the Marketing Program as the same may be amended from

time to time with Owner's prior written approval, which approval shall not unreasonably be withheld. Developer shall provide Owner with periodic reports with respect to the marketing for lease of the Housing Units. Owner agrees to exercise reasonable efforts to assist Developer in connection with the implementation of the Marketing Program; provided, however, Owner shall not be under any obligation to incur any out-of-pocket expenses in connection therewith. Developer shall maintain records of actions taken to affirmatively market Housing Units constructed in the future, and to assess the results of these actions.

409. Reserved

410. Maintenance.

410.1 General Maintenance. Developer shall maintain the Subject Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with all applicable provisions of the Fresno Municipal Code. Developer shall maintain in accordance with the Maintenance Standards (as hereinafter defined) the improvements and landscaping on the Subject Property. Such Maintenance Standards shall apply to all buildings, signage, common amenities, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Subject Property and any and all other improvements on the Subject Property and the Project. To accomplish the maintenance, Developer shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Agreement.

Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards as to the Project (collectively, "Maintenance Standards"):

(i) The Subject Property shall be maintained in conformance and in compliance with the approved final as-built plans, and reasonable maintenance standards which comply with the industry standard for comparable first quality affordable housing projects in the County, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curbline. The Subject Property shall be maintained in good condition and in accordance with the industry custom and practice generally applicable to comparable first quality affordable housing projects in the County.

(ii) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(iii) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds,

leaves and other debris are properly disposed of by maintenance workers.

Owner agrees to notify Developer in writing if the condition of the Subject Property does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Developer to cure the deficiencies. Upon notification of any maintenance deficiency, Developer shall have 30 days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety, then Developer shall have 48 hours to rectify the problem. In the event Developer does not maintain the Subject Property, as applicable, in the manner set forth herein and in accordance with the Maintenance Standards, Owner shall have, in addition to any other rights and remedies hereunder, the right to maintain the Subject Property, as applicable, or to contract for the correction of such deficiencies, after written notice to Developer, and Developer shall be responsible for the payment of all such costs incurred by Owner.

410.2 Program Maintenance. In addition to the routine maintenance and repair required pursuant to Section 410.1 Developer shall perform the following minimum programmed maintenance of the Improvements to the Subject Property:

(i) Interior painting and window covering replacement at least every seven (7) years;

(ii) Exterior painting at least every ten (10) years;

(iii) Repair and resurfacing of parking areas and walkways at least every ten (10) years; and

(iv) Replacement of all deteriorated or worn landscaping and play equipment at least every five (5) years.

Notwithstanding the foregoing, if City Manager reasonably determines that the Project suffers from excess unexpected wear and tear requiring any of the above items of maintenance to be performed sooner than as set forth above, Owner may require that such maintenance actions be performed within a reasonable time, even if sooner than the time periods set forth above. Upon the request of Developer, the City Manager in her sole and absolute discretion, may grant a waiver or deferral of any program maintenance requirement. Developer shall keep such records of maintenance and repair as are necessary to prove performance of the program maintenance requirements.

410.3 Occupancy Limits. The maximum occupancy of the Housing Units in the Project shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one. Thus, for the two (2) bedroom Housing Units, the maximum occupancy shall not exceed five (5) persons. For the three (3) bedroom Housing Units, the maximum occupancy shall not exceed seven (7) persons.

411. Management of the Project.

411.1 Property Manager. Developer shall manage or cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with good property management standards for other comparable first quality, well-managed affordable rental housing projects in the City. Developer may contract with a property management company or property manager, to operate and maintain the Project in accordance with the terms of this Section 410 (Property

Manager); provided, however, the selection and hiring of the Property Manager (and each successor or assignee), including any Affiliate, is and shall be subject to prior written approval of City Manager in her sole and reasonable discretion. The Property Manager shall manage the Project in accordance with the definitions of Affordable Rent contained in Section 402 hereof, the tenant selection requirements contained in Section 404, and the definitions relating to income contained in Section 405. Any fee paid to the Property Manager for social services provided to the tenants shall be exclusive of the fee paid to the Property Manager relating to the management of the Project. Developer shall conduct due diligence and background evaluation of any potential third-party property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have significant and relevant prior experience with affordable housing projects and properties comparable to the Project and the references and credit record of such property manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to the City Manager for review and approval. A complete and true copy of the results of such background evaluation shall be provided to the City Manager. Approval of a Property Manager by City Manager shall not be unreasonably delayed but shall be in their sole reasonable discretion, and City Manager shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing property management of the Project. The replacement of a Property Manager by Developer and/or the selection by Developer of any new or different Property Manager during the Term of the Ground Lease shall also be subject to the foregoing requirements.

411.2 Property Management Plan. Prior to and as a Condition Precedent to Closing, Developer shall prepare and submit to the City Manager for review and approval, a management plan for the Project which includes a detailed plan and strategy for long-term marketing, operation, maintenance, repair and security of the Project, inclusive of social services for the residents of the Housing Units, and the method of selection of tenants, rules and regulations for tenants, and other rental policies for the Project (Property Management Plan). City Manager approval of the Property Management Plan shall not be unreasonably withheld or delayed. Subsequent to approval of the Property Management Plan by the City Manager, the ongoing management and operation of the Project shall be in compliance with the approved Property Management Plan. During the Affordability Period, Developer and its Property Manager may from time to time submit to the City Manager proposed amendments to the Property Management Plan, the implementation of which shall also be subject to the prior written approval of the City Manager.

411.3 Gross Mismanagement. During the Affordability Period, and in the event of "Gross Mismanagement" (as defined below), City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of 30 days from the date of written notice from City Manager. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of

such submitted to the City Manager), but has failed to complete such cure by the 30th day (or such longer period if the cure cannot reasonably be accomplished in 30 days as reasonably determined by the non- defaulting party), then Developer and its Property Manager shall have an additional 10 days to complete the cure of Gross Mismanagement condition(s). In no event shall any condition of Gross Mismanagement continue uncured for a period exceeding forty-five (45) days from the date of the initial written notice of such condition(s), except that the conditions described in subdivisions (d) and(e) below may exist for up to, but no longer than, seventy-five (75) days without triggering Owner's right to remove the Property Manager as described in the immediately following sentence as long as Developer is diligently working to cure such conditions of Gross Mismanagement. If such condition(s) do persist beyond such period, City Manager shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) to remove the Property Manager and replace the Property Manager with a new property manager of the City Manager's selection at the sole cost and expense of Developer. If Developer takes steps to select a new Property Manager that selection is subject to the requirements set forth above for selection of a Property Manager.

For purposes of this Agreement, the term "Gross Mismanagement" shall mean management of the Project in a manner which violates the terms and/or intention of this Agreement to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

(a) Leasing to tenants who exceed the prescribed income levels;

(b) Allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

(c) Under-funding required reserve accounts;

(d) Failing to timely maintain Project in accordance with the Property Management Plan and Maintenance Standards; as required herein;

(e) Failing to submit timely and/or adequate annual reports to Owner

(f) Fraud or embezzlement of Project funds, including without limitation funds in the reserve accounts;

(g) Failing to fully cooperate with the Fresno Police Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime- free environment within the Project;

(h) Failing to fully cooperate with the Fresno Fire Department or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe and accessible environment within the Project;

(i) Failing to fully cooperate with the Fresno Planning & Building Department, including the Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Project, in maintaining a decent, safe and sanitary environment within the Project; and

(j) Spending funds from the Capital Replacement Reserve account for items that are not defined as eligible costs, including eligible capital and/or replacement costs, under the standards imposed by GAAP (and/or, as applicable, generally accepted

auditing principles).

Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and requirements of this Agreement within any contract between Developer and its Property Manager for the Project.

411.4 Code Enforcement. Developer acknowledges and agrees that Owner, and their employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Project and the individual Housing Units for the Project, both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Developer and/or an individual tenant. If such notice is provided by Owner representative(s) to Developer, then Developer (or its Property Manager) shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Housing Units at the applicable Project to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Housing Unit in the Project in order for each and every tenant and tenant household to be aware of this inspection right.

412. Capital Reserve Requirements. Commencing upon the closing for the permanent Primary Loan for the applicable Project, Developer shall annually set aside an amount of not less than Two Hundred Fifty Dollars ($250.00) per Housing Unit (54 units times $250 equals $13,500) or such increased amount required by TCAC or the Partnership Agreement or the Lender under the Primary Loan for the Project) from the gross rents received from the applicable Project, into a separate interest-bearing trust account defined as the Capital Replacement Reserve. Funds in the Capital Replacement Reserve shall be used only for capital repairs, improvements and replacements to the applicable Project, including fixtures and equipment, which are normally capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve or lessen Developer's obligation to undertake any and all necessary capital repairs, improvements, or replacements and to continue to maintain the Project in the manner prescribed herein for the applicable Project. Not less than once per year, Developer, at its expense, shall submit to City Manager an accounting for the Capital Replacement Reserve for the applicable Project. Capital improvements and repairs to, and replacements at the applicable Project shall include only those items with a long useful life, including without limitation the following: carpet and drapery replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. Pursuant to the procedure for submittal of each Annual Budget for the Project to City Manager by Developer, City Manager may evaluate the cumulative amount on deposit in the Capital

Replacement Reserve account and exercise her sole, reasonable discretion to determine if existing balance(s) in, proposed deposits to, shortfalls, if any, and/or a cumulative unexpended/unencumbered account balance in such Capital Replacement Reserve account are adequate to provide for necessary capital repairs and improvement for the Project (provided that required annual deposits thereto are not required to exceed $250/per Housing Unit).

413. Operating Budget and Operating Reserve. Within twelve (12) months after commencement of construction of such Project, but in no event later than ninety (90) days prior to the completion of construction of such Project, and not less than annually thereafter on or before November 1 of each year following the issuance of the first certificate of occupancy issued by the City's building official for such Project, Developer shall submit to Owner on not less than an annual basis an operating budget for the applicable Project ("Operating Budget" or "Annual Budget"), which budget shall be subject to the written approval of City Manager, which approval shall not be unreasonably withheld. The City Manager's discretion in review and approval of each proposed annual Operating Budget shall include, without limitation, authority to review individual categories, line items, and accounts, such as the following: extent, type, and amount for social services at or associated with the applicable Project; existing balance(s) in and proposed deposits to the Capital Replacement Reserve for such Project to evaluate shortfalls and/or cumulative unexpended/unencumbered deposits (provided that required annual deposits thereto are not required to exceed $250/per unit); conformity of any annual increases in the Partnership Related Fees for such Project with the increases permitted in the definition of "Partnership Related Fees"; reasonableness and conformity to prevailing market rates in Fresno County and rates and fees for goods and services to be provided Developer or any of its parent, affiliated, or subsidiary entities, etc. for such Project.

Developer shall, or shall cause the Property Manager to, set aside an "Operating Reserve" in a separate interest bearing trust account a target amount equal to three (3) months of (i) Debt Service on the Primary Loan and (ii) Operating Expenses for the applicable Project ("Target Amount"), which shall be funded by Tax Credit equity. The Operating Reserve shall thereafter be replenished from Tax Credit equity and from Annual Project Revenue to maintain the Operating Reserve balance at the Target Amount. The Target Amount shall be retained in the Operating Reserve to cover shortfalls between Annual Project Revenue and actual Operating Expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve. Developer shall, not less than once per every twelve (12) months, submit to the City Manager evidence reasonably satisfactory to Owner of compliance herewith. The operating reserve shall be held by Developer and shall be in compliance with the requirements outlined in the Partnership Agreement.

414. Non-Discrimination Covenants. Developer covenants by and for itself, its successors and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Subject Property, nor shall the grantee or any person claiming under or through him or her, establish or permit

any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Subject Property. The foregoing covenants shall run with the land. Developer shall refrain from restricting the rental or lease of the Subject Property on any of the bases listed above. All leases or contracts relating to the Subject Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

> "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(iii) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing

covenants shall run with the land."

The covenants established in this Section 414 shall, without regard to technical classification and designation, be binding for the benefit and in favor of Owner and its successors and assigns, and shall remain in effect in perpetuity.

415. Monitoring and Recordkeeping. Throughout the Affordability Period for the Project, Developer will maintain books and records for the Project using generally accepted accounting principles, and shall comply with all applicable recordkeeping and monitoring requirements. Developer shall complete and submit to Owner a Certification of Continuing Program Compliance in a form provided by Owner. Representatives of Owner shall be entitled to enter the Subject Property, upon at least twenty-four (24) hours' notice, to monitor compliance with this Agreement, to inspect the records of the Subject Property, and to conduct an independent audit or inspection of such records. The Owner may audit any conditions relating to this Agreement at the Owner's expense, unless such audit shows a significant discrepancy in information reported by the Developer, in which case Developer shall bear the cost of such audit. Records shall be made available for review and inspection and/or audit in Fresno County, California. Developer agrees to maintain all records relating to the Project in a businesslike manner, and to maintain such records for the term of this Agreement. This section shall survive the termination of this Agreement.

416. Regulatory Agreement. The requirements of this Agreement that shall remain applicable after the Closing Date for the Project are set forth in the Owner Regulatory Agreement for the Subject Property, which is attached hereto as Attachment No. 6 and incorporated herein (Regulatory Agreement). The execution and recordation of the Regulatory Agreement for the Project is a Condition Precedent to the Closing, as set forth in Section 202 hereof.

500. DEFAULT AND REMEDIES.

501. Events of Default. An "Event of Default" or "Default" shall occur under this Agreement when there shall be a breach of any condition, covenant, warranty, promise or representation contained in this Agreement and the breach shall continue for a period of thirty (30) days after written notice thereof to the defaulting party without the defaulting party curing such breach, or if the breach cannot reasonably be cured within a thirty (30) day period, commencing the cure of the breach within the thirty (30) day period and thereafter diligently proceeding to cure the breach; provided, however, that if a different period or notice requirement is specified for any particular breach under any other paragraph of this Agreement, the specific provision shall control.

502. Remedies. The occurrence of any Event of Default shall give the non-defaulting party the right to proceed with any and all remedies set forth in this Agreement, including an action for damages, an action or proceeding at law or in equity to require the defaulting party to perform its obligations and covenants under the documents executed pursuant hereto or to enjoin acts or things which may be unlawful or in violation of the provisions of such documents, and the right to terminate this Agreement. In addition, the occurrence of any Event of Default by Developer will relieve Owner of any obligation to further perform hereunder and shall result in Owner's right to terminate the Ground Lease subject to the provisions therein.

503. Force Majeure. It shall be the responsibility of the Developer to coordinate and

schedule the work to be performed so that the commencement of the construction and issuance of the Release of Construction Covenants 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 will be granted only if written notice by the party claiming such extension is sent to the other party within ten 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 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 Manager and the Developer, which shall not cumulatively exceed 180 days without City Council approval.

Subject to the timing and provisions of Section 310.1, Developer's difficulty or inability to obtain and secure the Primary Loan or other financing shall in no event become an event of force majeure.

504. Termination by Developer. Subject to the timing and provisions of Section 310.1, in the event that Developer is not in Default under this Agreement and:

(a) Developer is unable to obtain sufficient financing for the development and operation of the Project in accordance with the provisions of Section 310; or

(b) Developer fails to receive an allocation of Tax Credits for the Project, subject to the restrictions contained in Section 310.1(a) and (b); or

(c) Developer disapproves of the environmental condition of the Subject Property pursuant to Section 204.3; or

(d) Developer disapproves the condition of title to the Subject Property pursuant to Section 205.7; or

(e) One or more of the Conditions Precedent set forth in Section 202.2 is not satisfied (or waived by Developer) on or before the time set forth in the Schedule of Performance attached to each Implementation Agreement for the Project, and such Condition Precedent is not satisfied after notice and an opportunity to satisfy as provided in Section 601 hereof, and such failure is not caused by Developer; or

(f) Owner is otherwise in Default of this Agreement and fails to cure such Default within the time set forth in Section 601 hereof; then this Agreement

and any rights of Owner or any assignee or transferee with respect to or arising out of this Agreement shall, at the option of Developer, be terminated by Developer by written notice thereof to Owner with respect to the Project. From the date of the written notice of termination of this Agreement with respect to the Project by Developer to Owner and thereafter this Agreement shall be deemed terminated subject to the rights of the Lender pursuant to the approved financing for the Primary Loan(s), Developer shall have the option to terminate the Ground Lease, as provided in more detail therein, and there shall be no further rights or obligations between the parties as to such Project, except that if Owner is in default hereunder Developer, after delivery of notice of default and expiration of the cure period provided in Section 601 hereof, may pursue any remedies it has at law or equity.

505. Termination by Owner. Subject to the timing and provisions of Section 310.1, in the event that Owner is not in Default under this Agreement, and:

(a) Developer is unable to obtain sufficient financing for the development and operation of the Project in accordance with the provisions of Section 310; or

(b) Developer fails to receive an allocation of Tax Credits for the Project, subject to the restrictions contained in Section 310.1(a) and (b); or

(c) One or more of the Conditions Precedent set forth in Section 202.1 is not satisfied (or waived by Owner) on or before the time set forth in the Schedule of Performance attached to each Implementation Agreement for the Project, and such Condition Precedent is not satisfied after notice and an opportunity to satisfy as provided in Section 501 hereof, and such failure is not caused by Owner; or

(d) Developer is otherwise in Default of this Agreement and fails to cure such Default within the time set forth in Section 501 hereof; then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of this Agreement shall, at the option of Owner, be terminated by Owner by written notice thereof to Developer. From the date of the written notice of termination of this Agreement by Owner to Developer and thereafter this Agreement shall be deemed terminated, Owner shall have the option to terminate the Ground Lease, as provided in more detail therein, and there shall be no further rights or obligations between the parties (except as provided in Section 310 as to Developer's delivery and assignment of Development Plans and other materials to Owner, if applicable), except that if Developer is in default hereunder Owner, after delivery of notice of default and expiration of the cure period provided in Section 501 hereof, may pursue any remedies it has at law or equity.

506. Attorneys' Fees. In addition to any other remedies provided hereunder or available pursuant to law, if any party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder or under any of the documents executed pursuant hereto, the prevailing party shall be entitled to recover from the other party its costs of suit, including without limitation expert witness fees, and reasonable attorneys' fees.

507. Remedies Cumulative. No right, power, or remedy given to Owner by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to Owner by the terms of any such instrument, or by any statute or otherwise against Developer and any other person.

508. Waiver of Terms and Conditions. Owner may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

600. GENERAL PROVISIONS.

601. Time is of the Essence. Time is expressly made of the essence with respect to the performance by Owner and Developer of each and every obligation and condition of this Agreement.

602. Notices. Any approval, disapproval, demand, document or other notice (Notice) which any party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile transmission, or (vi) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice. Service shall be deemed conclusively made at the time of service if personally served; upon confirmation of receipt if sent by facsimile transmission; the next business day if sent by overnight courier and receipt is confirmed by the signature of an agent or employee of the party served; the next business day after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by express mail; and three days after deposit thereof in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail.

Developer:

Corporation for Better Housing
20750 Ventura Blvd, Suite 155
Woodland Hills, CA 91364
Attention: Executive Director (Lori Koester)

Integrated Community Development, LLC
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Benjamin Lingo

Tax Credit Investor:

USA Institutional Cesar Chavez LLC
777 West Putnam Avenue
Greenwich, CT 06830
Attention: General Counsel

And a copy to:

Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Scott Salomon, Esq.

City:
Georgeanne A. White, City Manager
City of Fresno
2600 Fresno Street
Fresno, CA 93721

With Copies To:

Such addresses may be changed by Notice to the other party(ies) given in the same manner as provided above.

603. Representations and Warranties of Developer. Developer hereby represents and warrants to Owner as follows:

(a) Organization. Developer is a California corporation duly organized, validly existing, formed, and in good standing under the laws of the State of California that have the power and authority to own property and carry on business as is now being conducted.

(b) Authority of Developer. Developer has full power and authority to execute and deliver this Agreement to execute and deliver as to the Project, the Regulatory Agreement, Ground Lease, Memorandum of Ground Lease, Memorandum of Agreement, Notice of Affordability Restrictions, Request for Notice and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Valid Binding Agreements. This Agreement, the Regulatory Agreement, the Ground Lease, Memorandum of Ground Lease, Memorandum of Agreement, Request for Notice, Notice of Affordability Restrictions, and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Developer enforceable against it in accordance with their respective terms, as to the Project.

(d) Pending Proceedings. Developer is not in default under any law or regulation or under any order of any federal, state, or local court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Developer, threatened against or affecting Developer or the Subject Property, as applicable, at law or in equity, before or by any federal, state, or local court, board, commission or agency whatsoever which might, if determined adversely to Developer, materially affect Developer's ability to perform its obligations hereunder, as to the Project.

(e) Tax Credits. All information included or to be included within and provided to TCAC in the Application submitted by Developer upon which TCAC issues its preliminary Reservation letters shall be true and correct in all material respects as of the date of the Application. In the event any information or representation made by Developer to TCAC related, directly or indirectly, to the Tax Credits is not true, complete, and correct in all material respects, Developer shall, and acknowledges it has an obligation to, inform TCAC and Owner of such changes and to provide updated information to TCAC, Owner, and its Lender(s), as necessary.

(f) Commercial or Private Funding Review. Developer agrees to notify Owner in the event that it applies for or proposes to use other sources of funds for the Project prior to the issuance of the Release of Construction Covenants as to the Project.

604. Limitation Upon Change in Ownership, Management and Control of Developer.

604.1 Prohibition. The identity and qualification of Developer, as an experienced and successful developer and operator of affordable apartment complexes is of particular concern to Owner. It is because of this identity and these qualifications that Owner has entered into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement by assignment, assumption or otherwise, nor shall Developer make any total or partial transfer, conveyance, encumbrance to secure financing or refinancing, assignment or sublease of the whole or any part of the leasehold interest in the Subject Property, as applicable, nor shall there be any change in the general or limited partners of Developer, without the prior written approval of City Manager pursuant to Section 604.3 below, except as expressly set forth herein, which approval shall not be unreasonably withheld or delayed.

604.2 Permitted Transfers. Developer shall not sell, lease, transfer, assign, or otherwise dispose (Transfer) all or any material part of any interest it might hold in the Subject Property or Project without written consent of Owner, which consent shall not be unreasonably withheld or delayed. Notwithstanding other provisions of this Agreement to the contrary, Owner approval of an assignment or transfer of this Agreement or conveyance of Developer's leasehold interest in the Subject Property, as applicable, or any part thereof, shall not be required in connection with any of the following (Permitted Transfers):

(a) The granting of temporary easements or permits to facilitate the construction and development of the Project.

(b) A transfer by and/or to the Subject Property, as applicable, as to such Developer's rights under this Agreement to enter into a Ground Lease for the Subject Property, as applicable, and thereafter develop and operate the Project in accordance with this Agreement as follows:

(c) A transfer of a limited partnership interest in either Developer entity directly or indirectly to the approved Investor Limited Partner and subsequent transfers of such interests to an entity controlled by such Investor Limited Partner, or any institutional investor or fund or syndicator making a capital contribution to the limited partnership in exchange for partnership interests in either Developer.

(d) The removal and replacement by Investor Limited Partner of any of Developer's general partners as permitted under Developer's limited partnership

agreement;

(e) Subject to the restrictions of Section 400, *et seq.*, including the Ground Lease and the Regulatory Agreement, the rental or lease for occupancy of each of the Housing Units to qualified Very Low-Income and Low-Income Households.

(f) Assignment for approved financing purposes, subject to such financing being considered and approved by Owner pursuant to Section 310 hereof.

In the event of an assignment or transfer by Developer pursuant to this Section 604.2 not requiring Owner's prior approval, Developer nevertheless agrees that at least 10 days prior to such pre-approved assignment or transfer it shall give written notice to Owner of such assignment or transfer along with a true and complete copy of the assignment or transfer document conforming to the requirements of this Agreement as to the Project.

604.3 Owner Consideration of Requested Transfer. Owner agrees that it will not unreasonably withhold approval of a request for an assignment or transfer made pursuant to this Section 604.3, provided (a) Developer delivers written notice to Owner requesting such approval, (b) the proposed assignee or transferee possesses a reasonable level of operational experience and capability with respect to the operation of similar first quality affordable rental housing projects, (c) the proposed assignee or transferee possesses a reasonable level of net worth and resources as necessary to develop, operate, and manage the Project, and (d) the assignee(s) or transferee(s) completely and fully assume(s) the obligations of Developer under this Agreement pursuant to an assignment and assumption agreement(s) in a form which is reasonably acceptable to Owner and its legal counsel(s). Such notice shall be accompanied by evidence regarding the proposed assignee's or purchaser's qualifications and experience and its financial commitments and resources sufficient to enable Owner to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 604.3 and other criteria as reasonably determined by Owner. Owner shall approve or disapprove the request within 30 days of its receipt of Developer's notice and submittal of complete information and materials required herein. Owner approval shall not be required for transfers or assignments for Owner approved financing purposes including foreclosure or deed in lieu of foreclosure; provided, there shall be no deemed approval of a transfer or assignment for financing that will increase the outstanding principal amount of or extend the term of a monetary lien against the Subject Property. In no event, however, shall Owner be obligated to approve the assignment or transfer of the Ground Lease, Regulatory Agreement, or Owner Covenants pursuant to this Section 604.3, except to an approved transferee or assignee of Developer's rights in and to the Subject Property, based on Owner's reasonable determination that such transferee or assignee has the experience, financial strength, knowledge, and overall capability to own, operate and manage the Project in accordance with the terms, conditions, and restrictions contained in this Agreement. In addition, Owner shall not be required to grant its approval of any proposed transfer or assignment unless all information reasonably requested by Owner relating to the proposed transferee or assignee entity and all general and limited partners of such entity, including true and correct copies of an executed Partnership Agreement, if the proposed assignee/transferee is a partnership, true and correct copies of articles of incorporation if the proposed assignee/transferee is a corporation, plus current certified financial statements of the entity and financial statements relating to other affordable rental housing projects developed

and/or operated by such entity(ies) and reporting and compliance documentation for such projects submitted for public entities providing funding to such projects, etc., as applicable.

(a) Addition of Limited Partner(s) to Developer Entity as Tax Credits Investment Entity. Owner acknowledges that Developer anticipates that one of the limited partner(s) to be added to each Developer entity will be the Investor Limited Partner for the Project. As of the Date of Agreement, Developer has not solicited bids for or selected its Investor Limited Partner for the Project.

604.4 Approval of Refinancing of Primary Loan. City Manager shall have the right to review all documents related to and to approve or disapprove, within her reasonable discretion, any refinancing of the Primary Loan or any other debt secured by Developer's leasehold interest in the Subject Property, as applicable, which refinancing will increase the interest rate or increase the outstanding principal amount of such debt or cause or require the release or withdrawal of cash or equity from any part of the Project. City Manager shall reasonably consider any such proposed refinancing based on an economic evaluation conducted by Owner's economic consultant that analyzes the effect of the proposed refinancing on (i) the ability of Developer to repay in full the Primary Loan and any other debt or other liens against the Subject Property as such payment becomes due. Owner shall not unreasonably withhold its consent and shall work with Developer in good faith while negotiating the proposed refinance and related loan documents.

605. Successors and Assigns. This Agreement shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon Developer and the permitted successors and assigns of Developer. Whenever the term "Developer" is used in this Agreement, such term shall include any of Developer's approved Affiliate assignee(s) or transferee(s), or any other permitted successors and assigns as herein provided.

606. Non-Liability of Officials and Employees of Owner. No member, elected or appointed official, or employee of the City shall be personally liable to Developer or any successor in interest in the Event of Default or other breach by Owner or for any amount which may become due to Developer or its successors, or for performance of any obligations under the terms of this Agreement.

607. Relationship between Owner and Developer. It is hereby acknowledged and agreed that the relationship between Owner and Developer is not that of a partnership or joint venture or other investor partner and that Owner and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, Owner shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Project.

608. City Manager; Owner Approvals and Actions. Owner shall maintain authority of this Agreement and the authority to implement this Agreement through the City Manager. The City Manager shall have the authority to make approvals, issue interpretations, waive provisions, request issuance of warrants and make payments authorized hereunder, make and execute further agreements (including Implementation Agreements) and/or enter into amendments of this Agreement on behalf of Owner so long as such actions do not materially or substantially change or modify the uses or development permitted on the Subject Property, or materially or substantially add to the costs, responsibilities, or liabilities incurred or to be incurred by Owner as specified herein, and such interpretations, waivers and/or amendments may include extensions of time to perform

as specified in the Schedule of Performance attached hereto and the Schedule of Performance attached to each Implementation Agreement for the Project. All material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council. Further, City Manager shall maintain the right to submit to the City Council for consideration and action any non-material or non-substantive interpretation, waiver or amendment, if in her reasonable judgment she desires to do so.

609. Counterparts. This Agreement may be signed in multiple counterparts all of which together shall constitute an original binding agreement. This Agreement is executed in three originals, each of which is deemed to be an original.

610. Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement constitutes the entire understanding of the parties, notwithstanding any previous negotiations, approved terms and conditions, or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

611. Real Estate Brokerage Commission. Owner and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and Developer and Owner agree to defend and hold harmless each other from any claim to any such commission or fee resulting from any action on its part.

612. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. References to Section and Paragraph numbers are to sections and paragraphs in this Agreement, unless expressly stated otherwise.

613. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

614. No Waiver. A waiver by any party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement or the Attachments hereto.

615. Intentionally Omitted

616. Developer's Payment and Reimbursement of Owner's Post-Date of Agreement Third Party Costs.

616.1 Third Party Costs Defined; Obligation. Developer shall pay for and reimburse Owner for all costs reasonably incurred by Owner for any and all out of pocket, third party costs, fees, and expenses incurred by Owner (but not in-house staff

time) for attorneys, economic consultants, appraisers, engineers, affordable housing consultants, escrow company fees, title company fees, and other consulting and/or professional services incurred by Owner arising from and/or related in any respect to the implementation of this Agreement or the Project from the period of time commencing upon the Closing for the Project through the term of the Affordability Period for the Project (together, "Third Party Costs"). The Third- Party Costs may include costs incurred in connection with (a) drafting, negotiation, and execution of post-Closing Implementation Agreements, if any, (b) post-Closing enforcement of the Regulatory Agreement, Ground Lease, or other documents for the Project (collectively, "Project Documents"), including the following: (i) commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Documents, and (ii) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which Owner are indemnified under the Project Documents, provided as to defense of any action which Owner have tendered the defense to Developer and Developer fails to defend any such action; and (c) other costs incurred related to requests for or provision of estoppel certificates, subordination agreements, affordable housing documents, escrow instructions, advisory assistance, any other documentation, legal advice, redevelopment/affordable housing advice, or other third party contracts for consulting or professional services necessitated by Owner's or Developer's post-Closing implementation of this Agreement, and/or requested by Developer, and/or its Lender or other independent contractor or consultant to Developer post-Closing arising from or related in any manner to this Agreement.

616.2 Payment of Third Party Costs. Within 15 days of the submittal by Owner of copies of invoices or billings for Third Party Costs incurred, it is and shall be the obligation of Developer to reimburse and pay to Owner 100% of these Third Party Costs.

(a) This reimbursement obligation shall bear interest from the date occurring ten (10) days after Owner gives written demand to Developer at the lesser rate of five percent (5%), or the maximum rate then permitted by law.

(b) This reimbursement obligation shall survive the issuance of the final Release of Construction Covenants, and termination of this Agreement.

616.3 Exception to Payment of Post-Date of Agreement Third Party Costs. Notwithstanding Section 616, 616.1, and 616.2 above, Developer shall not be responsible to pay and reimburse for Third Party Costs if the costs incurred are attributable to one or more of the following events:

(a) City Council, Planning Commission, Zoning Administrator, or other Owner official with discretionary approval and/or disapproval rights over the Project or the implementation of this Agreement disapproves, denies, or refuses to take action on an application for a permit or other discretionary application necessary to commence and complete the Project; or

(b) Default by Owner under this Agreement.

617. Implementation of Agreement. The parties acknowledge that, due to the long term nature of the Project and the implementation of the Project under this Agreement, it may be necessary and/or appropriate at some time in the future, or from time to time, for

Owner and Developer (or Affiliates of Developer) to enter into various Implementation Agreements or to otherwise execute additional documentation to clarify and implement the provisions of this Agreement and provide for the incorporation of additional or different funding and/or financing sources for the development and operation of the Project, as may become necessary or appropriate for the successful development of the Project and implementation of this Agreement. Each party agrees to cooperate in good faith to negotiate and enter into such various Implementation Agreement for the Project as may be determined to be reasonably necessary and/or appropriate by Developer or City Manager in their reasonable discretion.

618. Amendments. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed by a duly authorized representative on behalf of each party.

619. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances or Project shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

620. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

621. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

622. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, Implementation Agreements, releases or other agreements.

623. Conflicts of Interest. No member elected or appointed public official or Owner employee shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, elected or appointed public official or employee participate in any decision relating to the Agreement which affects his personal interests, his economic interests, or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

624. Non-recourse Liability of Developer. Notwithstanding anything to the

contrary in this Agreement or any other Project Document, neither Developer nor any of its partners shall be personally liable for any default, loss, claim, damage, expense or liability to any person and the sole remedy against Developer hereunder shall be limited to its interest in the Project.

[Signatures appear on following page.]

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

CITY OF FRESNO,
A California municipal corporation

By: _____
Georgeanne A. White,
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: Signed by: Tracy Parvanian C20B3D38494F4C1... 6/1/2026
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

Corporation for Better Housing,
a California nonprofit public benefit corporation

By: DocuSigned by: Lori Koester ED1B7E4432AD485...

Name: Lori Koester

Title: Executive Director

By: _____

Name: _____

Title: _____
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

ATTACHMENT NO. 1
LEGAL DESCRIPTION

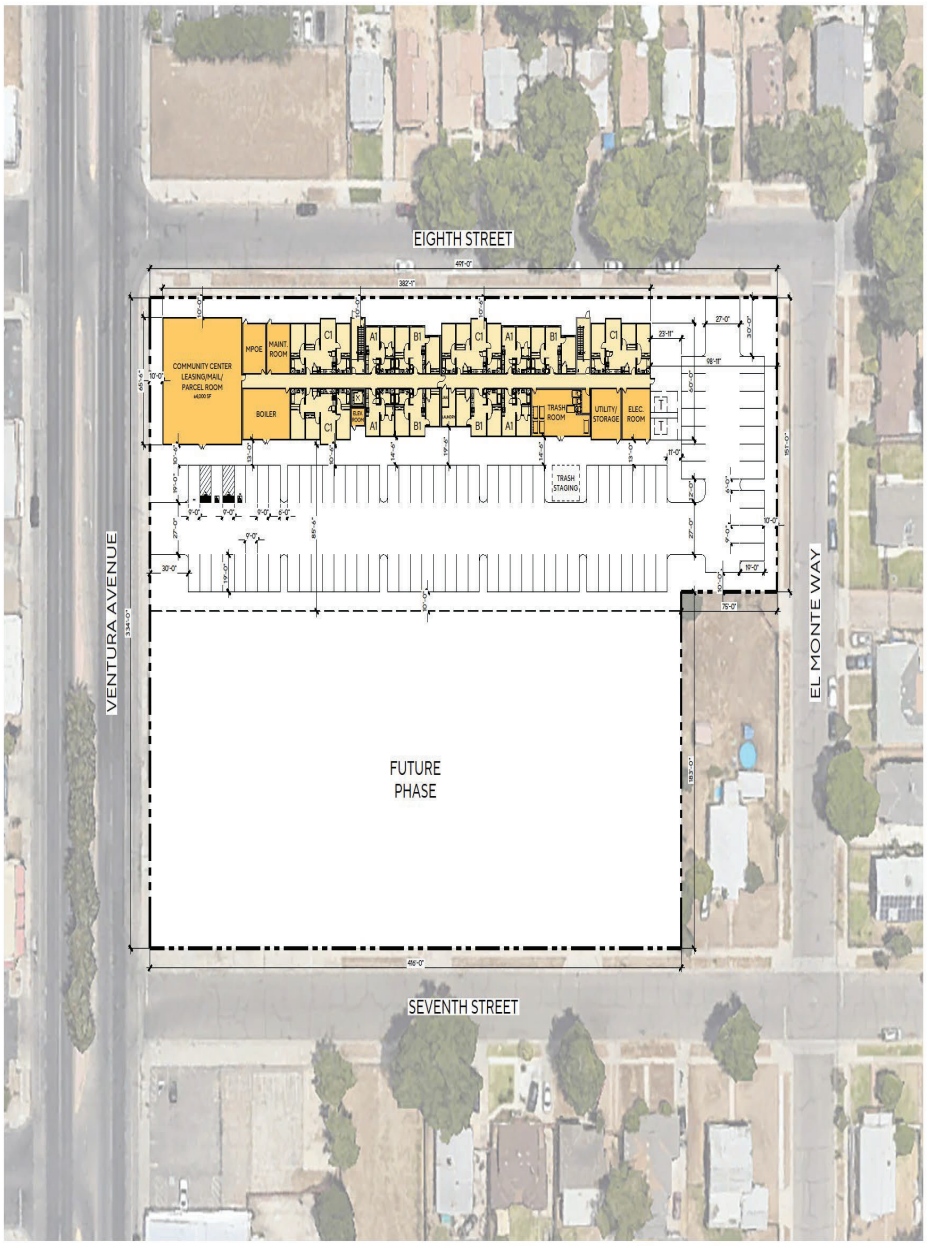
APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T)

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 2
SITE MAP

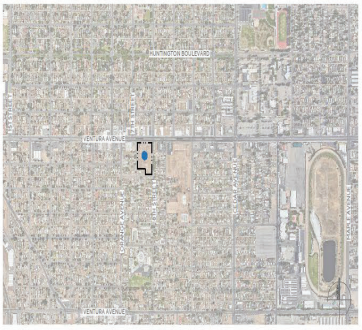


PROJECT DATA

LOCATION	3754 E. VENTURA AVENUE FRESNO, CA 93702
EXISTING USE	VACANT
A.P.N.	47005201, 47005202, 47005203
NO. OF STORIES	4 STORIES
CONSTRUCTION	TYPE V
SITE AREA	± 3.39 ACRE (147,668 SQ.FT.)
DENSITY	± 15.9 DU/AC
OVERALL F.A.R.	± 0.48
TOTAL UNIT COUNT	± 54 UNITS
1-BDRM	± 16 UNITS (30%)
2-BDRM	± 19 UNITS (35%)
3-BDRM	± 19 UNITS (35%)
PARKING PROVIDED	± 90 STALLS
RESIDENTIAL FLOOR AREA	± 61,845 SQ. FT.
NON-RESIDENTIAL FLOOR AREA*	± 8,601 SQ. FT.
TOTAL FLOOR AREA	± 70,446 SQ. FT.

*NON-RESIDENTIAL FLOOR AREA INCLUDES COMMUNITY CENTER, LEASING, MAIL ROOM, BOILER, MPOE, ELECTRICAL/MECHANICAL/MAINTENANCE ROOMS

VICINITY MAP (N.T.S)



Integrated Community Development

VENTURA & 7TH

FRESNO, CA

CONCEPTUAL SITE PLAN

0 30' 60' 90' 120'

A1.0

JOB NO. 2024-0528
DATE 07-01-2024

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

SECTION 5 - PROJECT SCHEDULE

Provide a detailed timeline for completion of major milestones related to the project. Identify all key aspects as well as the dates when all funding sources will be secured. If awarded, prepare to enter into an agreement by October 2025.

The project schedule should indicate that all proposed and conditional funds will be committed within 10 months of the award of City funding and that the project **must** commence construction within one year of the City funding agreement execution and **must** be completed within four years of the agreement execution.

List each task in chronological order, the projected completion date, and the responsible party to complete the task. At a minimum, show the projected dates for commitment of all funding sources, any land use approvals, and date of property acquisition and construction commencement.

Schedule of Milestones		
Task	**Projected Completion Date**	**Responsible Party**
Sample: submit City application for funding	July 14, 2023	Developer
City Funding Commitment	4/24/2025	City
Land Use Entitlements	8/2025	Developer & City
Submit for Tax Credits and any additional funding	5/2025 - 12/2025	Developer
City funding Agreement Execution, awarded	06/2026	Developer & City
Close Construction Financing	06/2026	Developer / Lenders / City
Commence Construction	06/2026	Developer
Construction Completion	12/2027	Developer
100% Leased	3/2028	Developer
Perm Loan Conversion	1/2029	Developer / City

Describe any aspects of the project that may lead to delays and how the schedule will be adapted to respond.

All affordable housing finance in California is extremely competitive. We believe that the Tax Credit program is the most expeditious funding source currently. We have structured an application with the highest probability for success; however, the process is competitive, and we do not have data on all the potential competition. It is possible that we are unsuccessful in the first round of tax credit applications. If this occurs, we would respond by re-applying in the second round of tax credit applications delaying the project by approximately four months. If unsuccessful in the second round we will apply in the third round which would be awarded in November 2025. All dates would need to be pushed out according to the actual TCAC award date.

ATTACHMENT NO. 3A

PRELIMINARY BUDGET

Cesar Chavez Apartments

	Total Development Costs	Funding Sources					
		City Land Lease (Assumed Value)	City LHTF	USDA	LIHTC	Permanent Loan	Def Dev Fee
Acquisition Costs:	$ -	$ -		$ -	$ -	$ -	$ -
Purchase Price	$ -	$ -		$ -	$ -	$ -	$ -
Liens	$ -	$ -		$ -	$ -	$ -	$ -
Closing, Title & Recording Costs	$ 95,000.00	$ -		$ -	$ 95,000.00	$ -	$ -
SUBTOTAL	$ 95,000.00	$ -	$ -	$ -	$ 95,000.00	$ -	$ -
Construction							
Basic Construction Contract	$ 28,341,546.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 15,441,546.00	$ 2,900,000.00	$ -
Bond Premium	$ -	$ -		$ -	$ -	$ -	$ -
Infrastructure Improvements	$ -	$ -		$ -	$ -	$ -	$ -
Hazardous Abate. & Monitoring		$ -		$ -	$ -	$ -	$ -
Construction Contingency (5%)	$ 1,417,077.00	$ -		$ -	$ 1,417,077.00	$ -	$ -
Sales Taxes	$ -	$ -		$ -	$ -	$ -	$ -
Other Construction Costs: Security	$ 170,000.00	$ -		$ -	$ 170,000.00	$ -	$ -
Other Construction Costs: Furnishings	$ 75,000.00	$ -		$ -	$ 75,000.00	$ -	$ -
SUBTOTAL	$ 30,003,623.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 17,103,623.00	$ 2,900,000.00	$ -
Development							
Appraisal	$ 30,000.00	$ -		$ -	$ 30,000.00	$ -	$ -
Architect/Engineer	$ 1,315,000.00	$ -		$ -	$ 1,315,000.00	$ -	$ -
Environmental Assessment	$ 200,000.00	$ -		$ -	$ 200,000.00	$ -	$ -
Geotechnical Study	$ -	$ -		$ -	$ -	$ -	$ -
Boundary & Topographic Survey	$ 85,000.00	$ -		$ -	$ 85,000.00	$ -	$ -
Legal	$ 494,746.00	$ -		$ -	$ 494,746.00	$ -	$ -
Developer Fee	$ 3,000,000.00	$ -		$ -	$ 3,000,000.00	$ -	$ -
Project Management	$ 153,700.00	$ -		$ -	$ 153,700.00	$ -	$ -
Technical Assistance	$ -	$ -		$ -	$ -	$ -	$ -
Other:	$ -	$ -		$ -	$ -	$ -	$ -
SUBTOTAL	$ 5,278,446.00	$ -	$ -	$ -	$ 5,278,446.00	$ -	$ -
Other Development							
Real Estate Tax	$ -	$ -		$ -	$ -	$ -	$ -
Insurance	$ 1,105,113.00	$ -		$ -	$ 1,105,113.00	$ -	$ -
Relocation	$ -	$ -		$ -	$ -	$ -	$ -
Permits, Fees & Hookups	$ 624,334.00	$ -		$ -	$ 624,334.00	$ -	$ -
Impact/Mitigation Fees	$ 731,698.00	$ -		$ -	$ 731,698.00	$ -	$ -
Development Period Utilities	$ -	$ -		$ -	$ -	$ -	$ -
Construction Loan Fees	$ 244,000.00	$ -		$ -	$ 244,000.00	$ -	$ -
Construction Interest	$ 2,590,000.00	$ -		$ -	$ 270,298.00	$ -	$ 2,319,702.00
Other Loan Fees (State HF, etc.)	$ -	$ -		$ -	$ -	$ -	$ -
LIHTC Fees	$ 165,000.00	$ -		$ -	$ 165,000.00	$ -	$ -
Accounting/Audit	$ 40,000.00	$ -		$ -	$ 40,000.00	$ -	$ -
Marketing/Leasing Expenses	$ 94,500.00	$ -		$ -	$ 94,500.00	$ -	$ -
Carrying Costs at Rent Up	$ 235,557.00	$ -		$ -	$ 235,557.00	$ -	$ -
Operating Reserves	$ 226,000.00	$ -		$ -	$ 226,000.00	$ -	$ -
Soft Cost Contingecy	$ 700,000.00	$ -		$ -	$ 700,000.00	$ -	$ -
SUBTOTAL	$ 6,756,202.00	$ -	$ -	$ -	$ 4,436,500.00	$ -	$ 2,319,702.00
Total Development Costs	$ 42,133,271.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 26,913,569.00	$ 2,900,000.00	$ 2,319,702.00

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

Ventura Family Apartments

The Ventura Family Apartments will fulfill the goals of the General Plan and the One Fresno Housing Strategy by redeveloping a portion of real property consisting of approximately 73,560 square feet, more or less, of land located at the southwest corner of South Eighth and Ventura Avenue (a portion of previous APN 470-052-02T and a portion of previous 470-052-03T) in Fresno, CA. The Ventura Family Apartments will be developed under a long-term land lease with the City of Fresno, ensuring long-term affordability and stability for farm-working families. This 100% affordable housing development will provide low-income families with incomes between 30% - 60% of the Area Median Income (AMI), new housing opportunities within a pedestrian-oriented neighborhood with access to transportation, job centers, retail, entertainment, schools, and community services.

This four-story development will be prominently positioned along Ventura Avenue, featuring a 2,500-square-foot ground-floor community center and 54 apartments, accessible via an elevator. The unit mix consists of sixteen (16) one-bedroom units (approximately 554 square feet), nineteen (19) two-bedroom units (approximately 806 square feet), and nineteen (19) three-bedroom units (approximately 1,254 square feet), with one three-bedroom unit designated for an on-site manager. The unit mix was carefully planned based on input from the farm-working community through surveys and workshops conducted by the Corporation for Better Housing (CBH).

The development's ground-floor community center will incorporate large moment-frame windows and an attractive contemporary façade. Residents will have access to a computer lab, laundry facilities, bicycle parking, a community kitchen, and spaces designated for service programs and educational classes. The development will also provide approximately 90 parking spaces, including handicap-accessible spaces and bicycle parking. Covered parking will feature a solar array atop the carport structures, contributing to energy efficiency and aiming for a Net Zero Energy designation.

The project's open space will include a gated entry, a tot lot, recreational areas for adults and children, barbecue and picnic areas, and bicycle storage. Each apartment unit will feature modern amenities, including a range, frost-free refrigerator, dishwasher, garbage disposal, central heating and air conditioning, granite countertops, coat closets, mini blinds, vinyl flooring in kitchens and bathrooms, carpeting in living rooms, and CAT 5 wiring. All units will be designed for energy efficiency and equipped with energy-efficient appliances.

The on-site clubhouse will include management offices, a computer lab, a laundry facility with six (6) washers and six (6) dryers, and multifunctional rooms designated for resident services.

ATTACHMENT NO. 5

RELEASE OF CONSTRUCTION COVENANTS

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: _____ _____ _____ Attention: _____	This document is exempt from the payment of a recording fee pursuant to Government Code §§ 6103 and 27383.

RELEASE OF CONSTRUCTION COVENANTS

This **RELEASE OF CONSTRUCTION COVENANTS** (Release) is hereby made as of _____, 20___, by the **City of Fresno**, a municipal corporation (City or Owner in favor of _____ (Developer).

RECITALS

A. Owner and Developer have entered into an Amended and Restated Affordable Housing Agreement dated as of _____ (Agreement), which Agreement provides for the development of an affordable rental housing project, consisting of an 54 unit rental apartment units, in which all but one of the Housing Units will be made available to Very Low-Income and Low-Income Households at an Affordable Rent and one Housing Unit will be an unrestricted unit rented to on-site manager who shall not be required to qualify as Low or Very Low-Income but who will pay an Affordable Rent calculated for a Low-Income Household, on certain real property (Subject Property) generally located at the southwest corner of South Eighth and Ventura Avenue (a portion of previous APN 470-052-02T and a portion of previous 470-052-03T) in the City of Fresno, California.

B. The Project consists of the construction of fifty-four (54) Housing Units (sixteen (16) of which shall be one-bedroom Housing Units, nineteen (19) shall be two-bedroom Housing Units, and the remaining nineteen (19) shall be three-bedroom Housing Units, inclusive of one unrestricted manager unit), a community room, management office, central laundry facilities, elevators, on-site covered parking, and passive recreational areas, on that portion of the Subject Property which is legally described on Exhibit "A" attached hereto and made a part hereof by this reference (Subject Property). As required in the Agreement, Owner shall furnish Developer with a Release of Construction Covenants upon completion of the Development of the Project, which Release shall be in such form as to permit it to be recorded in the Official Records of Fresno County, California.

C. Owner has conclusively determined that the Project as required by the

Agreement has been satisfactorily completed at the Subject Property.

NOW, THEREFORE, Owner hereto certifies as follows:

1. As provided in the Agreement, Owner does hereby certify that the development of the Project has been fully and satisfactorily performed and completed in accordance with the Agreement.

2. After the recordation of this Release, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Subject Property will not (because of such ownership, purchase, or acquisition) incur any obligation or liability under the Agreement, except that such party shall be bound by any and all of the covenants, conditions, and restrictions which survive such recordation, including without limitation, the Ground Lease, and the Regulatory Agreement; provided the recordation of this Release shall not alter in any way the order of priority of any liens or encumbrances against the Subject Property, including the Primary Loan for the Subject Property, which shall not in any event have priority over Owner's fee interest in the Subject Property.

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

4. The recitals above are incorporated in full as part of the substantive text of this Release.

[Signatures appear on following page.]

IN WITNESS WHEREOF, Owner has executed this Release of Construction Covenants as of the date first set forth above.

OWNER:

CITY OF FRESNO,
a municipal corporation

By:_____
Georgeanne A. White
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

EXHIBIT A TO ATTACHMENT NO. 5

LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 6

OWNER REGULATORY AGREEMENT/DECLARATION OF RESTRICTIONS

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Fresno
Georgeanne A. White, City Manager
2600 Fresno Street
Fresno, CA 93721

This document is exempt from the payment of a recording fee pursuant to Government Code §§ 6103 and 27383.

REGULATORY AGREEMENT

This **REGULATORY AGREEMENT** (Regulatory Agreement) is entered into as of _____, 202_, by and between the **CITY OF FRESNO**, a municipal corporation (City or Owner), and Corporation for Better Housing(Developer).

RECITALS

A. City is the owner of certain real property located at the southwest corner of South Eighth and Ventura Avenue (a portion of previous APN 470-052-02T and a portion of previous 470-052-03T) which is described in the Legal Description attached hereto as Exhibit A. and is the subject of this Regulatory Agreement (Subject Property).

B. Developer, and Owner entered into that certain "Amended and Restated Affordable Housing Agreement" dated as of _____; in implementation of the Affordable Housing Agreement, Owner and Developer entered into that certain Amended and Restated Ground Lease dated as of _, 20__ (together, the Amended and Restated Affordable Housing Agreement and the Amended and Restated Ground Lease are referred to as the "AHA.") Subject to the terms and conditions therein, Owner has agreed to ground lease the Subject Property to Developer, respectively, pursuant to a Ground Lease to construct an affordable rental housing project (Project) and operate the Project as a 54 unit affordable apartment complex on the Subject Property to be made available to Low-Income Households, and Very Low-Income Households, and one on-site manager unit to be made available to and occupied by on-site property manager whose income shall not be restricted, although the monthly housing payment for the on-site manager units shall be restricted to an Affordable Rent as determined for a Low-Income Household (collectively, Housing Units).

C. Pursuant to the AHA, Owner agreed to ground lease the Subject Property to Developer pursuant to the Ground Lease and Developer agreed to develop and operate the Project thereon.

D. The Project will consist of 54 Housing Units, eleven (11) which will be made available to Low-Income Households, forty-two (42) which will be made available to Very Low-Income Households, and one (1) of which will be made available to and occupied by an on-site property manager.

E. The execution and recording of this Regulatory Agreement is a requirement of the AHA. Terms used herein have the meanings set forth in the AHA unless otherwise specifically defined herein.

NOW, THEREFORE, in exchange for the mutual covenants, restrictions, and agreements set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Development of the Project. Developer agrees to develop the Subject Property subject to the terms and in accordance with the provisions of the AHA, the Scope of Development which is attached to the Amended and Restated Affordable Housing Agreement as Attachment No. 4, the Ground Lease, the Entitlement as approved by the Owner, the Fresno Municipal Code, and all other applicable federal, state and local codes, regulations, and ordinances.

2. Housing Units.

a. Number of Housing Units. Developer covenants and agrees to make available, restrict occupancy to, and rent:

(i) Two (2) of the one-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(ii) Three (3) of the one-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(iii) Eight (8) of the one-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(iv) Three (3) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(v) Two (2) of the two-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(vi) Three (3) of the two-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(vii) Ten (10) of the two-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(viii) Four (4) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(ix) Two (2) of the three-bedroom Housing Units to 30% AMI Very

Low-Income Households at an Affordable Rent.

(x) Three (3) of the three-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(xi) Nine (9) of the three-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(xii) Four (4) of the three-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

b. Affordable Rent. Affordable Rent shall be charged for all Housing Units for the applicable Affordability Period. The maximum Affordable Rent chargeable for the Housing Units shall be annually determined by Owner (and as charged and implemented by Developer) in accordance with the following requirements:

(i) The Affordable Rent for the Housing Units to be rented to 30% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 30% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

(ii) The Affordable Rent for the Housing Units to be rented to 45% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 45% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

(iii) The Affordable Rent for the Housing Units to be rented to 50% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 50% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

(iv) The Affordable Rent for the Housing Units to be rented to 60% AMI Low-Income Households shall not exceed thirty percent (30%) of 60% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

Developer shall, and shall cause its Property Manager to, operate the Project and cause occupancy of the Project and all Housing Units thereon in conformity with these covenants and this Agreement.

For purposes of this Regulatory Agreement, "Affordable Rent" means the total of monthly payments for (a) use and occupancy of each Housing Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, or cable TV or internet services, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. No additional charge shall be assessed

against tenant households of the Housing Units for any social or supportive services provided at the Subject Property and/or as a part of Developer's compliance with the legal requirements imposed in connection with any Project Based Section 8 assistance pursuant to Section 4 below.

c. Duration of Affordability Requirements; Affordability Period. The Project and all the Housing Units thereon shall be subject to the requirements of this Section 2, *et seq*. for the full term of not less than fifty-five (55) years from the date that the Notice of Completion is recorded against the Subject Property in the Official Records. The duration of these covenants and this requirement shall be known as the "Affordability Period."

d. Selection of Tenants. Developer shall be responsible for the selection of tenants for the Housing Units in compliance with all lawful and reasonable criteria, and shall adopt a tenant selection system which shall be approved by City Manager in her reasonable discretion, which establishes a chronological waiting list system for selection of tenants, which shall be set forth in the Marketing Program and the Property Management Plan, both of which are required to be submitted by Developer and approved by Owner pursuant to Sections 408 and 411 of the Affordable Housing Agreement. Subject to applicable Fair Housing Laws, the Owner shall be afforded a first right of refusal in referring eligible tenants to Housing Units, in the following order of priority (in accordance with all applicable laws):

(i) Low-Income Households or Very Low-Income Households, as applicable, who have been displaced from their residences due to programs or projects implemented by the Fresno Planning & Development Department;

(ii) Low-Income Households or Very Low-Income Households, as applicable, who have applied for and have received rental vouchers from Fresno Housing Authority;

(iii) Low-Income Households or Very Low-Income Households, as applicable, who are listed on Fresno Housing Authority's waiting list for affordable housing and who live and/or work in Fresno; and

(iv) Low-Income Households or Very Low-Income Households, as applicable, who live and/or work in Fresno.

Developer shall not refuse to lease to a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a program pursuant to the HOME Investment Partnership Act, 42 U.S.C. §12701, *et seq*. and the implementing regulations located at 24 CFR part 92, as such now exist and as may hereafter be amended, a Section 8 voucher program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria (collectively, "Voucher Programs.")

e. Household Income Requirements. On or before 120 days following

the end of Developer's fiscal year, commencing the first year after issuance of the first certificate of occupancy for the Project, and annually thereafter, Developer shall prepare and submit to Owner, at Developer's expense, a written summary of the income, household size, and rent payable by each of the tenants of the Housing Units at the Project and, upon the written request of Owner, copies of each and all leases or rental agreements and the current rules and regulations for the Project. At Owner's request, Developer shall also provide to Owner completed income computation and certification forms, all in a form reasonably acceptable to Owner, for each and all tenants at the Project. Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Housing Unit at the Project demonstrating that such household is a 30% AMI Very Low-Income Household, 45% AMI Very Low-Income Household, 50% AMI Very Low-Income Household, or 60% AMI Low-Income Household, as applicable and according to the Area Median Income annually determined and published by TCAC for Fresno County, and meets the eligibility and occupancy requirements established for the Housing Unit. Developer shall verify, or shall cause to be verified by the Property Manager, the income and household size certification of the tenant household.

f. [Intentionally omitted.]

g. Affordable Rent; Household Income Categories/Definitions.

"30% AMI Very Low-Income Households" means those households earning not greater than thirty percent (30%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"45% AMI Very Low-Income Households" means those households earning not greater than forty percent (45%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"50% AMI Very Low-Income Households" means those households earning not greater than fifty percent (50%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"60% Low-Income Households" means those households earning not greater than sixty percent (60%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"Very Low-Income" and/or **"Very Low-Income Households"** shall mean and include: (i) Very Low-Income households as defined in the Tax Credit Rules, (ii) 30% AMI Very Low-Income Households, (iii) 45% AMI Very Low-Income Households, and (iv) 50% AMI Very Low-Income Households.

Very Low-Income Households include Extremely Low-Income Households, as defined in the Tax Credit Rules.

"Lower Income," "Low-Income," and/or **"Lower Income Households"** shall mean and include both: (i) lower income households as defined in the Tax Credit Rules, and (ii) 60% AMI Low-Income Households. Lower Income Households include Very Low-Income households and Extremely Low-Income households, as defined in the Tax Credit Rules.

h. Occupancy Limits. The maximum occupancy of the Housing Units in the Project shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one. Thus, for the two (2) bedroom Housing Units, the maximum occupancy shall not exceed five (5) persons. For the three (3) bedroom Housing Units, the maximum occupancy shall not exceed seven (7) persons.

3. Marketing Program. Prior to and as a Condition Precedent to a Certificate of Occupancy, Developer shall have prepared and obtained Owner's approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Housing Units at the Project ("Marketing Program"). During the Affordability Period, any material changes to an approved Marketing Program are subject to reasonable review and approval by the City Manager. The rental of the Housing Units, as and when they are vacated by the existing tenants, shall be conducted in accordance with the approved Marketing Program and any affirmative marketing requirements which have been adopted by the Owner prior to the date hereof. The availability of Housing Units shall be marketed in accordance with the Marketing Program as the same may be amended from time to time with Owner's prior written approval, which approval shall not unreasonably be withheld. Developer shall provide Owner with periodic reports with respect to the marketing for lease of the Housing Units. Owner agrees to exercise reasonable efforts to assist Developer in connection with the implementation of the Marketing Program; provided, however, Owner shall not be under any obligation to incur any out-of-pocket expenses in connection therewith.

4. Leases; Rental Agreements for Housing Units. Developer shall submit a standard lease form, which shall comply with the requirements of this Regulatory Agreement, including all applicable provisions of the Act, to Owner for its approval. Owner shall reasonably approve such lease form upon finding that such lease form is consistent with this Regulatory Agreement, including all applicable provisions of the Act. Developer shall enter into a written lease, in the form approved by Owner, with each tenant/tenant household of the Project. During the Affordability Period, any material changes to the lease form are subject to the reasonable review and approval of the City Manager.

5. Maintenance.

a. General Maintenance. Developer shall maintain the Subject Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the terms of the Redevelopment Plan and all applicable provisions of the City of Fresno Municipal Code. Developer shall maintain in accordance with the "Maintenance Standards,"

as hereinafter defined, the improvements and landscaping on the Subject Property. Such Maintenance Standards shall apply to all buildings, signage, common amenities, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Subject Property and any and all other improvements on the Subject Property. To accomplish the maintenance, Developer shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Regulatory Agreement.

Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards as to the Project (the "Maintenance Standards"):

(i) The Subject Property shall be maintained in conformance and in compliance with the approved final as-built plans, and reasonable maintenance standards which comply with the industry standard for comparable first quality affordable housing projects in the County, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curbline.

(ii) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(iii) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

Owner agrees to notify Developer in writing if the condition of the Subject Property does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Developer to cure the deficiencies. Upon notification of any maintenance deficiency, Developer shall have 30 days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety of the City, then Developer shall have 48 hours to rectify the problem. In the event Developer does not maintain the Subject Property in the manner set forth herein and in accordance with the Maintenance Standards, Owner shall have, in addition to any other rights and remedies hereunder, the right to maintain the Subject Property, or to contract for the correction of such deficiencies, after written notice to Developer, and Developer shall be responsible for the payment of all such costs

incurred by Owner.

b. Program Maintenance. In addition to the routine maintenance and repair required pursuant to Section 5(a), Developer shall perform the following programmed maintenance on the Improvements:

(i) Interior painting and window covering replacement at least every five (5) years.

(ii) Exterior painting at least every ten (10) years;

(iii) Repair and resurfacing of parking areas and walkways at least every five (5) years.

(iv) Replacement of all deteriorated or worn landscaping and play equipment at least every five (5) years

Upon the request of Developer, the City Manager at her sole and absolute discretion, may grant a waiver or deferral of any program maintenance requirement. Developer shall keep such records of maintenance and repair as are necessary to prove performance of the program maintenance requirements.

6. Management of the Project.

a. Property Manager. Developer shall manage or cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with good property management standards for other comparable first quality, well-managed affordable rental housing projects in the County. Developer may contract with a property management company or individual property manager to operate and maintain the Project in accordance with the terms of this Section 6.a. (Property Manager); provided, however, the selection and hiring of the Property Manager (and each successor or assignee) is and shall be subject to the prior written approval of City Manager in her sole reasonable discretion and a single Property Manager shall be contracted with for the Project. The Property Manager shall manage the Subject Property in accordance with the definitions of Affordable Rent contained in Section 2.b., the tenant selection requirements contained in Section 2.d., and the definitions relating to income contained in Section 2.g. Any fee paid to the Property Manager for social services provided to the tenants shall be exclusive of the fee paid to the Property Manager relating to the management of the Subject Property. Developer shall conduct due diligence and background evaluation of any potential third party property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have significant and relevant prior experience with affordable housing projects and properties comparable to the Project and the references and credit record of such property manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to the City Manager for review and approval. A complete and true copy of the results of such background evaluation shall be provided to the City Manager.

Approval of a Property Manager by City Manager shall not be unreasonably delayed but shall be in her sole reasonable discretion, and City Manager shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing property management of the Project by one qualified Property Manager. The replacement of the Property manager by Developer and/or the selection by Developer of any new or different Property Manager during the Term of the Ground Lease shall also be subject to the foregoing requirements.

b. Property Management Plan. Prior to and as a Condition Precedent to the commencement of the Ground Lease, Developer prepared and submitted to the City Manager for review and approval, a management plan which includes a detailed plan and strategy for long term marketing, operation, maintenance, repair and security of the Project, inclusive of social services for the residents of the Housing Units, and the method of selection of tenants, rules and regulations for tenants, and other rental policies for the Project (Property Management Plan). 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 Property Management Plan shall contain copies of all standardized forms associated with the above listed topics. The ongoing management and operation of the Project shall be in compliance with the approved Property Management Plan. During the Affordability Period, Developer and its Property Manager may from time to time submit to the City Manager proposed amendments to the Property Management Plan, the implementation of which shall be subject to the prior written approval of the City Manager.

c. Gross Mismanagement. During the Affordability Period, and in the event of "Gross Mismanagement" (as defined below) of the Project, City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of written notice from City Manager. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the City Manager), but has failed to complete such cure by the 30th day (or such longer period if the cure cannot reasonably be accomplished in thirty (30) days as reasonably determined by the non-defaulting party), then Developer and its Property Manager shall have an additional 10 days to complete the cure of Gross Mismanagement condition(s). In no event shall any condition of Gross Mismanagement continue uncured for a period exceeding forty-five (45) days from the date of the initial written notice of such condition(s), except that the

conditions described in subdivisions (d) and (e) below may exist for up to, but no longer than, seventy-five (75) days without triggering Owner's right to remove the Property Manager as described in the immediately following sentence as long as Developer is diligently working to cure such conditions of Gross Mismanagement. If such condition(s) do persist beyond such period, City Manager shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) to remove the Property Manager and replace the Property Manager with a new property manager of the City Manager's selection at the sole cost and expense of Developer. If Developer takes steps to select a new Property Manager that selection is subject to the requirements set forth above for selection of a Property Manager.

For purposes of this Regulatory Agreement, the term "Gross Mismanagement" shall mean management of the Project in a manner which violates the terms and/or intention of this Regulatory Agreement to operate a high quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

(a) Leasing to tenants who exceed the prescribed income levels;

(b) Allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

(c) Under-funding required reserve accounts;

(d) Failing to timely maintain the Project in accordance with the Property Management Plan and Maintenance Standards;

(e) Failing to submit timely and/or adequate annual reports to Owner as required herein;

(f) Fraud or embezzlement of Project funds, including without limitation funds in the reserve accounts;

(g) Failing to fully cooperate with the Fresno Police Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime- free environment within the Project;

(h) Failing to fully cooperate with the Fresno Fire Department or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe and accessible environment within the Project;

(i) Failing to fully cooperate with the Fresno Planning & Building Department, including the Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Project, in maintaining a decent, safe and sanitary environment within the Project; and

(j) Spending funds from the Capital Replacement Reserve account for items that are not defined as eligible costs, including eligible capital and/or replacement costs, under the standards imposed by generally accepted accounting principles ("GAAP") (and/or, as applicable, generally accepted auditing principles).

Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and

shall use its best efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and requirements of this Agreement within any contract between Developer and its Property Manager for the Project.

d. Code Enforcement. Developer acknowledges and agrees that City and their employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Project and the individual Housing Units, both exterior and interior, at reasonable times and upon reasonable notice (not less than forty-eight (48) hours prior notice, except in an emergency) to Developer and/or an individual tenant. If such notice is provided by Owner to Developer, then Developer (or its Property Manager) shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Housing Units at the Project to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Housing Unit in the Project in order for each and every tenant and tenant household to be aware of this inspection right.

7. Capital Reserve Requirements. Commencing upon the closing of the permanent Primary Loan, Developer shall annually set aside an amount of not less than Two Hundred Fifty Dollars ($250.00) per Housing Unit ($13,500 per year or such increased amount by TCAC or Partnership Agreement of Lender under Primary Loan), from the gross rents received from the Project into a separate interest-bearing trust account (Capital Replacement Reserve). Funds in the Capital Replacement Reserve shall be used only for capital repairs, improvements and replacements to the Project, including fixtures and equipment, which are normally capitalized under GAAP. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve or lessen Developer's obligation to undertake any and all necessary capital repairs, improvements, or replacements and to continue to maintain the Project in the manner prescribed herein. Not less than once per year, Developer, at its expense, shall submit to City Manager an accounting for the Capital Replacement Reserve. Capital improvements and repairs to, and replacements at the Project shall include only those items with a long useful life, including without limitation the following: carpet and drapery replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. Pursuant to the procedure for submittal of each Annual Budget for the Project to City Manager by Developer, City Manager may evaluate the cumulative amount on deposit in the Capital Replacement Reserve account for the Project and exercise his/her sole, reasonable discretion to determine if existing balance(s) in, proposed deposits to, shortfalls, if any, and/or a cumulative unexpended/unencumbered account balance in such Capital Replacement

Reserve account are adequate to provide for necessary capital repairs and improvement to the Subject Property and the Project (provided that required annual deposits thereto are not required to exceed $250/per Housing Unit).

8. Operating Budget. Within twelve (12) months after commencement of construction of the Project, but in no event later than ninety (90) days prior to the completion of construction of the Project, and not less than annually thereafter on or before November 1 of each year following the issuance of the first certificate of occupancy issued by the City's building official for the Project, Developer shall submit to Owner on not less than an annual basis an operating budget for the Project ("Operating Budget" or "Annual Budget"), which budget shall be subject to the written approval of City Manager, which approval shall not be unreasonably withheld. The City Manager's discretion in review and approval of each proposed annual Operating Budget shall include, without limitation, authority to review individual categories, line items, and accounts, such as the following: extent, type, and amount for social services at or associated with the Project; existing balance(s) in and proposed deposits to the Capital Replacement Reserve for the Project to evaluate shortfalls and/or cumulative unexpended/unencumbered deposits (provided that required annual deposits thereto are not required to exceed $250/per unit); conformity of any annual increases in the Partnership Related Fees for the Project with the increases permitted in the definition of "Residual Receipts"; reasonableness and conformity to prevailing market rates in Fresno County and rates and fees for goods and services to be provided Developer or any of its parent, affiliated, or subsidiary entities, etc. for the Project.

Developer shall, or shall cause the Property Manager to, set aside an "Operating Reserve" for the Project in a separate interest bearing trust account a target amount equal to three (3) months of (i) Debt Service on the Primary Loan for the Project and (ii) Operating Expenses for the Project ("Target Amount"), which shall be funded by Tax Credit equity for the Project. The Project Operating Reserve shall thereafter be replenished from Tax Credit equity and from Annual Project Revenue for the Project to maintain the Project Operating Reserve balance at the Target Amount. The Target Amount shall be retained in the Project Operating Reserve to cover shortfalls between Annual Project Revenue and actual Operating Expenses for the Project, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve. Developer shall, not less than once per every twelve (12) months, submit to the City Manager

evidence reasonably satisfactory to Owner of compliance herewith.

9. Duty to Prevent Hazardous Material Contamination. During the development and operation of the Project, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Subject Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. Developer shall notify Owner, and provide to Owner a copy or copies, of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground

tanks, and Developer shall report to Owner, as soon as possible after each incident, any unusual, potentially important incidents in the event of a release of any Hazardous Materials into the environment.

For purposes of this Section, "Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Subject Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer or the Subject Property.

For purposes of this Section, "Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, including the Fresno County Health Care Agency, the Regional Water Quality Control Board, the State of California (including the Department of Toxic Substances Control), other state, regional or local governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq*. (42 U.S.C. §6903) or (x) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq*. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project, including without limitation alcohol, aspirin, tobacco and saccharine.

10. Compliance With Laws. Developer shall carry out the design, development and operation of the Project in conformity with all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Fresno Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq*., Government Code Section 4450, *et seq*., Government Code Section 11135, *et seq*., and the Unruh Civil Rights Act, Civil Code Section 51, *et seq*.

(a) **Non-Discrimination Covenants**. Developer covenants by and for itself, its successors and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Subject Property, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Subject Property. The foregoing covenants shall run with the land. Developer shall refrain from restricting the rental or lease of the Subject Property on any of the bases listed above. All leases or contracts relating to the Subject Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds. "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or

vendees in the premises herein leased."

c. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Section 10 shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successors and assigns, and shall remain in effect in perpetuity.

(b) **Monitoring and Recordkeeping**. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements of the Act and shall annually complete and submit to City a Certification of Continuing Program Compliance for the Project in a form provided by City. Representatives of City shall be entitled to enter the Subject Property, upon at least forty-eight (48) hours' notice, to monitor compliance with this Regulatory Agreement, to inspect the records of the Subject Property, and to conduct an independent audit or inspection of such records. Developer agrees to cooperate with Subject Property in making all of its records for the Project and making the Subject Property and all Housing Units thereon available for inspection or audit. Records shall be made available for review and inspection and/or audit in Fresno County, California.

Developer agrees to maintain all records relating to the Project in a businesslike manner, and to maintain such records for the term of this Regulatory Agreement.

(c) **Defaults and Remedies**. Defaults of this Regulatory Agreement and remedies therefore shall be governed by the provisions of Section 500, *et seq*., of the Affordable Housing Agreement.

(d) **Waiver of Terms and Conditions**. Any party may, in its sole discretion, waive in writing any of the terms and conditions of this Regulatory Agreement. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

(e) **Non-Liability of City and Employees**. No member, official, employee or agent of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement.

(f) **Time**. Time is of the essence in this Regulatory Agreement.

(g) **Notices**. Any approval, disapproval, demand, document or other notice (Notice)

which either party may desire to give to the other party under this Regulatory Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile transmission, or (iv) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice. Service shall be deemed conclusively made at the time of service if personally served; upon confirmation of receipt if sent by facsimile transmission; the next business day if sent by overnight courier and receipt is confirmed by the signature of an agent or employee of the party served; the next business day after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by express mail; and three (3) days after deposit thereof in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail.

Developer: Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director (Lori Koester)

Integrated Community Development, LLC
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Benjamin Lingo

With a Copy to:

City: **Georgeanne A. White, City Manager**
City of Fresno
2600 Fresno Street
Fresno, CA 93721

With Copies To:

Such addresses may be changed by Notice to the other party given in the same manner as provided above.

(h) **Successors and Assigns**. This Regulatory Agreement shall run with the land, and all of the terms, covenants and conditions of this Regulatory Agreement shall be binding upon Developer and City and the permitted successors and assigns of Developer and City. Whenever the term "Developer," or "City" is used in this Regulatory Agreement, such term shall include any other successors and assigns as herein provided.

(i) **No Third Parties Benefited**. This Regulatory Agreement is made and entered into for the sole protection and benefit of City and their successors and assigns and Developer and its successors and assigns, and no other person or persons shall have any right of action hereon.

(j) **Partial Invalidity**. If any provision of this Regulatory Agreement shall be

declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

(k) **Governing Law**. This Regulatory Agreement and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto.

(l) **Amendment**. This Regulatory Agreement may not be changed orally, but only by agreement in writing signed by Developer and City.

IN WITNESS WHEREOF, the parties hereto have executed this Regulatory Agreement as of the date and year first set forth below.

DEVELOPER:

CORPORATION FOR BETTER HOUSING,
a California nonprofit public benefit corporation

By: _____
Lori Koester, Executive Director

[Signatures continue on following page.]

[Signatures continue from previous page]

CITY:

CITY OF FRESNO,
a municipal corporation

By:_____
Georgeanne A. White
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

EXHIBIT A TO ATTACHMENT NO. 6
LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 7
NOTICE OF AFFORDABILITY RESTRICTIONS

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Fresno
2600 Fresno Street
Fresno, CA 93721
Attention: City Manager

This document is exempt from the payment of a recording fee pursuant to Government Code §§ 6103 and 27383.

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

This Notice of Affordability Restrictions on Transfer of Property (or Notice of Affordability Restrictions) is executed and recorded pursuant to Section 33334.3(f)(3)(B) of the California Health and Safety Code as amended by AB 987, Chapter 690, Statutes of 2007 (herein, Chapter 690), and affects a portion of that certain real property generally located at in the City of Fresno, California (City) as legally described in Exhibit "A" hereto (Subject Property).

1. The City of Fresno, a municipal corporation (City or Owner), _____, a California limited partnership (Developer) have previously entered into an Amended and Restated Affordable Housing Agreement dated as of _____ (Affordable Housing Agreement or AHA). The AHA provides for affordability restrictions and restrictions on the transfer of the Subject Property, as more particularly set forth in the AHA. A copy of the AHA is on file with City as a public record and is deemed incorporated herein. Reference is made to the AHA with regard to the complete text of the provisions of such agreement and all defined terms therein, which provides for affordability restrictions and restrictions on the transfer of the Subject Property.

2. The AHA provides for Owner to convey a leasehold interest in the Subject Property to Developer and for Developer to (a) construct 54 affordable Housing Units at the Subject Property and (b) rent a specified number of such dwelling units to households of limited income, paying an affordable rent; such restrictions are set forth at greater length in a document entitled the Owner Regulatory Agreement, substantially in the form of Attachment No. 6 to the Affordable Housing Agreement (Regulatory Agreement), which has been entered into by and between City and Developer, and which is expected to be recorded substantially concurrently herewith among the Official Records of Fresno County, California. The Regulatory Agreement and the AHA are deemed to be incorporated herein by reference.

3. Section 2 of the Regulatory Agreement provides as follows:

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

a. **Number of Housing Units.** Developer covenants and agrees to make available, restrict occupancy to, and rent:

(i) Two (2) of the one-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(ii) Three (3) of the one-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(iii) Eight (8) of the one-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(iv) Three (3) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(v) Two (2) of the two-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(vi) Three (3) of the two-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(vii) Ten (10) of the two-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(viii) Four (4) of the one-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

(ix) Two (2) of the three-bedroom Housing Units to 30% AMI Very Low-Income Households at an Affordable Rent.

(x) Three (3) of the three-bedroom Housing Units to 45% AMI Very Low-Income Households at an Affordable Rent.

(xi) Nine (9) of the three-bedroom Housing Units to 50% AMI Very Low-Income Households at an Affordable Rent.

(xii) Four (4) of the three-bedroom Housing Units to 60% AMI Low-Income Households at an Affordable Rent.

b. **Affordable Rent.** Affordable Rent shall be charged for all Housing Units for the applicable Affordability Period. The maximum Affordable Rent chargeable for the Housing Units shall be annually determined by Owner (and as charged and implemented by Developer) in accordance with the following requirements:

(i) The Affordable Rent for the Housing Units to be rented to 30% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 30% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

(ii) The Affordable Rent for the Housing Units to be rented to 45% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 45% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

(iii) The Affordable Rent for the Housing Units to be rented to 50% AMI Very Low-Income Households shall not exceed thirty percent (30%) of 50% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

(iv) The Affordable Rent for the Housing Units to be rented to 60% AMI Low-Income Households shall not exceed thirty percent (30%) of 60% of AMI for Fresno County as determined and published by TCAC for a family of a size appropriate to the Housing Unit.

Developer shall, and shall cause its Property Manager to, operate the Subject Property and cause occupancy of the Subject Property and all Housing Units thereon in conformity with these covenants and this Agreement.

For purposes of this Regulatory Agreement, "Affordable Rent" means the total of monthly payments for (a) use and occupancy of each Housing Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, or cable TV or internet services, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. No additional charge shall be assessed against tenant households of the Housing Units for any social or supportive services provided at the Subject Property and/or as a part of Developer's compliance with the legal requirements imposed in connection with any Project Based Section 8 assistance pursuant to Section 4 below.

c. **Duration of Affordability Requirements; Affordability Period.** the Subject Property and all the Housing Units thereon shall be subject to the requirements of this Section 2, et seq. for the full term of not less than fifty-five (55) years from the date that the Notice of Completion is recorded against the Subject Property in the Official Records. The duration of these covenants and this requirement shall be known as the "Affordability Period."

d. **Selection of Tenants.** Developer shall be responsible for the selection of tenants for the Housing Units in compliance with all lawful and reasonable criteria, and shall adopt a tenant selection system which shall be approved by City Manager in her reasonable discretion, which establishes a chronological waiting list system for selection of tenants, which shall be set forth in the Marketing Program and the Property Management Plan, both of which are required to be submitted by Developer and approved by Owner pursuant to Sections 408 and 410 of the Affordable Housing Agreement. Subject to applicable Fair Housing Laws, the Owner shall be afforded a first right of refusal in referring eligible tenants to Housing Units, in the following order of priority:

(i) Low-Income Households or Very Low-Income Households, as applicable, who have been displaced from their residences due to programs or projects implemented by the Fresno Planning & Development Department;

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

(ii) Low-Income Households or Very Low-Income Households, as applicable, who have applied for and have received rental vouchers from Fresno Housing Authority;

(iii) Low-Income Households or Very Low-Income Households, as applicable, who are listed on Fresno Housing Authority's waiting list for affordable housing and who live and/or work in Fresno; and

(iv) Low-Income Households or Very Low-Income Households, as applicable, who live and/or work in Fresno.

Developer shall not refuse to lease to a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a program pursuant to the HOME Investment Partnership Act, 42 U.S.C. §12701, et seq. and the implementing regulations located at 24 CFR part 92, as such now exist and as may hereafter be amended, a Section 8 voucher program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria (collectively, "Voucher Programs.")

e. Household Income Requirements. On or before one hundred twenty (120) days following the end of Developer's fiscal year, commencing the first year after issuance of the first certificate of occupancy for the Subject Property, and annually thereafter, Developer shall prepare and submit to Owner, at Developer's expense, a written summary of the income, household size, and rent payable by each of the tenants of the Housing Units at the Subject Property and, upon the written request of Owner, copies of each and all leases or rental agreements and the current rules and regulations for the Subject Property. At Owner's request, Developer shall also provide to Owner completed income computation and certification forms, all in a form reasonably acceptable to Owner, for each and all tenants at the Subject Property. Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Housing Unit at the Subject Property demonstrating that such household is a 30% AMI Very Low-Income Household, 45% AMI Very Low-Income Household, 50% AMI Very Low-Income Household, or 60% AMI Low-Income Household, as applicable and according to the Area Median Income annually determined and published by TCAC for Fresno County, and meets the eligibility and occupancy requirements established for the Housing Unit. Developer shall verify, or shall cause to be verified by the Property Manager, the income and household size certification of the tenant household.

f. [Intentionally omitted.]

g. Affordable Rent; Household Income Categories/Definitions.

"30% AMI Very Low-Income Households" means those households earning not greater than thirty percent (30%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"45% AMI Very Low-Income Households" means those households

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earning not greater than forty percent (45%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"50% AMI Very Low-Income Households" means those households earning not greater than fifty percent (50%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"60% Low-Income Households" means those households earning not greater than sixty percent (60%) of Fresno County Area Median Income, adjusted for household size, which is set forth annually by regulation of TCAC.

"Very Low-Income" and/or **"Very Low-Income Households"** shall mean and include: (i) Very Low-Income households as defined in the Tax Credit Rules, (ii) 30% AMI Very Low-Income Households, (iii) 45% AMI Very Low-Income Households, and (iv) 50% AMI Very Low-Income Households. Very Low-Income Households include Extremely Low-Income Households, as defined in the Tax Credit Rules.

"Lower Income," "Low-Income," and/or **"Lower Income Households"** shall mean and include both: (i) lower income households as defined in the Tax Credit Rules, and (ii) 60% AMI Low-Income Households. Lower Income Households include Very Low-Income households and Extremely Low-Income households, as defined in the Tax Credit Rules.

4. **Occupancy Limits.** The maximum occupancy of the Housing Units in the Project shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one. Thus, for the two (2) bedroom Housing Units, the maximum occupancy shall not exceed five (5) persons. For the three (3) bedroom Housing Units, the maximum occupancy shall not exceed seven (7) persons. The restrictions contained in the Regulatory Agreement expire fifty-five (55) years following the date the Notice of Completion is recorded against the Subject Property in the Official Records of Fresno County, California. The Regulatory Agreement is being submitted for recordation contemporaneously with this Notice of Affordability Restrictions.

5. The Subject Property is located on Ventura Avenue between S. Seventh Street and S. Eighth Street in the City of Fresno.

6. The Assessor's parcel number for the Subject Property is a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T; such numbers are subject to change.

7. The legal description for the Subject Property is attached hereto as Exhibit A and is incorporated herein by reference.

8. The Regulatory Agreement, which includes the affordability restrictions referenced above, is expected to be submitted for recordation in the Office of the Fresno County Recorder contemporaneously with this Notice of Affordability Restrictions.

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

9. The AHA and the Regulatory Agreement both remain in full force and effect and are not amended or altered in any manner whatsoever by this Notice of Affordability Restrictions.

10. Capitalized terms shall have the meaning established under the AHA (including all Attachments thereto) excepting only to the extent as otherwise expressly provided under this Notice of Affordability Restrictions.

11. Persons having questions regarding this Notice of Affordability Restrictions, the AHA or the Attachments thereto (including the Regulatory Agreement) should contact Owner at its offices (2600 Fresno Street, Fresno, California 93721, or such other address as may be designated by Owner from time to time).

[Signatures appear on following pages.]

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

DEVELOPER:

CORPORATION FOR BETTER HOUSING,
a California nonprofit public benefit corporation

By: _____
Lori Koester, Executive Director

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

CITY:
CITY OF FRESNO,
A California municipal corporation

By: _____
Georgeanne A. White,
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

[1] Note: Health and Safety Code Section 33334.3(f)(3)(B) requires this Notice of Affordability Restrictions to be printed in 14 point type or larger.

EXHIBIT A TO ATTACHMENT NO. 7
LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 8
REQUEST FOR NOTICE OF DEFAULT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Fresno
2600 Fresno Street
Fresno, CA 93721
Attention: City Manager

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

REQUEST FOR NOTICE UNDER CIVIL CODE SECTION 2924B

In accordance with California Civil Code Section 2924b request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deeds of Trusts recorded as Instrument Nos. _____ and _____ on _____, 202___ in the Official Records of Fresno County, California, and describing land therein as set forth in the legal description Exhibit A attached hereto and incorporated herein, executed by _____, a California limited partnership, as Trustor/Borrower in which _____, a _____ is/are named as Beneficiary (ies), an _____, _____, is named as Trustee, be mailed to: City of Fresno, a municipal corporation, 2600 Fresno Street, Fresno, California 93721, Attention: City Manager.

[Request continues on following page]

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 ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

DEVELOPER:

[Signatures continue on following page.]

[Signatures continue from previous page.]

CITY:
CITY OF FRESNO,
A California municipal corporation

By: _____
Georgeanne A. White,
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

EXHIBIT A TO ATTACHMENT NO. 8
LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 9

MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: City of Fresno 2600 Fresno Street Fresno, CA 93721 Attention: City Manager	

This document is exempt from the payment of a recording fee pursuant to Government Code §§ 6103 and 27383.

MEMORANDUM OF AFFORDABLE HOUSING AGREEMENT

This **MEMORANDUM OF AFFORDABLE HOUSING AGREEMENT** (Memorandum) is hereby entered into as of _____, 20__ by and between the **CITY OF FRESNO**, a municipal corporation (City or Owner), and _____ (Developer).

RECITALS

A. Owner and Developer have entered into that certain "Amended and Restated Affordable Housing Agreement," dated as of _____; in implementation of the Affordable Housing Agreement, Owner and Developer entered into that certain Amended and Restated Ground Lease each dated as of _____ (together, the "AHA"). Pursuant to the AHA, Owner agreed to convey a ground leasehold interest in that certain parcel of real property, which is legally described in Exhibit A attached hereto and incorporated herein by reference (Subject Property). Developer has agreed to lease the Subject Property from Owner therefor and to construct, develop and operate an affordable rental project thereon. Copies of the Affordable Housing Agreement are available for public inspection at City's office at 2600 Fresno Street, Suite _____, Fresno, California. The Affordability Period (defined in the AHA) for the Project commences the date the Release of Construction Covenants is recorded in the Official Records of Fresno County, California, and expires on the fifty-fifth (55th) anniversary of the recordation of the Notice of Completion for the Project against the Subject Property according to Section 305 of the Affordable Housing Agreement.

B. The AHA provides that a short form memorandum of the AHA shall be executed and recorded in the Official Records of Fresno County, California.

NOW, THEREFORE, the parties hereto certify as follows:

Pursuant to the AHA, the parties have certain rights and obligations relating to the development and operation of an affordable rental project on the Subject Property by

Developer in the AHA for a term of over 55-years. This Memorandum is not a complete summary of the AHA and shall not be used to interpret the provisions of the AHA.

CITY:

CITY OF FRESNO, a municipal corporation

By: _____
Georgeanne A. White
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By:_____
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

[Signatures continue on following page.]

[Signatures continue from previous page.]

DEVELOPER:

CORPORATION FOR BETTER HOUSING,
a California nonprofit public benefit corporation

By: _____
Lori Koester, Executive Director

EXHIBIT A TO ATTACHMENT NO. 9
LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

ATTACHMENT NO. 10
[Reserved]

ATTACHMENT NO. 11
TCAC Standstill Agreement

AMENDED AND RESTATED GROUND LEASE

This AMENDED AND RESTATED GROUND LEASE (the Lease), dated as of this ___ day of _____, 202__ (Effective Date), is made and entered into by and between the City of Fresno, a California municipal corporation (City or Landlord), and 3720 E. Ventura Ave., L.P., a California limited partnership (Tenant). Landlord and Tenant may each be referred to as a "Party" or collectively as the "Parties."

RECITALS

A. This Lease supersedes and replaces in its entirety the Ground Lease by and between the City of Fresno, a municipal corporation, City of Fresno, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno and Corporation for Better Housing, approved by Council on April 24, 2025, which was not fully executed or recorded.

B. Landlord is the fee owner of that certain real property consisting of approximately 73,560 square feet, more or less, of land at the southwest corner of South Eighth Street and Ventura Avenue (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T in Fresno, California, and described and depicted in more detail in Exhibit A to this Lease (Subject Property).

C. Landlord and Tenant have entered into that certain Amended and Restated Affordable Housing Agreement dated _____, 2026, (the Affordable Housing Agreement), to set forth the terms and conditions relating to (1) Tenant's ground lease of the Subject Property from Owner; (2) Tenant's development of the Project thereon; and (3) Tenant's agreement to develop and provide affordable housing for Very Low- and Low-Income households on the Subject Property. Terms not otherwise defined in this Lease shall have the meaning set forth in the Affordable Housing Agreement.

D. Pursuant to the terms of the Affordable Housing Agreement, Landlord desires to lease the Subject Property to Tenant subject to the terms and conditions of this Lease. The Parties have concurrently entered into that certain Affordable Housing Agreement dated _____, 2026.

NOW, THEREFORE, with reference to these Recitals and on the terms and conditions contained in this Lease, Landlord and Tenant agree as follows:

ARTICLE I
LEASE OF PREMISES; STATE OF TITLE

1.1 Subject Property. Landlord leases to Tenant, and Tenant leases from Landlord, the Subject Property described and depicted in Exhibit A to this Lease.

1.2 State of Title. This Lease is subject to all easements, covenants, conditions, restrictions, reservations, rights-of-way, and other matters of record (Permitted Exceptions). Tenant may, with Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, enter into, and record against the Subject Property certain regulatory agreements in form and substance reasonably acceptable to

Landlord in connection with the issuance of tax credits or other financing of the construction and development of the Subject Property.

1.3 As-Is Conveyance. TENANT SPECIFICALLY ACKNOWLEDGES AND AGREES THAT LANDLORD IS LEASING THE SUBJECT PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, CONDITION AND STATE OF REPAIR INCLUSIVE OF ALL FAULTS AND DEFECTS, WHETHER KNOWN OR UNKNOWN, AS MAY EXIST AS OF THE CLOSING, INCLUDING THE ENVIRONMENTAL CONDITION ("AS IS CONDITION") AND THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, TENANT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES FROM LANDLORD OR ANY OF LANDLORD'S ELECTED OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, ATTORNEYS OR BROKERS (EACH A "LANDLORD PARTY" AND COLLECTIVELY, "LANDLORD PARTIES") AS TO ANY MATTERS CONCERNING THE SUBJECT PROPERTY.

1.4 Disclaimers. Tenant acknowledges and agrees that except as expressly set forth in this Lease: (i) neither Landlord, nor any Landlord Party, has made any representations, warranties, or promises to Tenant, or to anyone acting for or on behalf of Tenant, concerning the condition of the Subject Property, suitability of the Subject Property for the Project or any other aspect of the Subject Property; (ii) the condition of the Subject Property has been independently evaluated by Tenant prior to the Closing; and (iii) any information, which Tenant has received or may hereafter receive from Landlord or any Landlord Party were and are furnished without warranty of any kind and on the express condition that Tenant has made its own independent verification of the accuracy, reliability and completeness of such information and that Tenant will not rely on any of the foregoing.

1.5 Waivers and Releases. Tenant hereby releases Landlord from any and all manner of rights, liabilities, claims, actions, causes of action, suits, proceedings, demands, damages, costs, expenses (including attorney's fees and costs) or other compensation whatsoever, in law or equity, of whatever kind or nature, whether known or unknown, direct or indirect, foreseeable or unforeseeable, absolute or contingent that Tenant now has or may have or which may arise in the future arising out of, directly or indirectly, or in any way connected with (i) all warranties of whatever type or kind with respect to the physical or environmental condition of the Subject Property, whether express, implied or otherwise, including those of fitness for a particular purpose or use; (ii) use, management, ownership or operation of the Subject Property; (iii) the physical, environmental or other condition of the Subject Property; (iii) the application of, compliance with or failure to comply with any federal, state or local laws, regulations or governmental requirements as to the Subject Property; (iv) the presence of hazardous materials or substances on to the Subject Property; and (v) the As Is Condition (the foregoing are collectively referred to as Claims). By releasing and forever discharging the Claims, Tenant expressly waives any rights under California Civil Code Section 1542, which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

INITIALS: TENANT _____

Notwithstanding the foregoing, the release and waiver of Claims set forth in this Section shall not apply to any Claims arising from a breach by Landlord of this Lease or the gross negligence or willful misconduct of Landlord or its officers, employees, agents or representatives. The provisions of this section are a material portion of the consideration given by each Party to the other in exchange for such Party's performance under this Lease.

ARTICLE II
IMPROVEMENTS

2.1 Construction of Improvements. Tenant shall bear the sole responsibility for constructing the Project and any related improvements required by the City of Fresno or any other governmental agency, including but not limited to infrastructure for water, sewer, and other utilities to serve the Subject Property (Improvements). Tenant is responsible for obtaining all necessary permits and approvals required to construct the Project and Improvements, provided that Landlord shall reasonably cooperate with Tenant in connection with obtaining such permits and approvals. The Project and Improvements shall be constructed in accordance with all applicable laws and regulations and in accordance with the requirements of the Affordable Housing Agreement.

2.2 Title to Improvements. Tenant shall be the fee owner of the Project and Improvements that are on the Subject Property under this Lease during the Term. Upon termination of this Lease or expiration of the Term, title to the Improvements shall immediately and automatically vest in the Landlord, without any compensation or payment to Tenant. This Section 2.2 shall survive the expiration or termination of this Lease.

ARTICLE III
TERM

3.1 Term. The term of this Lease shall be for a period of up to 55- years and shall commence on the date of recordation of the Memorandum of Ground Lease in the Official Records and shall continue thereafter until the 55th anniversary of the recordation of the Memorandum of Ground Lease for the Project in the Official Records unless earlier terminated as provided herein (Term or Initial Term).

Tenant shall have two ten-year options to extend the Initial Term (each an "Extension Term") subject to the satisfaction of the following conditions precedent that no Event of Default or material Default under the Lease shall have occurred or currently exists.

Each Extension Term must be exercised by written notice received by Landlord no later than three (3) months prior to the expiration of the then-current Initial Term. Provided that Tenant satisfies the conditions precedent and has properly exercised the option, the Initial Term shall be extended by the respective Extension Term and all provisions of this Lease shall remain unmodified and in full force and effect.

ARTICLE IV
MONETARY PROVISIONS

4.1 Rent. Tenant shall pay to Landlord during the Term One Dollar ($1.00) per year on or before the first day of the Initial Term and annually thereafter, commencing on the Effective Date (Rent).

4.2 Property Taxes; Transfer Taxes.

a. Personal Property Taxes. Tenant shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed on Tenant's personal property.

b. Real Property Taxes. At all times during the Term, Tenant agrees to pay in a timely manner all taxes, assessments, fees, and charges that at any time during the Term may be levied or charged by the federal government, the state, county, City, or any other tax or assessment levying body on any activity carried on under this Lease, any interest in this Lease, any possessory right that Tenant may have in or to the Subject Property, or that is levied and assessed against the land that comprises the Subject Property and all improvements on the Subject Property. Tenant, at no cost to Landlord, reasonably may contest the legal validity or amount of any such taxes, assessments, or charges for which Tenant is responsible, and institute such proceedings as Tenant considers necessary; provided, however, that Tenant shall at all times Indemnify Landlord or any officer, director, employee, partner, agent, or contractor of Landlord (Authorized Representative) against any and all Claims resulting therefrom, and protect Landlord and the Subject Property from foreclosure of any lien, and that Landlord shall not be required to join in any proceeding or contest brought by Tenant. The term "Indemnify" includes indemnify, hold harmless, protect, and defend with counsel reasonably acceptable to the Landlord. The term "Claims" refers to all claims, damages, suits, liability, penalties, costs, and expenses, including, without limitation, attorneys' fees.

c. Transfer Taxes on Lease. If any governmental authority levies, assesses, and/or imposes on Landlord a transfer tax as a result of this Lease, Tenant shall, at Landlord's election in its sole discretion, either pay such tax directly to the governmental authority or pay the amount of such tax to Landlord, in which latter event Landlord shall pay such tax directly to the governmental authority.

4.3 Utilities.

a. Payment of Utilities and Services. Tenant, at its cost, shall be responsible for arranging for all utilities to be provided to the Subject Property that are required to serve the Project. Tenant shall promptly pay all charges for water, gas, electricity, telephone, sewage, refuse, and any other utilities or materials used or consumed on the Subject Property directly to the party providing such utilities or services.

b. Interruption of Utility Services. Landlord shall not be liable to Tenant in damages or otherwise (i) if any utility becomes unavailable from any public utility

company, public authority, or any other person or entity supplying or distributing such utility; or (ii) for any disruption in any utility service caused by the making of any repairs or improvements or by any cause beyond Landlord's reasonable control, and such interruption shall not constitute a termination of this Lease, or an eviction of Tenant, or give Tenant the right to reduce or abate Rent.

ARTICLE V
USE OF THE PREMISES

5.1 Permitted Uses. Tenant shall use the Subject Property for the construction, operation, and maintenance of the Project and Improvements on the Subject Property and the subsequent utilization of the Project and Improvements by Tenant for use as an affordable rental housing project (the Permitted Use).

5.2 Use Covenants. Developer shall continuously operate the Subject Property as an affordable rental housing project. The Subject Property shall be managed in a first-class fiscally responsible manner to ensure continual use of the Project.

5.3 Affordable Housing Agreement. The Parties shall comply with the provisions of the Affordable Housing Agreement.

5.4 Owner Regulatory Agreements. The Parties shall comply with any existing or subsequent regulatory agreements involving the City.

5.5 Compliance with Laws.

a. Tenant shall, at Tenant's sole cost, promptly comply with all federal, state and local laws, ordinances and regulations (Laws) and with the requirements of any governmental authority having jurisdiction over the Subject Property, relating to or affecting the Subject Property or the condition, use, or occupancy of the Subject Property, including the obligation to make improvements, repairs, and alterations required by such Laws, regardless of the cost thereof, at what point in time during the Term compliance is required, and whether such compliance was foreseen or unforeseen. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any of the foregoing shall be conclusive of that fact between Landlord and Tenant. Tenant shall promptly furnish Landlord with a copy of any notices received from any governmental agency in connection with the Subject Property.

b. Tenant may reasonably and in good faith contest any Law through appropriate proceedings, and, during such contest, Tenant need not comply therewith; provided further that Tenant shall at all times reasonably protect the interests of Landlord under this Lease, shall Indemnify Landlord from all Claims actually and reasonably incurred as a result of the contest, and shall promptly comply with any such contested Law if any such contest is resolved against Tenant. Tenant agrees to Indemnify Landlord or any officer, director, employee, partner, agent, or contractor of Landlord (Landlord Party) from and against any Claims imposed or sought to be imposed on or involving Landlord for any violation

or alleged violation of any such Laws except to the extent such Claims arise from the gross negligence or willful misconduct of any Landlord Party.

5.6 Landlord's Access to Subject Property.

a. In addition to Landlord's rights pursuant to Section 6.5 and pursuant to the Affordable Housing Agreement, Landlord reserves the right for Landlord and any Landlord Party to enter the Subject Property at any reasonable time and upon reasonable written notice, subject to the rights of residential tenants, (a) to inspect the Subject Property; (b) to determine whether Tenant is complying with Tenant's obligations under this Lease; (c) to perform any other obligation of Tenant after Tenant's failure to perform same (after notice and expiration of applicable cure periods); or (d) if Tenant defaults under this Lease (after notice and expiration of applicable cure periods); provided, however, that Landlord's entry shall not unreasonably interfere with the business and operations at the Subject Property.

b. Landlord shall be permitted to enter on the Subject Property, as may reasonably be necessary and upon reasonable written notice, subject to the rights of residential tenants, except in the event of exigent circumstances when Landlord may not provide notice, in order for Landlord or its designees to make improvements or do other work, or to make improvements, repairs, or maintenance to adjacent property owned by Landlord. Landlord's entry shall not unreasonably interfere with the business and operations at the Subject Property.

ARTICLE VI
REPAIRS AND MAINTENANCE; ALTERATIONS; NEW IMPROVEMENTS

6.1 New Improvements and Alterations. After the Project and Improvements are constructed pursuant to Article II of this Lease, Tenant shall not alter, add to, or modify the Project or Improvements (Alterations) without Landlord's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. Despite the foregoing, Tenant may, without Landlord's prior written approval, (a) make Alterations within the interior of the Project, if such work will not result in a use of the Project in violation of this Lease and will not cause any violation of the Affordable Housing Agreement or any permit or approval applicable to the Project; and (b) make Alterations required to comply with any applicable law or insurance underwriter's requirement. Alterations shall not include Repairs and Maintenance (as hereinafter defined), and no such Landlord approval is required for any Repairs and Maintenance.

6.2 Tenant's Repair and Maintenance Obligations. Tenant at all times and at its sole cost shall ensure that the Subject Property, Project, and Improvements, including without limitation landscaping, utilities, structural components, roofing materials, windows, exterior and interior features, furnishing and equipment and fire and security systems, are maintained in a first-class, structurally sound, sanitary, and safe condition (Repairs and Maintenance) and in accordance with all requirements of applicable laws, governmental authorities, insurance underwriters, mortgages, deeds of trust, and covenants, conditions, and restrictions pertaining to the Subject Property, Project or Improvements, including the Affordable Housing Agreement. To that end, Tenant shall timely perform all reasonably required repairs or replacements to the Subject Property, Project and the Improvements

located thereon (whether interior or exterior, structural or nonstructural, foreseeable or unforeseeable, ordinary or extraordinary).

6.3 Mechanics' Liens, Notices of Non-responsibility, and Other Alteration and Maintenance Requirements. All Alterations and Repairs and Maintenance must be performed in a good and workmanlike manner and in accordance with all applicable Laws, insurance underwriter's requirements, and any recorded deeds of trust, mortgages, covenants, conditions, or restrictions by duly licensed contractors. Work may not commence until Tenant (a) has obtained any required permits or approvals and (b) has provided Landlord with at least ten business days' notice of the date for commencement of work (except for repair work required to be performed in cases of emergency or to relieve an imminent threat to life or property), to permit Landlord an opportunity to post an appropriate notice of non-responsibility. Once begun, all such work shall be diligently prosecuted to completion. If this Lease terminates before completion of any Alteration or Repairs and Maintenance by Tenant, on request Tenant shall assign its rights under any construction, design, or material supply contract required for completion of the work to Landlord or its designee.

6.4 No Landlord Obligation. Landlord shall have no obligation whatsoever to maintain, repair, alter, improve, or reconstruct the Subject Property or the Improvements or to comply with any applicable law or with any other legal or insurance requirement concerning the condition or repair of the Subject Property, Project or Improvements. Tenant expressly recognizes that, because of the potential length of the Term of this Lease, it may be necessary for Tenant to perform substantial maintenance, repair, rehabilitation, or reconstruction of the Project or Improvements in order to ensure that the Project or Improvements are kept in the condition required by this Lease. In this regard, Tenant expressly waives (a) all defenses to its maintenance obligations under this Lease; (b) the right to require Landlord to make repairs; (c) any right to make repairs at the expense of Landlord; (d) the right to reduce or offset rent as a consequence of the condition of the Subject Property, Project or Improvements; (e) the benefits of California Civil Code §§1932, 1941, and 1942, as amended from time to time; and (f) any law, judicial pronouncement, or common law principle similar thereto, which is now or hereafter in effect or is otherwise inconsistent with the provisions of this Lease. However, these waivers do not limit Tenant's rights or Landlord's obligations arising out of the negligence or willful misconduct of Landlord or its agents, representatives, employees, contractors, or invitees.

6.5 Right to Enter. Tenant will permit Landlord and any Landlord Party to enter the Subject Property at all times during usual business hours, on giving Tenant reasonable written notice, subject to the rights of residential tenants, to inspect the same and to perform any work required of Tenant by this Lease that Tenant has failed to perform within 30 days following written notice to Tenant of default and subject to the rights of the Limited Partners under Section 11.12 hereof; provided, however, that in the event of any Tenant default that creates an imminent threat to life or property, Landlord may enter the Subject Property without notice and may take such actions as may be required to relieve such threat. As additional rent, Tenant shall reimburse Landlord for the actual and reasonable cost of any repairs, replacements, or improvements to the Subject Property, Project or

Improvements incurred by Landlord under this Section, promptly on receipt of an invoice. Nothing in this Section shall imply any duty on the part of Landlord to make any inspection, take any action, or do any such work, nor shall Landlord's performance of any repairs, alterations, or improvements constitute a waiver of Tenant's default in failing to do the same. Except to the extent arising out of the negligence or willful misconduct of Landlord, or its agents, representatives, employees, contractors, or invitees, no exercise by Landlord of any rights herein reserved shall entitle Tenant to any compensation, abatement of Rent, damages, reimbursement, or other relief for any interference with any business conducted on the Subject Property or any other injury, property damage, loss, or liability as a consequence of such entry or repairs.

ARTICLE VII
INSURANCE

7.1 Insurance Requirements

(a) Throughout the life of this Lease, TENANT shall pay for and maintain in full force and effect all insurance as required herein with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by LANDLORD'S Risk Manager or his/her designee at any time and in his/her sole discretion. The required policies of insurance shall maintain limits of liability of not less than those amounts stated, however, the insurance limits available to LANDLORD, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Lease or any extension, TENANT or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Lease shall be discontinued immediately, and all payments due or that become due to TENANT shall be withheld until notice is received by LANDLORD 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 LANDLORD. Any failure to maintain the required insurance shall be sufficient cause for LANDLORD to terminate this Lease. No action taken by LANDLORD pursuant to this section shall in any way relieve TENANT of its responsibilities under this Lease. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by LANDLORD that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by TENANT shall not be deemed to release or diminish the liability of TENANT, including, without limitation, liability under the indemnity provisions of this Lease. The duty to indemnify LANDLORD 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 TENANT. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of TENANT, vendors, suppliers, invitees, contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage 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 not less than those set forth under "Minimum Limits of Insurance."

2. The most current version of ISO *Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

MINIMUM LIMITS OF INSURANCE

TENANT, or any party the TENANT subcontracts/contracts with, shall maintain limits of liability of not less than those set forth below. However, insurance limits available to LANDLORD, and each of its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified herein or the full limit of any insurance proceeds available to the named insured:

1. COMMERCIAL GENERAL LIABILITY :

(i) $1,000,000 per occurrence for bodily injury and property damage;

(ii) $1,000,000 per occurrence for personal and advertising injury;

(iii) $2,000,000 aggregate for products and completed operations; and,

(iv) $2,000,000 general aggregate applying separately to the work performed under the Agreement.

2. COMMERCIAL AUTOMOBILE LIABILITY :

$1,000,000 per accident for bodily injury and property damage.

3. WORKERS' COMPENSATION INSURANCE as required by the State of California with statutory limits and EMPLOYER'S LIABILITY with limits of liability not less than:

(i) $1,000,000 each accident for bodily injury;

(ii) $1,000,000 disease each employee; and,

(iii) $1,000,000 disease policy limit.

4. PROPERTY: Thorough out the life of the Lease Agreement, Tenant shall maintain in full force and effect, a policy or policies of property insurance covering the premises following completion of construction.

UMBRELLA OR EXCESS INSURANCE

In the event TENANT purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the LANDLORD and each of their officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

TENANT shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and TENANT shall also be responsible for payment of any self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

All policies of insurance required herein 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 days written notice has been given to LANDLORD, except ten (10) days for nonpayment of premium. TENANT is also responsible for providing written notice to the LANDLORD under the same terms and conditions. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, TENANT shall furnish LANDLORD 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 LANDLORD, TENANT 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 Commercial General and Automobile Liability policies of insurance shall be endorsed to name LANDLORD, their officers, officials, employees, agents and volunteers as additional insureds.

TENANT shall establish additional insured status for the Landlord and for all ongoing and completed operations by use of ISO Form CG 20 10 11 85 or CG 20 26 04 13 or by an executed manuscript insurance company endorsement providing additional insured status as broad as that contained in ISO Form CG 20 10 11 85 or CG 20 26 04 13.

The Commercial General and Automobile Liability policies of insurance shall be endorsed so TENANT's insurance shall be primary and no contribution shall be required of Landlord. Coverage under the General Liability policy shall be as broad as that contained in ISO Form CG 20 01 04 13.

Should any of the required policies provide that the defense costs are paid within the Limits of Liability, thereby reducing the available limits by any defense costs, then the requirement for the Limits of Liability of these policies will be twice the above stated limits.

All policies of insurance shall contain, or be endorsed to contain, a waiver of subrogation as to LANDLORD, their officers, officials, employees, agents and volunteers.

The property insurance policy is to contain, or be endorsed to contain, the following provisions:

1. Full replacement value of any permanent improvements on the Leased Premises, with the LANDLORD named as a Loss Payee.

2. The coverage shall contain:

(i) No coinsurance penalty.

(ii) No limitations or exclusions for vacancy of any part of the Premises.

(iii) No special limitations on the scope of protection afforded to Landlord and HSA.

PROVIDING OF DOCUMENTS - TENANT shall furnish LANDLORD with all certificate(s) and applicable endorsements effecting coverage required herein. All certificates and applicable endorsements are to be received and approved by the LANDLORD'S Risk Manager or his/her designee prior to LANDLORD'S execution of the Agreement and before work commences. All non-ISO endorsements amending policy coverage shall be executed by a licensed and authorized agent or broker. Upon request of LANDLORD, TENANT shall immediately furnish LANDLORD with a complete copy of any insurance policy required under this 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. All subcontractors working under the direction of TENANT shall also be required to provide all documents noted herein.

SUBCONTRACTORS - -IF TENANT subcontracts or contracts any or all of the services to be performed under this Agreement or any work on the premises, TENANT shall be solely responsible for ensuring that it's subcontractors maintain insurance coverage at levels no less than those required by applicable law and is customary in the relevant industry

ARTICLE VIII
ASSIGNMENT

8.1 Limitations on Transfer.

a. General. The qualifications and identity of the Tenant are of particular concern to the Landlord. It is because of the demonstrated qualifications and identity that the City has entered into the Affordable Housing Agreement and this Lease with the Tenant. Tenant may not transfer, assign or sell any interest in the Subject Property or the Project nor any rights or powers under this Lease, except as expressly set forth herein. It is expressly stipulated and agreed that any assignment, sale, transfer or other disposition of the Project or the Subject Property, or any portion(s) thereof or interest(s) therein or of any rights or powers under this Lease in violation of this Article VIII shall be null, void and without effect, shall cause a reversion of title to Tenant, and shall be ineffective to relieve Tenant of its obligations under this Lease.

b. Prior to Completion. Prior to Completion, the Tenant shall not assign or transfer this Lease, the Project or the Subject Property, or any portion(s) thereof, or interest(s) therein, or any right(s) hereunder without the prior written approval of the City Manager, or designee. The City Manager, or designee shall have the right

to disapprove any transfer, assignment or refinancing, which would diminish or otherwise impair the ability of the Tenant to fulfill all its duties and obligations under this Agreement.

c. Following Completion. Following Completion, Tenant shall not assign or transfer this Lease, the Project or the Subject Property, or any portion(s) thereof, or interest(s) therein, or any right(s) hereunder without the prior written approval of the City Manager, or designees, which approval shall not be unreasonably withheld or delayed, and shall be granted upon Landlord's receipt of evidence acceptable to Landlord that the following conditions have been satisfied:

i. Tenant is not in Default under the Affordable Housing Agreement or this Lease, or the purchaser or assignee agrees to undertake to cure any Defaults or violations of Tenant to the reasonable satisfaction of City.

ii. The continued operation of the Project shall comply with the provisions of this Lease and the Affordable Housing Agreement.

iii. Either (i) the purchaser or assignee or its property manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing affordable units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (ii) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subclause (i) above, or (iii) developer or its property management company will continue to manage the Project for at least one year following such transfer and during such period will provide training to the purchaser or assignee and its manager in the responsibilities relating to the affordable Units.

iv. The person or entity which is to acquire the Project does not have pending litigation against it and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies.

v. The proposed purchaser or assignee enters into a written assignment and assumption agreement in form and content reasonably satisfactory to Landlord's legal counsel, and, if requested by Landlord, an opinion of such purchaser or assignee's counsel to the effect that this Lease is a valid, binding and enforceable obligation of such purchaser or assignee, subject to bankruptcy and other standard limitations affecting creditor's rights.

d. Pre-Approved Transfers. Notwithstanding any other provision of this Lease to the contrary, Landlord approval of a transfer or assignment of this Lease, the Project, or the Subject Property or any interest therein shall not be required in connection with any of the following:

i. Any assignment for the purpose of obtaining and securing Tenant's financing, as contemplated by this Agreement, including, without limitation, the grant of a deed of trust, assignment of rents and security agreement to secure the funds necessary for Tenant's financing as contemplated in the Affordable Housing Agreement;

ii. The rental, in the ordinary course of business, of the affordable Housing Units at the Project, provided such rental is in accordance with the terms of this Lease and the Affordable Housing Agreement;

iii. Any transfer to any entity of which Corporation for Better Housing (or its successor in interest) or an affiliate of Corporation for Better Housing (or its successor in interest) is the general partner, or managing member, or sole member, or controlling shareholder;

iv. Any transfer of limited partnership interests in Tenant to any institutional investor or fund or syndicator making a capital contribution to the limited partnership in exchange for partnership interests in Tenant;

v. Any transfer of the ownership interests of any entity which, directly or indirectly, owns or holds a partnership, membership, manager, shareholder, or other ownership interest in Tenant's limited partner or the partners, members, managers, shareholders or owners of Tenant's limited partner;

vi. Any transfers of Corporation for Better Housing's partnership interest in Tenant to any entity which is an affiliate of Corporation for Better Housing (or its successor in interest);

vii. The removal and replacement by Tenant's limited partner of any of Tenant's general partners as permitted under Tenant's limited partnership agreement;

viii. Any transfer of Tenant's leasehold interest in the Property that occurs by foreclosure, deed in lieu of foreclosure, or other exercise of remedies by a permitted senior lienholder (or its affiliate, nominee, or assignee); and provided that the Subject Property shall remain subject to all affordability restrictions and other obligations under this Agreement.

ix. Any conveyance or dedication of any portion of the Subject Property to the Landlord or other appropriate governmental agency, or the granting of easements or permits to facilitate the construction of the Project.

In the event of an assignment or transfer by Tenant under the above subsections not requiring the Landlord's prior approval (other than in subsection (i), (ii) and (viii)

above), Tenant nevertheless agrees that it shall give at least fifteen (15) days prior written Notice to Landlord of such assignment or transfer. In addition, Landlord shall be entitled to review such documentation as may be reasonably required by the City Manager and Executive Director, or designees for the purpose of determining compliance of such assignment or transfer with the requirements above. Notwithstanding anything to the contrary contained herein, in connection with any transfer permitted under this Section 8.1(d) without the consent of the Landlord, no transfer fees, processing fees, or other associated costs shall be due and payable by Tenant in connection therewith.

8.2 Transfers and Encumbrances on Landlord's Fee Estate. Without the prior written consent of the Senior Mortgagee (as defined in Schedule 1 hereto) and the Limited Partner (as defined below), Landlord shall not transfer, mortgage, encumber or hypothecate its fee interest in the Subject Property.

ARTICLE IX
DEFAULT; REMEDIES

9.1 Events of Default. An "Event of Default" or "Default" shall occur under this Lease when there shall be a breach of any condition, covenant, warranty, promise, or representation contained in this Lease, the Affordable Housing Agreement, or any subsequent regulatory agreement involving City or City subsidies and the breach shall continue for a period of thirty (30) days after written notice thereof to the defaulting party without the defaulting party curing such breach, or if the breach cannot be reasonably cured within a thirty (30) day period and thereafter diligently proceeding to cure the breach. However, if a different period or notice requirement is specified for a particular breach under any other paragraph of this Lease, the Affordable Housing Agreement, or subsequent regulatory agreements involving City or City subsidies, the specific provision shall control. For the avoidance of doubt, a foreclosure of a Mortgage (as defined in Schedule 1 hereto) or the acceptance by a Mortgagee of a transfer in lieu thereof shall not constitute a Default or Event of Default under this Lease.

9.2 Remedies. If Tenant at any time shall be in default in the payment of Rent or any other monetary sum called for by this Lease for more than ten (10) days following written notice from Landlord to Tenant, or if Tenant at any time shall be in default in the keeping and performing of any of its other covenants or agreements in this Lease, and should such other default continue for thirty (30) days after written notice thereof from Landlord to Tenant specifying the particulars of such default, or if such other default is of a nature that curing the default will take more than thirty (30) days and Tenant has failed to commence to cure the default within thirty (30) days and diligently pursue completion of such cure and subject to the rights of the Limited Partners and the Senior Mortgagee under Section 11.12 hereof and Schedule 1 hereto, respectively, then, in addition to any and all other rights and remedies of Landlord hereunder and by law provided, Landlord may terminate this Lease by giving Tenant written notice of termination. On the giving of the notice, all Tenant's rights in the Subject Property shall terminate.

In addition to the foregoing, any default by Tenant under the Affordable Housing Agreement or subsequent regulatory agreements involving City or City subsidies which is not cured following notice and expiration of any applicable cure periods thereunder

shall also constitute a default under this Lease, and upon occurrence of such default, Landlord shall have all remedies available to it under this Lease, including the right to terminate the Affordable Housing Agreement as set forth herein. Promptly after notice of termination, Tenant shall surrender and vacate the Subject Property and shall commence and diligently prosecute the restoration of the Subject Property to its pre-Lease condition as required by Section 2.2 of this Lease. Landlord may reenter and take possession of the Subject Property and all remaining improvements and eject all parties in possession. Termination under this Section shall not relieve Tenant from the payment of any sum then due to Landlord or from any claim for damages previously accrued or then accruing against Tenant.

9.3 Damages. Should Landlord elect to terminate this Lease under the provisions of this Article, Landlord shall be entitled to recover from Tenant as damages an amount, including actual and reasonable attorneys' fees and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default, including, without limitation, costs of removing the Project and Improvements from the Subject Property.

9.4 Landlord's Right to Cure Tenant's Default. Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate allowed by law from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

ARTICLE X
INDEMNITY

10.1 Indemnity. To the furthest extent allowed by law, Tenant shall indemnify, hold harmless and defend Landlord 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 Landlord, the Tenant or any other person and from any and all claims, demands, actions in law or equity (including attorney's fees, litigation expenses, and costs to enforce this agreement) arising or alleged to have arisen directly or indirectly from or in connection with (a) the conduct or management of the Subject Property or of any business therein, or any work or thing whatsoever done, or any condition created in or about the Subject Property during the Term; (b) any act, omission, or negligence of Tenant or any of Tenant's invitees, tenants, contractors, subcontractors, managers, or assignees; (c) any accident, injury, or damage whatsoever occurring in or at the Subject Property; (d) any breach or default by Tenant in the full and prompt payment of any amount due Landlord under this Lease, and for any breach, violation, or nonperformance of any term, condition, covenant, or other obligation of Tenant under this Lease or the Affordable Housing Agreement or any representation made by Tenant; and (e) any liens or encumbrances arising out of any work performed or materials furnished by or for Tenant, including any work Landlord may have performed or caused to be performed for Tenant for which Tenant has not paid Landlord. In the

event Landlord is made a party to any litigation commenced by or against Tenant, then Tenant shall indemnify, hold harmless, and defend Landlord from all Claims resulting from such litigation, and shall pay all costs, expenses, and attorney fees actually and reasonably incurred or paid by Landlord in connection with such litigation.[1]

If Tenant shall subcontract all or any portion of the work to be performed under this agreement or should contract/subcontract any work on the premises, Tenant shall require all contractors and subcontractors to indemnify, hold harmless, and defend the Landlord and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Holding Over. If Tenant shall hold over the Subject Property after the expiration of the Initial Term or any Extension Term with the consent of Landlord, either express or implied, such holding over shall be construed to be only a tenancy from month to month subject to all the covenants, conditions and obligations contained in this Lease. Tenant hereby agrees to continue payment of all monetary sums (such as taxes, insurance, etc.) which are the Tenant's obligation under this Lease.

11.2 Quiet Possession. Landlord agrees that Tenant, upon paying the Rent and performing the covenants and conditions of this Lease, shall quietly have, hold and enjoy the Subject Property throughout the Term; and Landlord warrants to Tenant that as of the Effective Date there shall be no existing tenancies on the Subject Property.

11.3 Notices. Any notice to be given or other document to be delivered by either Party to the other hereunder shall be in writing and delivered to either Party personally or by depositing same in the United States mail, duly certified, with postage thereon fully prepaid and addressed to the Party for whom intended, as follows:

To Landlord: City of Fresno
Attn: City Manager
2600 Fresno Street
Fresno, CA 93721

To Tenant: 3720 E. Ventura Ave., L.P.,
c/o Corporation for Better Housing
Attn: Lori Koester
21031 Ventura Boulevard, Suite 200
Woodland Hills, CA 91364

With a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
Attention: Nichole Berklas
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071

To Limited Partner: USA Institutional Cesar Chavez LLC
TRGHT, Inc.
777 West Putnam Avenue
Greenwich, CT 06830
Attention: David A. Salzman

And a copy to: Buchalter
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017
Attention: Scott Salomon

Either Party hereto, from time to time by written notice to the other Party, may designate a different address which shall be substituted for the one above-specified. Notices shall be effective when received. Any notice or other document sent by certified mail, as aforesaid, shall be deemed received 72 hours after the mailing thereof, as above provided.

11.4 Waiver. No waiver of any breach of any of the terms, covenants, agreement, restrictions or conditions of this Lease shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof.

11.5 Binding. Subject to the restrictions set forth herein regarding assignment of the leasehold estate, each of the terms, covenants and conditions of this lease shall extend to and be binding on and shall inure to the benefit of not only Landlord and Tenant but to each of their respective heirs, administrators, executors, successors and assigns.

11.6 Disclaimer of Partnership. The relationship of the Parties hereto is that of Landlord and Tenant, and it is expressly understood and agreed that Landlord does not in any way or for any purpose become a partner of Tenant or a joint venturer with Tenant in the conduct of Tenant's business or otherwise.

11.7 Interpretation. The titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of the Lease.

11.8 Covenants and Conditions. Each term and each provision, including, without limitation, the obligation for the payment of Rent, to be performed by Tenant or Landlord as the case may be, shall be construed to be both a covenant and a condition of this Lease.

11.9 Integration. This Lease, together with the exhibits and the Affordable Housing Agreement incorporated by reference, constitutes the entire agreement between the Parties and there are no conditions, representations or agreements regarding the matters covered by this Lease which are not expressed herein.

11.10 Estoppel Certificate. If, upon any sale, assignment or hypothecation of the Subject Property by Landlord or as required by any lender of the Subject Property or by the Limited Partners, an estoppel certificate shall be required from either Party, each Party agrees to deliver within ten days after written request therefor by the other Party, a statement addressed to any such proposed mortgagee or purchaser, or to the requesting

Party, in a form requested by such mortgagee or purchaser, certifying that this Lease is unmodified and in full force and effect (if such be the case), certifying the commencement and termination dates of the Lease term, certifying that there has been no assignment or sublease of this Lease and that there are no defaults in existence under the Lease, or defenses or offsets hereto, or stating those claimed by the certifying Party, and containing such other information as reasonably may be requested by the party to whom such certificate is addressed. In the event either Party fails to deliver such estoppel certificate to the other Party within the ten-day period above provided, it shall be deemed that this Lease is in full force and effect and that neither Party has any defenses or offsets against the other Party, and that the other information contained in the requested statement is correct.

11.11 Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.12 Tenant's Limited Partners. Tenant has advised City that, concurrently with the execution of this Lease, 3720 E. Ventura Ave., L.P.,, and its successors and assigns and Ventura MGP LLC, a California limited liability company, as managing general partner (the Managing General Partner), Integrated Community Development, LLC, a California limited liability company, as administrative general partner (the Administrative General Partner); and USA Institutional Cesar Chavez LLC, a Delaware limited liability company and TRGHT, Inc., a Delaware corporation (collectively the Limited Partner) are entering into that certain Agreement of Limited Partnership of 3720 E. Ventura Ave., L.P., dated as of _____ (as may be amended, the Partnership Agreement). In connection therewith, Landlord and Tenant hereby agree:

a. Notwithstanding anything to the contrary contained in this Lease or the Affordable Housing Agreement, the respective interests of Tenant's Limited Partner and Administrative General Partner shall be freely transferable and any amendment to Tenant's Partnership Agreement, to the extent such amendment effectuates such transfers, shall not require Landlord approval or consent; provided that Tenant's Administrative General Partner and/or Limited Partner shall inform the Landlord in writing of any such transfers.

b. Notwithstanding anything to the contrary contained in this Lease or the Affordable Housing Agreement, whenever Landlord shall deliver any Notice to Tenant with respect to any Default by Tenant hereunder or under the Affordable Housing Agreement, Landlord shall at the same time deliver a copy of such Notice to the Limited Partner at the notice address provided by Tenant to Landlord. No Notice of Default shall be effective as to such Limited Partner unless such notice is given. Each Limited Partner shall (insofar as the rights of City are concerned) have the right, at its option, within 60 days after the receipt of the copy of the Notice, to cure or remedy or commence to cure or remedy any such Default. Any cure of any Default hereunder made or tendered by the Limited Partner shall be deemed to be a cure by Tenant and shall be accepted or rejected on the same basis as if made or tendered by the Tenant.

11.13 Amendments. Any modification or amendment to this Lease must be in writing, signed by the Landlord and Tenant and only with the prior written consent of the Limited Partners.

11.14 Memorandum of Ground Lease. The Parties shall record a Memorandum of Ground Lease, against the Subject Property, in the form attached hereto as Exhibit B, concurrently with execution of this Lease.

11.15 Schedule 1. The terms of Schedule 1 hereto are hereby incorporated into the body of this Lease as if set forth fully herein.

11.16 No Merger of Title. There shall be no merger of this Lease or the leasehold estate created by this Lease with any other estate in the Subject Property or any part thereof by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly: (a) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in any such leasehold estate, and (b) any other estate in the Subject Property and the Improvements or any part thereof or any interest in such estate, and no such merger shall occur unless and until all persons, corporations, firms and other entities, including any leasehold mortgagee or leasehold mortgagees, having any interest (including a security interest) (including, without limitation, the Senior Mortgagee (as defined in Schedule 1 hereto) in (i) this Lease or the leasehold estate created by this Lease, and (ii) any other estate in the Subject Property or the Improvements or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LANDLORD:
CITY OF FRESNO,
a municipal corporation

By:_____
Georgeanne A. White
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: Signed by: Tracy Parvanian C20B3D38494F4C1... _____
Tracy N. Parvanian
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By:

_____
Date

Deputy

TENANT:

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing, a California nonprofit public benefit corporation,
its manager

By: DocuSigned by: Lori Koester ED1B7E4432AD485... _____
Name: Lori Koester

Title: Executive Director
(If corporation or LLC., Board Chair, Pres. or Vice Pres.)

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: DocuSigned by: Benjamin Lingo 95C24DA336EE4A5... _____

Name: Benjamin Lingo

Title: Member
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

Attachments:
EXHIBIT A – Legal Description of the Subject Property
EXHIBIT B – Memorandum of Ground Lease

Schedule 1

EXHIBIT A

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

A portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

Containing an area of 73,560 square feet, more or less.

EXHIBIT B

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Fresno
2600 Fresno Street
Fresno, CA 93721
Attention: City Manager

Space above this line for Recorder's use only.

Exempt from Recording Fees Per Government Code Sections 6103 & 27383

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (Memorandum of Ground Lease) is made and entered into this ____ day of _____2025, by and between the City of Fresno, a municipal corporation (City or Landlord), and 3720 E. Ventura Ave., L.P., a California limited partnership (Tenant). Landlord and Tenant may each be referred to as a "Party" and collectively as the "Parties".

RECITALS

A. Landlord is the fee owner of that certain real property consisting of approximately 73,560 square feet, more or less, of land at the southwest corner of South Eighth Street and Ventura Avenue (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T in Fresno, California, and described and depicted in more detail in Exhibit A to this Memorandum of Ground Lease (Subject Property).

B. Landlord and Tenant, have entered into that certain Amended and Restated Affordable Housing Agreement dated _____, 2026 (the Affordable Housing Agreement) to set forth the terms and conditions relating to (1) Tenant's ground lease of the Subject Property from Landlord; (2) Tenant's development of the Project thereon; and (3) Tenant's agreement to develop and provide affordable housing for Very Low-Income and Low-Income households on the Subject Property.

C. Pursuant to the terms of the Affordable Housing Agreement, Landlord and Tenant entered into a Ground Lease dated _____, 2026 (Ground Lease).

Now, therefore, the Parties agree as follows:

TERMS

1. This Memorandum of Ground Lease is solely to provide record notice of the Ground Lease and in no way modifies the terms, conditions, provisions and covenants thereof. In the event of any inconsistency between this Memorandum of Ground Lease and the Ground Lease, the Ground Lease shall prevail. The foregoing recitals are incorporated by reference as though fully set forth herein.

2. The Ground Lease contains specific covenants governing the development, use, character, operation, and maintenance of the Subject Property for affordable housing purposes.

3. The terms and conditions of the Ground Lease are superior to any Leasehold Mortgage or other encumbrances recorded against Tenant's leasehold interest in the Subject Property. In no event may Landlord's fee interest in the Subject Property, be encumbered by or subordinated to any Leasehold Mortgage.

4. The term of the Ground Lease shall be for a period of up to 55- years and shall commence on the date of recordation of the Memorandum of Ground Lease in the Official Records and shall continue thereafter until the 55th anniversary of the recordation of the Memorandum of Ground Lease for the Project in the Official Records (Term or Initial Term) with two ten-year options to extend the Initial Term (each, an Extension Term) subject to the requirements set forth in the Ground Lease (Expiration Date), unless earlier terminated as provided herein.

5. The Ground Lease restricts Tenant from assigning the Ground Lease, or its interest therein, or subletting without Landlord's prior written consent in most circumstances.

6. The Parties hereto agree that this Memorandum of Ground Lease may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this Memorandum of Ground Lease, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, upon the day and year first hereinabove written, the Parties have executed this Memorandum of Ground Lease, personally or by officers or agents thereunto duly authorized.

LANDLORD:
CITY OF FRESNO,
a municipal corporation

By:_____
Georgeanne A. White
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By:_____
Tracy N. Parvanian
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

TENANT:
3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing, a California nonprofit public benefit corporation, its manager

By: _____
Name: Lori Koester

Title: Executive Director
(If corporation or LLC., Board Chair, Pres. or Vice Pres.)

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: _____

Name: Benjamin Lingo

Title: Member
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

Attachments:
EXHIBIT A – Legal Description of Subject Property

EXHIBIT A

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

A portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled “Plat of Lincoln Hill Addition”, recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled “Map of Kenmore Park”, recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said “Plat of Lincoln Hill Addition”, said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00’00” East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said “Map of Kenmore Park”, said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00’00” West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said “Map of Kenmore Park”, said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00’00” West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said “Plat of Lincoln Hill Addition”; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00’00” East, 150.00 feet to the POINT OF BEGINNING

Containing an area of 73,560 square feet, more or less.

Schedule 1

1. Leasehold Mortgages.

(a) General Provisions. At all times during the Term, Tenant shall have the right to mortgage, pledge, deed in trust, assign rents, issues and profits and/or collaterally (or absolutely for purposes of security if required by any lender) assign its interest in this Lease, or otherwise encumber this Lease, and/or the interest of Tenant hereunder, in whole or in part, and any interests or rights appurtenant to this Lease, and to assign or pledge the same as security for any debt (the holder of any such mortgage, pledge or other encumbrance, and the beneficiary of any such deed of trust being hereafter referred to as "Mortgagee" and the mortgage, pledge, deed of trust or other instrument hereafter referred to as "Mortgage"), upon and subject to the covenants, conditions and restrictions set forth in this Lease, and to all rights of Landlord thereunder, none of which covenants, conditions and restrictions is or shall be waived by Landlord by reason of the giving of such Mortgage.

This Lease shall not be terminated or canceled on account of any Default or Event of Default by Tenant in the performance of the terms, covenants or conditions hereof until Landlord shall have complied with the provisions of this Schedule 1 as to the Mortgagee's rights to cure and to obtain a new lease. Landlord hereby acknowledges and agrees to the encumbrance of that certain Construction and Permanent Leasehold Trust Deed with Assignment of Rents, Security Agreement and Fixture Filing executed by Tenant in favor of the [_____], which beneficial interest is assigned to [_____] (the "Senior Mortgage"), which Senior Mortgage encumbers, among other things, Tenant's leasehold interests in the Subject Property pursuant to this Lease. As used herein, "Senior Mortgagee" means the holder of the beneficial interest of the Senior Mortgage (i.e. Zions Bancorporation, N.A. dba California Bank & Trust).

(b) Consent of Mortgagee Required. No cancellation, surrender, termination, or modification of this Lease shall be effective without the written consent of the holder of any Mortgage. Notwithstanding anything to the contrary set forth herein, Landlord will not cancel, accept a surrender of, terminate, amend or modify this Lease without the prior consent in writing of each Mortgagee, which consent shall not be unreasonably withheld by each Mortgagee with respect to amendments or modifications of this Lease. .

2. Rights and Obligations of Leasehold Mortgagees.

(a) No Cancellation. Landlord will not cancel, accept a surrender of, terminate, amend or modify this Lease without the prior consent in writing of each Mortgagee, which consent shall not be unreasonably withheld by each Mortgagee with respect to amendments or modifications of this Lease. .

(b) Notice of Defaults. Landlord agrees to provide each Mortgagee with written notice of all defaults within ten (10) calendar days, Defaults and Events of Default by Tenant under the Lease and to provide each Mortgagee copies of all notices and

demands delivered by Landlord to Tenant (an "Initial Default Notice"). Any Initial Default Notice under the Lease shall not be effective unless and until such notice has been delivered to each Mortgagee in accordance with the notice provisions of this Agreement. Any Initial Default Notice given by Landlord under the Lease must describe the default(s) with reasonable detail. Each Mortgagee shall have the right to cure any breach or default under this Lease within the time periods given below (provided that in the event that the Landlord receives competing or conflicting offers from Mortgagees to cure any such breach or default, the Landlord shall accept the offers to cure in the following order: first, the Senior Mortgagee, then each other Mortgagee in the same relative priority as their respective liens).

The notice address for the Senior Mortgagee is as follows (provided that Senior Mortgagee may revise or update its notice address in writing to Landlord at any time):

Zions Bancorporation, N.A. dba
California Bank & Trust
Community Reinvestment Department/Affordable Housing
707 Wilshire Boulevard
Suite 5700
Los Angeles, CA 90071
Attention: Mark Wolf

3. Mortgagee's Cure Rights.

(a) Notice and Cure. If any Default or Event of Default is not timely cured after delivery of an Initial Default Notice and after the expiration of any applicable period of cure given to Tenant under the Lease, Landlord shall deliver an additional notice ("Mortgagee's Notice") to Mortgagee specifying the default and stating that Tenant's period of cure has expired. So long as Mortgagee actively pursues a cure in good faith, Mortgagee shall thereupon have the additional periods of time to cure any uncured default, as set forth below, without payment of default charges, fees, late charges or interest that might otherwise be payable by Tenant. Landlord shall not terminate the Lease or exercise its other remedies under the Lease if:

(i) Within 90 days after Mortgagee's receipt of the Mortgagee's Notice, Mortgagee (i) cures the Default or Event of Default, or (ii) if the Default or Event of Default reasonably requires more than 90 days to cure, commences to cure said Default or Event of Default and diligently prosecutes the same to completion; or

(ii) Mortgagee reasonably concludes that the Default or Event of Default cannot be cured by payment or expenditure of money or without possession of the Subject Property or otherwise, Mortgagee initiates foreclosure or other appropriate proceedings within 90 days after receipt of the Mortgagee's Notice, cures all other defaults capable of cure, complies with all other covenants and conditions of the Lease reasonably capable of compliance, and continues to pay all rents, real

property taxes and assessments, and insurance premiums to be paid by Tenant under the Lease.

(b) Landlord agrees to accept performance by Mortgagee of all cures, conditions and covenants as though performed by Tenant, and agrees to permit Mortgagee access to the Subject Property to take all such actions as may be necessary or useful to perform any condition or covenants of the Lease or to cure any default of Tenant.

(c) If Mortgagee elects any of the above-mentioned options, then upon Mortgagee's (or its designee) acquisition of the Lease by foreclosure, whether by power of sale or otherwise or by deed or assignment in lieu of foreclosure or obtains a New Lease pursuant to the provisions of Section 4 of this Schedule 1, then Mortgagee, its designee or a purchaser at a foreclosure sale or assignee of such New Lease ("Successor Tenant") shall succeed to the interest of Tenant hereunder and all rights of Tenant hereunder, provided that such Successor Tenant shall not be required to cure any monetary or operational defaults of Tenant hereunder that first occurred or accrued prior to the date such Successor Tenant obtained possession of the Subject Property and shall not be liable for any Rent or other amounts due Landlord hereunder from Tenant that first accrued prior to the date of such possession. During the time that Successor Tenant is the Tenant under this Lease, Successor Tenant shall remain subject to all obligations or conditions set forth in this Lease that are continuing in nature and run with the Lease or Property, including but not limited to the affordability restrictions set forth herein.

4. New Lease. In the event the Lease is terminated for any reason prior to the end of the Lease Term, including, without limitation, a termination or rejection of the Lease through any bankruptcy proceeding, Landlord shall enter into a new lease ("New Lease") with Mortgagee or Mortgagee's nominee or purchaser at a foreclosure sale covering the Subject Property provided, however, that such Mortgagee shall, as a condition precedent to the Landlord's execution of the New Lease, pay to Landlord any delinquent rent or other delinquent amount payable by Tenant to Landlord under the Lease, and provided that Mortgagee or a purchaser at a foreclosure sale requests such New Lease by written notice to Landlord within ninety (90) days after written notice by Landlord of termination of the Lease. The New Lease shall be for the remainder of the Term, effective at the date of such termination, and shall include all the rents and covenants, agreements, conditions, provisions, restrictions and limitations contained in the Lease, together with provisions legally required at the time of execution with lien priorities equivalent to those set forth in this Lease. In connection with a New Lease, Landlord shall assign to Mortgagee or its nominee all of Landlord's interest in all existing subleases of all or any part of the Subject Property and all attornment given by the sublessees. Landlord shall not terminate or agree to terminate any sublease or enter into any new lease or sublease for all or any portion of the Subject Property without Mortgagee's prior written consent, unless Mortgagee fails to deliver its

request for a New Lease under this Section. In connection with any such New Lease, Landlord shall, by grant deed, convey to Mortgagee or its nominee title to the Improvements, if any, which become vested in Landlord as a result of termination of the Lease. Landlord shall allow to the tenant under the New Lease a credit against rent equal to the net income derived by Landlord from the Subject Property during the period from the date of termination of the Lease until the date of execution of the New Lease under this Section.

5. Security Deposits. Mortgagee or any other purchaser at a foreclosure sale of the Mortgage (or Mortgagee or its nominee if one of them enters into a New Lease with Landlord) shall succeed to all the interest of Tenant in any security or other deposits or other impound payments paid by Tenant to Landlord.

6. Permitted Delays. If any Mortgagee is prohibited, stayed or enjoined by any bankruptcy, insolvency or other judicial proceedings involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that any Mortgagee shall have fully cured any Event of Default in the payment of any monetary obligations of Tenant to Landlord under this Lease and shall continue to pay currently such monetary obligations when the same fall due (subject to the cure rights herein provided).

7. Defaults Deemed Cured; Limitation of Liability. On transfer of the Lease at any foreclosure sale under the Mortgage or by deed or assignment in lieu of foreclosure or upon the issuance of a New Lease, any or all defaults under the Lease shall be deemed cured. In addition, the liability of any Successor Tenant under this Lease shall be limited to such Successor Tenant's interest in the Subject Property and no Successor Tenant shall have any personal liability for the breach of any provision of this Lease.

8. Anything herein contained to the contrary notwithstanding, the provisions of this Schedule 1 shall inure only to the benefit of the holders of Mortgages. If the holders of more than one such Mortgage shall make written requests for a New Lease upon Landlord in accordance with this Lease, the request of Senior Mortgagee shall have priority, and thereupon the written requests for a new lease of each holder of a Mortgage junior in lien to the Senior Mortgage shall be and be deemed to be void and of no force or effect.

9. Landlord's Forbearance and Right to Cure Defaults on Leasehold Mortgages.

(a) Notice. Landlord will give to each Mortgagee, at such address as is specified by the Mortgagee in this Schedule 1, a copy of each notice or other communication with respect to any claim that Default and/or Event of Default exists, or is about to exist, from Landlord to Tenant hereunder at the time of giving such notice or communication to Tenant, and Landlord will give to each Mortgagee

a copy of each notice of any rejection of this Lease by any trustee in bankruptcy of Tenant. Landlord will not exercise any right, power or remedy with respect to any Default or Event of Default hereunder, and no notice to Tenant of any such Default or Event of Default and no termination of this Lease in connection therewith shall be effective, unless Landlord has given to each Mortgagee written notice or a copy of its notice to Tenant of such Default or Event of Default or any such termination, as the case may be.

(b) Mortgagee's Transferees, Etc. In the event the leasehold estate hereunder shall be acquired by foreclosure, trustee's sale or deed or assignment in lieu of foreclosure of a Mortgage (which, for the avoidance of doubt, may occur without the consent of Landlord), or pursuant to a New Lease, the Successor Tenant or the transferee and its successors as holders of the leasehold estate hereunder shall not be liable for any rent, if any, or other obligations accruing prior to their acquisition of the Tenant's interest hereunder, or after its or their subsequent sale or transfer of such leasehold estate, and the Successor Tenant and its successors shall be entitled to transfer such estate or interest without consent or approval of Landlord.

Additionally, no Mortgagee shall be or become liable to the Landlord as an assignee of this Lease or otherwise unless it (a) acquires Tenant's leasehold estate under this Lease, or (b) expressly assumes by written instrument executed by the Landlord and such Mortgagee such liability (and in either such event such Mortgagee's liability shall be limited to (i) the period of time during which it is the owner of Tenant's leasehold estate created hereby and (ii) such Mortgagee's interest as tenant under the Lease).

10. Landlord Cooperation. Landlord covenants and agrees that it will act and fully cooperate with Tenant in connection with Tenant's right to grant leasehold mortgages as hereinabove provided. At the request of Tenant or any proposed or existing Mortgagee, Landlord shall promptly execute and deliver (i) any documents or instruments reasonably requested to evidence, acknowledge and/or perfect the rights of Mortgagees as herein provided, and (ii) an estoppel certificate certifying the status of this Lease and Tenant's interest herein and such matters as are reasonably requested by Tenant or such Mortgagees. Such estoppel certificate shall include, but not be limited to, certification by Landlord that (a) this Lease is unmodified and in full force and effect (or, if modified, state the nature of such modification and certify that this Lease, as so modified, is in full force and effect), (b) all rents currently due under the Lease have been paid, (c) there are not, to Landlord's knowledge, any uncured Events of Default on the part of Tenant under the Lease or facts, acts or omissions which with the giving of notice or passing of time, or both, would constitute a Default or Event of Default. Any such estoppel certificate may be conclusively relied upon by any proposed or existing leasehold Mortgagee or assignee of Tenant's interest in this Lease.

11. Claims. Landlord and Tenant shall deliver to each Mortgagee notice of any litigation or arbitration proceedings between the parties or involving the Subject Property or the Lease. Each Mortgagee (in the order of their relative priority) shall have the right, at its option, to intervene and become a party to any such proceedings. If a Mortgagee elects not to intervene or become a party, Landlord shall deliver to such Mortgagee prompt notice of and a copy of any award, decision or settlement agreement made in connection with any such proceeding.

12. Further Amendments. Landlord and Tenant shall cooperate in including in the Lease by suitable amendment from time to time any provision which may be reasonably requested by any proposed Mortgagee for the purpose of implementing the mortgagee protection provisions contained in this Lease and allowing that Mortgagee reasonable means to protect or preserve the lien of its Mortgage upon the occurrence of a default under the terms of the Lease. Landlord and Tenant each agree to execute and deliver (and to acknowledge for recording purposes, if necessary) any agreement required to effect any such amendment so long as it does not interfere with Landlord's title or interest in the Subject Property.

13. **Condemnation or Casualty.** In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "**Taking**"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "**Casualty**"), at any time or times when the Senior Mortgage remains a lien on the Property the following provisions shall apply:

Landlord hereby agrees that its rights to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the Senior Lender's rights under the Senior Mortgage and the loan documents which are secured by the Senior Mortgage (collectively, the "Senior Loan Documents"), and the Landlord shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Mortgagee; provided, however, this subsection and/or anything contained in this Lease shall not limit the rights of the Landlord to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the loan secured by the Senior Mortgage) in the manner determined by the Senior Mortgagee in its sole discretion; provided, however, that if the Senior Mortgagee elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan Documents, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan Documents shall be paid to, and may be applied by, the Landlord.

Recorded at the Request of
and When Recorded Return to:

City of Fresno
City Clerk's Office
2600 Fresno Street, Room 2133
Fresno, CA 93721-3603

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

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

ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT AND RELATED DOCUMENTS

by and between

CITY OF FRESNO,
a California municipal corporation

and

CORPORATION FOR BETTER HOUSING,
a California nonprofit public benefit corporation

and

3720 E. VENTURA AVE., L.P.,
a California limited partnership

regarding

Ventura Family Apartments
(a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T)

ASSIGNMENT AND ASSUMPTION OF AFFORDABLE HOUSING AGREEMENT AND RELATED DOCUMENTS

This Assignment and Assumption of the Amended and Restated Affordable Housing Agreement and Related Documents (Assignment or Agreement) is entered into on _____, 2026, (Effective Date) by and between the City of Fresno, a California municipal corporation (City), Corporation for Better Housing, a California nonprofit public benefit corporation (Assignor), and 3720 E. Ventura Ave., L.P., a California Limited Partnership (Assignee), collectively referred to as (the Parties).

RECITALS

A. WHEREAS, the City and Assignor are parties to: (i) that certain Amended and Restated Affordable Housing Agreement executed by the City and Assignor dated _____, (the AHA), (ii) that certain Regulatory Agreement executed by the City and Assignor dated _____, (iii) that certain Notice of Affordability Restrictions executed by the City and Assignor dated _____, and (iv) that certain Memorandum of Affordable Housing Agreement executed by the City and Assignor dated _____ (collectively, the "AHA and Related Documents"); for the purpose of the multifamily new construction development on a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T APN: (Property) with up to 54 units of affordable rental housing.

B. WHEREAS, Assignor hereby desires to assign to Assignee all of its obligations under and rights, title and interest in and to the AHA and Related Documents and the Assignee hereby desires to accept and assume such assignment including all Assignee's obligations under and rights, title and interest in and to the AHA and Related Documents.

C. WHEREAS, the City desires to consent to such assignment and assumption of the AHA and Related Documents.

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 acknowledge, the Parties agree as follows:

AGREEMENT

1. Assignment and Assumption of AHA and Related Documents. From and after the Effective Date, Assignor hereby assigns and transfers to Assignee all of Assignor's rights, title, interest, obligations, duties, and responsibilities under the AHA and Related Documents. Assignee hereby assumes and accepts Assignor's rights, title, interest, obligations, duties and responsibilities under the AHA and Related Documents. Any reference to "DEVELOPER" or "BORROWER" in the AHA and the Related Documents shall apply to Assignee. Assignee shall have no greater rights than Assignor under the AHA and Related Documents.

2. City's Consent to Assignment and Assumption. The City hereby consents to Assignor's assignment, and the Assignee's assumption of all of Assignor's rights, interests, obligations, duties, and responsibilities under the AHA and Related Documents and further consents to Assignor's selling, conveying, transferring, alienating, or otherwise disposing of the Project and Property (as defined in the AHA) to Assignee.

3. Representations. Assignor hereby represents and warrants that it has not previously assigned, pledged, or hypothecated or otherwise transferred any of its rights under the AHA and Related Documents.

4. Notice. All correspondence and notices given or required to be given to the Assignor under the AHA and Related Documents, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: 3720 E. VENTURA AVE., L.P.
Address: 20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

Telephone:

5. Successors and Assigns. This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. Counterparts. This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

7. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

8. Further Assurances. Each party shall, at its own cost and expense, execute and deliver any such further documents and instruments and shall take such other actions as may be reasonably necessary to carry out this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Assignment and Assumption Agreement in Fresno, California, as of the Effective Date.

ASSIGNOR:

Corporation for Better Housing,
a California nonprofit public benefit corporation

By: DocuSigned by: Lori Koester ED1B7E4432AD485...

Name: Lori Koester

Title: Executive Director
(If corporation or LLC., Board Chair, Pres. or Vice Pres.)
(Attach notary certificate of acknowledgment)

By: _____

Name: _____

Title: _____
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)
(Attach notary certificate of acknowledgment)

ASSIGNEE:

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC, a California limited liability company, its managing general partner

By: Corporation for Better Housing, a California nonprofit public benefit corporation, its manager

By: DocuSigned by: Lori Koester ED1B7E4432AD485...

Name: Lori Koester

Title: Executive Director
(If corporation or LLC., Board Chair, Pres. or Vice Pres.)

By: Integrated Community Development, LLC, a California limited liability company, its administrative general partner

By: DocuSigned by: Benjamin Lingo 95C24DA336EE4A5...

Name: Benjamin Lingo

Title: Member
(If corporation or LLC., CFO, Treasurer, Secretary or Assistant Secretary)

WITH THE CONSENT OF THE CITY:

CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White, City Manager
(Attach notary certificate of acknowledgment)

Date: _____

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: Signed by: Tracy Parvanian C20B3D38494F4C1... 6/1/2026
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Name Date
Deputy Clerk

Address for notice to the City:
City of Fresno
Planning and Development Department
Attn: Phil Skei, Assistant Director
2600 Fresno Street, Room 3065
Fresno, CA 93721-3605

Recorded at the Request of
and When Recorded Return to:

City of Fresno
City Clerk's Office
2600 Fresno Street, Room 2133
Fresno, CA 93721-3603

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

This LHTF 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.

CITY OF FRESNO

By:_____
Georgeanne A. White
City Manager

Date:_____

CITY OF FRESNO
LOCAL HOUSING TRUST FUND
AGREEMENT

by and between

CITY OF FRESNO,
a municipal corporation

and

3720 E. VENTURA AVE., L.P.,
a California limited partnership

regarding

Ventura Family Apartments
Southwest corner of South Eighth Street and Ventura Avenue
(a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T)

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LOCAL HOUSING TRUST FUND AGREEMENT

This Local Housing Trust Fund Agreement (Agreement) is entered into on _____, 2026, (Effective Date) by and between the City of Fresno, a municipal corporation, (CITY), and 3720 E. Ventura Ave., L.P., a California limited partnership (hereinafter referred to as DEVELOPER).

RECITALS

A. WHEREAS, the CITY has received a Local Housing Trust Fund (LHTF) award from the California Department of Housing and Community Development (HCD) through the HCD's LHTF program created by AB 1891 of 2002 (Diaz) and funded under the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), adopted by voters on November 6, 2018 (Proposition 1).

B. WHEREAS, the CITY has elected to use the LHTF allocation to provide construction loans and/or permanent financing loans to pay for property entitlement, environmental clearance, predevelopment costs, and other costs associated with the construction of affordable rental housing projects.

C. WHEREAS, the Project, as defined below, serves the intent of the LHTF Program by serving households that meet the qualifications of the HCD's income restrictions of households with average incomes of no more than 60% Area Median Income (AMI).

D. WHEREAS, 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.

E. WHEREAS, the DEVELOPER desires to act as the leasehold owner/developer exercising effective project control, as to the development, construction, and operation of the Property with 54 affordable housing units (Project), of which 19 units will be LHTF-Assisted Units preserved as Low Income affordable rental housing, as defined by the LHTF Program, and related onsite and offsite improvements as more particularly described in EXHIBIT "B" – Project Description and Schedule, incorporated herein.

F. WHEREAS, the Project will be constructed upon LHTF-eligible Property located South of Ventura Avenue, between Seventh Street and Eighth Street, Fresno, CA 93726 (Property), more particularly described in Exhibit "A" – Property Description attached hereto.

G. WHEREAS, to further its goal to increase the supply of affordable housing within the City of Fresno, the CITY desires to assist the DEVELOPER by providing a Five Million Dollar ($5,000,000.00) residual receipts LHTF Program Loan to the Project at 3% simple interest for a period of 55-years (Loan) for the LHTF Project Property, eligible soft and hard construction costs, upon the terms and conditions in this Agreement, as further identified in Exhibit "C" – Budget, to be secured by the underlying Property and the affordable housing covenants attached as Exhibit "D" – Exemplar Declaration of Restriction, and Exemplar Promissory Note attached as Exhibit "F" –upon the terms and conditions in this Agreement.

H. WHEREAS, the CITY has determined that the proposed Project is exempt from the California Environmental Act (CEQA) Guidelines pursuant to Section 15332/Class 32.

I. WHEREAS, the CITY has determined that this Agreement is in the best interest

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 interest 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 Extremely Low- to Low-Income Housing available at an affordable cost to Extremely Low- to Low-Income households, as defined hereunder, (v) planning and administrative expenses incurred in pursuit hereof are necessary for the production, improvement, or preservation of Extremely Low- to Low-Income Housing, and (vi) will comply with any and all owner participation rules and criteria applicable thereto; and

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

K. WHEREAS, the parties acknowledge and agree that the obligations and liabilities of the DEVELOPER hereunder shall be joint and several unless and except to any extent expressly provided otherwise; and

L. WHEREAS, on January 10, 2025, the Board of the Corporation for Better Housing, a California nonprofit public benefit corporation, the sponsor and the manager of the managing general partner of the DEVELOPER, reviewed and approved the development of the Project and LHTF Application for funding.

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 acknowledge, 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.

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 LHTF-Assisted Units proposed for construction on the eligible Property, as hereinafter defined.

1.3 Affordability Period means the minimum period of 55-years commencing from the date of recordation of the Notice of Completion in the Official Records.

1.4 Budget means the Budget for the development of the Project, as may be amended upon the approval of the CITY's Housing Finance Division Manager, provided any increase in LHTF Funds hereunder requires City Council Approval, attached hereto as EXHIBIT "C".

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

1.6 CFR means the Code of Federal Regulations.

1.7 Commencement of Construction means the time the DEVELOPER or the DEVELOPER's construction contractor begins 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, which shall take place in accordance with the Project Schedule.

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

1.9 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 residual receipts payments made pursuant to the Note.

1.10 Declaration of Restrictions means the Declaration of Restrictions in a substantially similar form attached hereto as EXHIBIT "D", which contains the affordability covenants and requirements of this Agreement which shall run with the land and which the DEVELOPER shall record or cause to be recorded against the Property no later than the date within 30 days of the effective date of this Agreement.

1.12 Deed of Trust means that standard form Deed of Trust (including the security agreement) given by the DEVELOPER as Trustor, to the CITY as beneficiary, through escrow established by the DEVELOPER at its sole cost and expense with TICOR Title Company, and recorded against the Property to ensure the Note, together with the Deed of Trust in a substantially similar form and attached as EXHIBIT "G" and approved as to form by the City Attorney, as well as any amendments to, modification of and restatements of said Deed of Trust, which Deed of Trust shall be subordinated to Project lenders per the Budget attached as EXHIBIT "C". The terms of any such Deed of Trust are hereby incorporated into this Agreement by this reference.

1.13 Eligible Costs means the LHTF eligible hard and soft construction costs funded by the Loan and incurred by the Developer and expended from the Effective Date of this Agreement through December 31, 2027, consistent with the Project Budget attached as EXHIBIT "C", allowable under LHTF regulations. However, any costs incurred in connection with any activity that is determined to be ineligible under the LHTF by the CITY shall not constitute Eligible Costs.

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

1.15 Extremely Low-Income means Households whose annual income does not exceed Health and Safety Code (HSC) Section 50079.5, which is a maximum of 30% of the area median income (AMI) for Fresno, California as outlined on the State of California's website.

1.16 Family has the same meaning given that term in 24 CFR 5.403.

1.17 Funds or LHTF Funds means the State of California monies consisting of the Loan, in an amount not to exceed the sum of Five Million Dollars ($5,000,000.00) to be used for Eligible Costs.

1.18 Funding Sources means the CITY's LHTF Funds, conventional construction loan, State of California Local Housing Trust funds, Housing Relinquished Fund Corporation loan, accrued interest on soft loans, Low Income-Housing Tax Credit Equity, and any other

funds that may become available to the Project.

1.19 Ground Lease means a long-term agreement where City will rent the Property to Developer for $1 per year.

1.20 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 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.

1.21 Household means persons occupying the LHTF-Assisted Units within the Project.

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

1.23 LHTF-Assisted Units means 19 of the 54 housing units to be constructed on the Property and preserved as affordable housing for the duration of the 55-year Affordability Period.

1.24 Loan means the Project Loan of LHTF Funds provided under a City-issued Notice of Funding Availability and on a City LHTF Program application, in the total amount not to exceed Five Million Dollars ($5,000,000.00) made available by the CITY to the Developer pursuant to this Agreement, as more specifically described in the Budget and in the Promissory Note attached as EXHIBIT “F“. The Loan shall be payable in accordance with the terms of the Note, shall be secured by a deed of trust on each parcel constituting the Property, and shall be subject to the Deed of Trust attached as EXHIBIT “G”.

1.25 Loan Documents are collectively this Agreement, Promissory Note - EXHIBIT “F”, Deed of Trust – EXHIBIT “G”, and Declaration of Restrictions – EXHIBIT “D”, attached hereto 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 Household means Households whose gross income does not exceed HSC Section 50079.5 which is a maximum of 60% of area median income (AMI) of the median income for Fresno, California as outlined on the State of California’s website.

1.27 Note means that certain Five Million Dollars ($5,000,000.00) LHTF Loan Note given by the DEVELOPER as promisor, in favor of the CITY as promisee, 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 no worse than 4th position lien upon the Property, naming the CITY as beneficiary and provided to the CITY, no later than the date of the 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 the 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 completed Project in a calendar year, including, without limitation; painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certifications, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchasing, 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 of 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 Project means the construction of the Ventura Family Apartments, an affordable rental housing project as described in Exhibit "B" and located at Ventura Avenue and Seventh Street.

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

1.31 Project Units means the construction of 54 affordable rental units of which 19 units shall be preserved as affordable LHTF-Assisted Units, and one will be an on-site manager's unit.

1.32 Property means the property located on Ventura Avenue between Seventh and Eighth Street, Fresno CA (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T), as more specifically described in the EXHIBIT "A" - Property Description.

1.33 Rent means the total monthly payment a tenant pays for a LHTF-Assisted 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 tenants (including garbage collection, sewer, water, common area electricity, but not telephone or internet 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 Senior Financing means the financing for the Project set forth on the Budget and Finance Plan which shall be senior to the LHTF Loan.

1.35 Senior Lender means lenders providing the Senior Financing for the Project.

1.36 U.S. Department of Treasury means the United States Department of Treasury.

ARTICLE 2. TERMS OF THE LOAN

2.1 Loan of LHTF Funds. The CITY agrees to provide a loan of LHTF Funds to the DEVELOPER, in an amount not to exceed Five Million Dollars ($5,000,000.00), all under the terms and conditions provided in this Agreement. The LHTF Funds shall be used for payment of Eligible Costs.

2.2 Loan Documents. The DEVELOPER shall execute and deliver the Loan Documents including the Promissory Note to the CITY, and notarized Deed of Trust to Commonwealth 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 full 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 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, 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 accrue interest commencing on the date provided for in the Promissory Note and shall be due and payable in accordance with the Promissory Note and in full not later than the Maturity date provided in the Promissory Note.

2.5 Incorporation of Documents. If applicable, the DEVELOPER's LHTF application, the CITY Council approved Minutes approving this Agreement, the Loan Documents, the LHTF regulations 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 the LHTF Statutes and Program Guidelines, as such may be amended from time to time.

2.7 Subordination. This Agreement, Declaration of Restrictions, and 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 are satisfied: (a) All of the proceeds of the proposed Senior Loan, less any transaction costs, must be used to provide construction financing for the Project consistent with an approved financing plan; (b) 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; (c) 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 the 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, is 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 to the CITY 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 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; (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 to the CITY 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 to the CITY 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 to the CITY, 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, and 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. WARRANTIES AND COVENANTS OF THE DEVELOPER

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

4.1 Accessibility. The DEVELOPER covenants and agrees with the CITY that it shall comply with 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), including, without limitation, the construction of the Project so that it meets the applicable accessibility requirements, including, but not limited to, the following:

A. At least 5% of the Project Units, or at least four units, whichever is greater, must be constructed to be accessible for persons with mobility disabilities. An additional 2% of the Project Units, or at least two 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.

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 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, tubs, 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 Fresno Municipal Code 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

v. Hallways at least 42 inches wide.

4.2 Affirmative Marketing. The DEVELOPER warrants, covenants and agrees with the CITY that it shall comply with all affirmative marketing requirements, including without limitation, those set out at 24 CFR 92.350 and 92.351, in order to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market in the rental of the LHTF-Assisted Units. The DEVELOPER shall maintain records of actions taken to affirmatively market units constructed in the future, and to assess the results of these actions.

4.3 Availability of LHTF Funds. The DEVELOPER understands and agrees that the availability of LHTF Funds is subject to the control of the Department of the Treasury, or other State agencies, and should said 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 the Department of the Treasury 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 the LHTF Statutes and Program Guidelines, upon any uncured default by the DEVELOPER within the meaning of Article 10.1 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 including, without limitation, that no officer, employee, agent, or consultant of the DEVELOPER may occupy a Project Unit. The DEVELOPER understands and acknowledges that no employee, agent, consultant, officer or elected official or appointed official of the CITY, who exercises any functions or responsibilities with respect to the 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 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.

4.6 Construction Standards. The DEVELOPER shall cause construction of the proposed Project Units assisted under this Agreement to be performed 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 by: (a) enhancing and increasing the enjoyment and ownership of the proposed Project by certain Extremely Low- to Low-Income Households, and (b) making possible the obtaining of advantageous financing for the construction of the Project.

B. The DEVELOPER covenants and agrees with the CITY that after issuance of a recorded Certification of Completion for the Project until the expiration of the Affordability Period it shall cause 19 LHTF-Assisted Units to be rented as affordable housing for Extremely Low- to 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 CFR. 92.353, it will take all reasonable steps to minimize the displacement of any persons (families, individuals, businesses, nonprofit organizations, and farms) at the Property located South of Ventura Avenue between Seventh and Eighth Street, Fresno CA (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T), if applicable. The Developer shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with the States relocation laws, if applicable.

4.9 Initial and Annual Income Certification and Reporting. The DEVELOPER covenants and agrees with the CITY that it shall comply with the procedures for annual income determination at 24 CFR 92.203. The DEVELOPER shall obtain, complete and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from the LHTF-Assisted Unit Household members. 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 three most recent pay periods;

(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 income tax return for the most recent three years; 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 and approval by the CITY. The DEVELOPER further warrants, covenants and agrees that it will 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 amendment thereto, and Environmental Protection Agency (EPA) Section 402 (c)(3) of the Toxic Substances Control Act (TSCA) to address lead-based 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 CFR 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 the Project to comply with, all other federal laws and regulations that apply to the LHTF Program, including, without limitation, 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 land acquisition and construction costs 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 property standards at 24 CFR 92.251.

D. 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 CFR Part 5).

E. 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 CFR Part 5), in regard to the construction and management of the proposed Project.

F. 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 E.O. 11246 Relating to Equal Employment Opportunity), and as supplemented by regulations at 41 CFR chapter 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor".

G. 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").

H. 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.

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

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

K. 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.

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

M. E.O. 11063 on Equal Opportunity and Housing.

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

O. The Housing and Community Development Act of 1974.

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

Q. 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. and Part 60 et seq.

R. Violence Against Women Act (VAWA), 24 CFR 92.359 and 24 CFR 92.504(c)(3)(v)(F), including but not limited to notice requirements, obligations under emergency transfer plan, bifurcation of lease requirements, imposition of requirements for the duration of the period of affordability, and inclusion of VAWA lease addendum requirements.

S. DEVELOPER shall comply with broadband infrastructure requirements for new housing and rehabilitation projects as set forth in 24 CRF 92.251.

T. The Pet Friendly Housing Act of 2017 (HSC Section 50466)

4.13 Faith Based Activities. The DEVELOPER warrants, covenants and agrees with the CITY that it shall not engage in any prohibited activities described in 24 CFR 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, an annual audited Financial Statement and residual receipts calculation 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 LHTF Funds using generally accepted accounting principles, which financial documentation shall be made available to the CITY and HUD upon their respective written request(s). Recipients of LHTF Funds shall comply, to the extent required by the LHTF Statutes and Program

Guidelines, with 2 CFR Part 200, Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the ''Uniform Guidance'').

4.15 Housing Affordability. The DEVELOPER covenants and agrees with the CITY that 19 of the Project Units will be LHTF-Assisted Units and rented to Extremely Low- to Low-Income households and other requirements during the Affordability Period. The LHTF-Assisted Units, at a minimum, shall be rented to and occupied by, or, if vacant, available for rental and occupancy by (a) person(s) whose annual household income is no more than 60% AMI with a minimum of 30% of units to support Households with an average income of no more than 30% AMI. Developer shall comply with LHTF 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 LHTF Funds disbursed to the DEVELOPER by the CITY.

4.16 Terminated Projects. The DEVELOPER understands and agrees that, if the Project is terminated before completion, either voluntarily or otherwise, such constitutes an ineligible activity, and the CITY will not be required to provide any further LHTF assistance funding to the Project.

ARTICLE 5. PROPERTY MAINTENANCE

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

5.1 Adequate Repair and Maintenance. The DEVELOPER shall cause the maintenance of the Project and Property to be in compliance with all applicable codes, laws, and ordinances. The CITY reserves the right to require the DEVELOPER to change the property management company for the Property if it is determined through annual property monitoring that the property management company is not performing according to the terms to the property management agreement.

5.2 Affordable Rental Housing. The DEVELOPER covenants and agrees that the Project shall constitute 54 Project Units with 19 LHTF-Assisted Units for rent and preserved as "floating" Extremely Low- to Low-Income rental household 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 the DEVELOPER fails to comply with the time period in which the LHTF-Assisted Units constitute affordable housing, the CITY shall without waiver or limitation, be entitled to injunctive relief, as the DEVELOPER acknowledges that damages are not adequate remedy at law for such breach.

5.3 Compliance with Environmental Laws. The DEVELOPER shall cause the 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 CITY shall provide the DEVELOPER with notice with sufficient detail of the suspected default and the reason why the CITY suspects the default and the DEVELOPER shall be entitled to the opportunity to cure such violation within 30 days of the CITY's notice.. If such cure has been undertaken by the DEVELOPER within such 30 days, but has not been completed, the CITY, in its sole discretion, may allow an additional reasonable time for the DEVELOPER to continue to cure the violation. If the suspected violation is not cured, the CITY shall have the right to retain an independent consultant to inspect and test the eligible 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 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 Project site, 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;

(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 waste 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 related remedial work of any kind or nature.

5.4 Compliance with Laws. The DEVELOPER shall 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 LHTF Funds subjects the Project to extensive federal regulation and covenants and agrees that it shall comply with, conform to, and obey (and take steps as are required of the DEVELOPER to enable the CITY to comply with, conform to and obey) all federal statues, regulations, rules and policies applicable to the Project.

In the absence of existing applicable State or local code requirements and ordinances, at a minimum, DEVELOPER shall comply with all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures (24 CFR 92.2, Uniform Physical Condition Standards (UPCS)) prescribed by HUD pursuant to 24 CFR 5.705. UPCS means uniform national standards established by HUD pursuant to 24 CFR 5.703 for housing that is decent, safe, sanitary, and in good repair. Standards are established for inspectable items for each of the following areas: site, building exterior, building systems, dwelling units, and common areas, but do not require the use of any scoring, item weight, or level of criticality.

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. Annually, within 180 days following: 1) the end of fiscal year(s) in which the LHTF 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, the DEVELOPER, at its sole cost and expense shall submit to the CITY:

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

B. Audited Financial Statements with the management notes covering the income and expenses, and the financial transactions for the Project during the prior fiscal year.

5.7 Inspection and Audit of Books, Records and Documents. The DEVELOPER shall account for all LHTF Funds disbursed for the Project pursuant to this Agreement. Any duly authorized representative of the CITY or the State 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 or all matters covered in this Agreement and for up to six 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 LHTF Funds and to keep all invoices, receipts and other documents related to expenditures financed with LHTF Funds for not less than six 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 CFR 92.506. This section shall survive the termination of this Agreement.

C. The DEVELOPER will cooperate fully with the CITY in connection with any interim or final audit relating to 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 shall, at all reasonable times and with 72 hours' written notice, have access and the right to inspect the Property until completion of the Project and expiration of the applicable Affordability Period, 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, lien, charge, or other security interest of any kind on the eligible Property, other than those related to the Project's construction loans in relation to the Project, consistent with the attached Budget, without the 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, age, 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, the DEVELOPER shall not sell, lease, transfer, assign or otherwise dispose (Transfer) all or any material part of any interest it might hold in the Property or the Project without the prior written consent of the CITY, which consent shall not be unreasonably withheld or delayed. "Transfer" shall exclude the leasing of any single Project Unit.

A. The DEVELOPER shall request CITY's written approval of the granting of additional security interests in the Property pursuant to Section 5.9 above. The security interests related to the loans in the attached Budget have been approved by the City.

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 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 LHTF FUNDS

Without waiver of limitation, the parties agree as follows, regarding LHTF 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 contained in EXHIBIT "C", the CITY shall accept the Finance Plan. If the Finance Plan is not consistent with the Budget, then within 30 days after receiving the Finance Plan, the CITY, through its Planning and Development Department, Housing Finance 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 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, and permanent loans 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 LHTF Funds. The DEVELOPER warrants, covenants and agrees that it shall request LHTF Funds only for reimbursement of Eligible Costs incurred as identified in the attached Budget, attached hereto as EXHIBIT "C", including costs allowable under the LHTF, not aggregating to more than the CITY's obligations and shall in no event exceed the LHTF 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 LHTF Funds are requested to reimburse Eligible Costs which subsequently lose eligibility as Eligible Costs, the DEVELOPER shall immediately return such LHTF Funds to the CITY.

C. The CITY will disburse LHTF Funds to the DEVELOPER through proper invoicing for Eligible Costs of the LHTF-Assisted Units 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 LHTF Funds unless the following conditions are satisfied:

A. Prior to execution of this Agreement by the CITY, DEVELOPER has

permitted CITY staff to conduct a risk assessment, as required under the Uniform Guidance (2 CFR 200.332(b)). Failure to allow City staff to conduct this risk assessment may result in the City terminating this Agreement in accordance with Section 4.4. Additionally, the DEVELOPER's failure to be certified by City staff at the end of the risk assessment as having adequate internal controls to manage the funding provided in this agreement may result in the City terminating this Agreement in accordance with Section 4.4.

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

C. The DEVELOPER has received and delivered to the CITY firm commitments of, or Agreements for, sufficient funds to finance the Project. "Sufficient Funds" shall mean funds available to the Developer to fully fund and construct the Project.

D. The CITY has approved the requested reimbursement of Eligible Costs.

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

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

G. The DEVELOPER has provided the CITY with a written request for LHTF Funds (provided by the CITY), for reimbursement of Eligible Costs, and detailing such Eligible Costs applicable to the request.

H. The CITY has received certification required by Section 6.6 of this Agreement.

I. The CITY has received and continues to have the right to disburse LHTF Funds.

6.5 Requests for Reimbursement of LHTF Funds. The DEVELOPER shall request that the CITY reimburse funds for Eligible Costs using the CITY's Request for Disbursement of Funds form. The DEVELOPER shall only request a maximum of Five Million Dollars ($5,000,000.00) in LHTF assistance for the LHTF-Assisted Units. All requests should provide in detail such Eligible Costs applicable to the request. All requests for LHTF Fund reimbursement shall be accompanied with the Certification required by Section 6.6 of this Agreement.

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

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

B. The DEVELOPER has carried out all of its obligations and is in compliance with all the 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 Reimbursement; and

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

D. The disbursement of Funds shall be used solely for reimbursement of Eligible Costs identified in this Agreement and must by supported by the itemized obligations that have been properly incurred, expended and are properly chargeable in connection with construction of the Project.

6.7 Disbursement of Funds. The disbursement of LHTF Funds shall occur within the normal course of CITY business (approximately 30 calendar days) after the CITY receives the Certification and Request for Reimbursement with correct supporting documentation and to the extent of annually allocated and available LHTF Funds.

ARTICLE 7. CONSTRUCTION OF THE PROJECT

Without waiver of limitation, the parties agree as follows:

7.1 Pre-Construction Meeting Regarding Processes and Procedures. The CITY may schedule, and the DEVELOPER shall attend, or the DEVELOPER may schedule, and the CITY shall attend a meeting prior to construction for the purpose of outlining the Project processes and procedures.

7.2 Commencement and Completion of Project. The DEVELOPER shall commence construction of the Project, and when completed, record a Notice of Completion of construction of the Project in accordance with the Project Schedule as identified in EXHIBIT "B", and provide the CITY with a copy of the recordation.

7.3 Contracts and Subcontracts. Consistent with Section 5.3, all 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 contractor s or subcontractors for this 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 construction agreement on the Project, 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 occur within 90 days after the insurance proceeds are made available to the DEVELOPER and shall be completed within two years thereafter. 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 use its best efforts to make up the deficiency.

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 Property or the Project 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 with 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 party(ies) 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 the 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. Before the start of construction, the DEVELOPER shall place a poster or sign, with a minimum four feet by four feet in size, identifying the City of Fresno Planning and Development Department, Housing Finance Division as a Project participant. The sign shall also include the CITY's Housing logo, as well as the Equal Housing Opportunity logo, as mandated by HUD. The 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 Project site by the CITY and other public authorities during reasonable business hours, with 24 hours' notice, for the purpose of determining compliance with this Agreement, including without limitation those annual on-site inspections required by the CITY.

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. The DEVELOPER shall submit for CITY approval bonds, certificates and 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, LHTF 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 30 days' notice 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 Section 7.11 above, 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. The DEVELOPER shall submit, for CITY approval, all the necessary permits and licenses required for Commencement of Construction. 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. The 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. The DEVELOPER will construct the Project in full conformance with the CITY-approved plans and specifications and modifications thereto approved by the CITY. The DEVELOPER shall obtain the CITY's prior written approval for any modifications to the plans and specifications. This Agreement shall contain by reference the design and site plan of the Project; such design must be approved by the CITY Council with the LHTF Agreement.

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 Project 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 Project Property free from any accumulation of debris or waste material; (iv) promptly make repairs and replacements to on-site improvements; (iv) promptly replace any dead, or diseased plants and/or landscaping (if any) with comparable materials, and (v) enforce tenant lease terms.

7.16 Quality of Work. The DEVELOPER shall ensure that construction of the Project employs building materials of a quality suitable for the requirements of the Project. The DEVELOPER shall cause completion of the construction of the Project on the Property 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 the construction of the proposed Project results in the permanent or temporary displacement of residential tenants, the DEVELOPER shall comply with all applicable local, State, and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. The DEVELOPER shall be solely responsible for payment of any relocation benefits 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 execution of this Agreement, until issuance of the final Certificate of Completion, the DEVELOPER shall submit a Quarterly Report, in a form approved by the CITY, which will include, at a minimum, the following information: progress of the Project and affirmative marketing efforts. The Quarterly Reports are due 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 Rent Roll Report to the CITY, in a form approved by the CITY. The Annual Report shall include, at a minimum, the following information: occupancy of each LHTF-Assisted Unit including the annual income and the household size, the date occupancy commenced, certification from an officer of the DEVELOPER that the Project is in compliance with the affordability 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 upon request and at the annual monitoring of the Property.

C. Annually, beginning on the first day of the month following the CITY's

issuance of the final Certificate of Completion, evidencing the construction of the Project, and continuing until the expiration of the Agreement, the DEVELOPER shall submit proof of property and liability insurance, as required in Article 9, listing the CITY as loss payee.

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 Construction and issuance of the Notice 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 will be granted only if written notice by the party claiming such extension is sent to the other party within ten 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 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 between CITY and DEVELOPER. The City's Planning Director may administratively extend deadlines for up to 180 days cumulatively. Any extension beyond the Director's 180-day cumulative extension shall require City Council approval.

7.20 Certificate of Completion. Upon completion of the construction of the Project, the DEVELOPER shall submit to the CITY: 1) certification in writing that the Project has been substantially constructed in accordance with the plans and specifications, approved by the CITY; 2) a recorded Notice of Completion; 3) a cost-certifying final budget where the DEVELOPER shall identify the actual costs, in line-item format consistent with the Project Budget, of construction of the Project; and 4) a request for a recorded Certification of Completion. 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 30 calendar days of a written request by the DEVELOPER, a recordable Certificate of Completion for the Project in the form attached hereto as EXHIBIT "E". The CITY will not unreasonably withhold or delay furnishing the Certificate of Completion. If the CITY fails to provide the Certificate of Completion within the specified time, it shall provide the DEVELOPER 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 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 recordable Certificate of Completion to the DEVELOPER in accordance with the

provisions of this Section.

ARTICLE 8. OPERATIONS OF THE PROJECT

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. Nineteen (19) LHTF-Assisted Units shall be rented and occupied by, or if vacant, available for rental occupancy by Extremely Low- to Low-Income households, at or between 30% - 60% AMI. The DEVELOPER shall comply with the income targeting requirements of the Request for Proposal.

8.3 Leasing the LHTF-Assisted Units. Before leasing any LHTF-Assisted 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 30 days. Should the CITY not respond within 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 LHTF-Assisted Units except for serious or repeated violations 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 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 LHTF-Assisted Units Provisions. In addition to the LHTF requirements and the VAWA lease addendum required in accordance with 24 CFR 92.359(e), the leases are subject to the following:

A. The DEVELOPER shall include in its Leases for the LHTF-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 an Extremely Low- to 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 an Extremely Low- to Low-Income Household, 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) 30% of the Household's actual adjusted monthly income, except that, tenants of LHTF-Assisted Units that have also 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 meet both program rules.

8.5 Final Management Plan. Before leasing and at least 60 calendar days prior to the Project Completion Date, the DEVELOPER shall submit to the CITY, for review and approval, a plan for marketing and managing the proposed LHTF-Assisted 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 LHTF-Assisted 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 LHTF-Assisted Unit in accordance with LHTF regulations for 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 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 LHTF-Assisted Units.

At least 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 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 LHTF-Assisted 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 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. Nineteen (19) LHTF-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 LHTF-Assisted Unit or in connection with employment of persons for the construction of any Project Unit. All deeds or contracts made or entered into by the DEVELOPER as to the LHTF-Assisted 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 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 LHTF-Assisted Units in an amount which exceeds those rents prescribed to the Project as they associate with particular income and rent limitations levels as established annually by the Department of the Treasury, consistent with the LHTF Program requirements applicable to the LHTF-Assisted Units in the Fresno, California area, and further covenants not to impose a monthly allowance for utility services to tenants of such LHTF-Assisted Units in excess of an amount approved by HUD. The DEVELOPER agrees to furnish the CITY with a certificate setting forth the maximum monthly rentals for the LHTF-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 LHTF-Assisted Units at least annually.

8.10 Rental Housing Fees. The DEVELOPER covenants and agrees not to charge fees that are not customarily charged in rental housing such as laundry room access fees, and other fees in accordance with 24 CFR 92.504(c)(3)(xi).

ARTICLE 9. INSURANCE AND INDEMNITY AND BONDS

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

9.1 Insurance Requirements. (a) Throughout the life of this Agreement, DEVELOPER shall pay for and maintain in full force and effect all insurance as required herein with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by CITY'S Risk Manager or his/her designee at any time and in his/her sole discretion. The required policies of insurance as stated herein shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Agreement or any extension, DEVELOPER or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately 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 this Agreement. No action taken by CITY pursuant to this section shall in any way relieve DEVELOPER of its responsibilities under this 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.

(c) The fact that insurance is obtained by DEVELOPER shall not be deemed to release or diminish the liability of DEVELOPER, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify 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 DEVELOPER. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of DEVELOPER, vendors, suppliers, invitees, contractors, sub-contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Coverage shall be at least as broad as:

(i) COMMERCIAL 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:

$2,000,000 per occurrence for bodily injury and property damage

$2,000,000 per occurrence for personal and advertising injury

$4,000,000 aggregate for products and completed operations

$4,000,000 general aggregate applying separately to work performed under the Agreement

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad 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, obtained by the DEVELOPER or subcontractor 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 with coverage for bodily injury, property damage or pollution clean-up costs that could result from of pollution condition, both sudden and gradual. Including a discharge of pollutants brought to the work site, a release of pre-existing pollutants at the site, or other pollution conditions with limits of liability of not less than the following:

$1,000,000 per occurrence

$2,000,000 general aggregate per annual policy period

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

In the event the work 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 LHTF Agreement involves any mold environmental hazard (e.g., mold remediation), the 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.

UMBRELLA OR EXCESS INSURANCE

In the event DEVELOPER purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

DEVELOPER shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and DEVELOPER shall also be responsible for payment of any self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

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 the 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 the 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 the 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, Pollution and Automobile Liability insurance policies shall be written on an occurrence form.

The General Liability, Automobile Liability and Pollution Liability insurance policies shall name the CITY, its officers, officials, agents, employees, and volunteers as an additional insured for ongoing and completed operations. All such policies of insurance shall be endorsed so the DEVELOPER's insurance shall be primary and no contribution shall be required of the CITY.

The coverage shall contain no special limitations on the scope of protection afforded to the 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 Builders Risk (Course of Construction) insurance policy shall be endorsed to name the CITY as loss payee.

All insurance policies required including the Workers' Compensation insurance policy shall contain a waiver of subrogation as to the City, its officers, officials, agents, employees, and volunteers.

The DEVELOPER shall furnish the 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 the CITY, the DEVELOPER shall immediately furnish the CITY with a complete copy of any insurance policy required under this 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.

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 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 this Agreement.

SUBCONTRACTORS

If DEVELOPER subcontracts any or all of the services to be performed under this Agreement, DEVELOPER shall require, at the discretion of the CITY Risk Manager or designee, subcontractor(s) to enter into a separate Side Agreement with the CITY to provide required indemnification and insurance protection. Any required Side Agreement(s) and associated insurance documents for the subcontractor must be reviewed and preapproved by CITY Risk Manager or designee. If no Side Agreement is required, DEVELOPER will be solely responsible for ensuring that its subcontractors maintain insurance coverage at levels no less than those required by applicable law and is customary in the relevant industry.

9.2 Indemnification. To the furthest extent allowed by law, including California Civil Code section 2782, DEVELOPER shall indemnify, defend and hold harmless CITY and each of its officers, officials, employees, agents, and volunteers from any and all claims, demands, actions in law or equity, loss, liability, fines, penalties, forfeitures, interest, costs including legal fees, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, property damage, or loss of any type) arising or alleged

to have arisen directly or indirectly out of (1) any voluntary or involuntary act or omission, (2) error, omission or negligence, or (3) the performance or non-performance of this Contract. DEVELOPER 'S obligations as set forth in this section shall apply regardless of whether 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 or sole negligence, or the willful misconduct, of CITY or any of its officers, officials, employees, agents or volunteers.

To the fullest extent allowed by law, and in addition to the express duty to indemnify, DEVELOPER , whenever there is any causal connection between the DEVELOPER's performance or non-performance of the work or services required under this Contract and any claim or loss, injury or damage of any type, DEVELOPER expressly agrees to undertake a duty to defend CITY and any of its officers, officials, employees, agents, or volunteers, as a separate duty, independent of and broader that the duty to indemnify. The duty to defend as herein agreed to by DEVELOPER expressly includes all costs of litigation, attorneys fees, settlement costs and expenses in connection with claims or litigation, whether or not the claims are valid, false or groundless, as long as the claims could be in any manner be causally connected to DEVELOPER as reasonably determined by CITY.

Upon the tender by CITY to DEVELOPER , DEVELOPER shall be bound and obligated to assume the defense of CITY and any of its officers, officials, employees, agents, or volunteers, including the a duty to settle and otherwise pursue settlement negotiations, and shall pay, liquidate, discharge and satisfy any and all settlements, judgments, awards, or expenses resulting from or arising out of the claims without reimbursement from CITY or any of its officers, officials, employees, agents, or volunteers.

It is further understood and agreed by DEVELOPER that if CITY tenders a defense of a claim on behalf of CITY or any of its officers, officials, employees, agents, or volunteers and DEVELOPER fails, refuses or neglects to assume the defense thereof, CITY and its officers, officials, employees, agents, or volunteers may agree to compromise and settle or defend any such claim or action and DEVELOPER shall be bound and obligated to reimburse CITY and its officers, officials, employees, agents, or volunteers for the amounts expended by each in defending or settling such claim, or in the amount required to pay any judgment rendered therein.

The defense and indemnity obligations set forth above shall be direct obligations and shall be separate from and shall not be limited in any manner by any insurance procured in accordance with the insurance requirements set forth in this Contract. In addition, such obligations remain in force regardless of whether CITY provided approval for, or did not review or object to, any insurance DEVELOPER may have procured in a accordance with the insurance requirements set forth in this Contract. The defense and indemnity obligations shall arise at such time that any claim is made, or loss, injury or damage of any type has been incurred by CITY, and the entry of judgment, arbitration, or litigation of any claim shall not be a condition precedent to these obligations.

The defense and indemnity obligations set forth in this section shall survive termination or expiration of this Contract.

If DEVELOPER should subcontract all or any portion of the work to be performed under this Contract, DEVELOPER shall require each subcontractor to Indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms as set forth above.

9.3 Property Insurance. The DEVELOPER shall maintain in full force and effect, throughout the remaining life of this Agreement, a policy or policies 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 broad 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. The DEVELOPER or its General Contractor shall obtain, pay for and deliver good and sufficient payment and performance bonds along with a Primary Obligee, Co-Obligee or Multiple Obligee Rider 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 total amount of the construction contract 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 the total amount of the construction contract to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond, along with any other form of security, such as a letter of credit related to the Project 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 and as required by the applicable provisions of Chapter 7, Title 15, Part 4, Division 3 of the California Civil Code.

ARTICLE 10. DEFAULT AND REMEDIES

10.1 Events of Default. The parties agree that each of the following shall constitute an "Event of Default" by the DEVELOPER for purposes of this Agreement after the cure period in Section 10.2 has expired without a cure:

A. The DEVELOPER's use of LHTF Funds for costs other than Eligible Costs or for uses not permitted by the terms of this Agreement; except that there shall be no Event of Default if the DEVELOPER's use of the LHTF Funds were for costs that were Eligible Costs at the time they were incurred but subsequently lose eligibility.

B. The DEVELOPER's failure to obtain and maintain the insurance coverage 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 Exhibit B and in this Agreement including without limitation the following: (1) the DEVELOPER's material deviation in the Project work specified in the Project Description as identified in this Agreement, 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, as specified in this Agreement, unless delay is permitted under Section 7.19 of this Agreement; (4) cessation of the Project for a period of more than

15 consecutive days (other than as provided at Section 7.19 of this Agreement) prior to submitting to the CITY certification that the Project is complete; (5) any material adverse change in the condition of the DEVELOPER or its development team, or the Project that gives the CITY reasonable cause to believe that the Project cannot be completed by the scheduled 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; or (7) the DEVELOPER's failure to 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 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 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 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 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 days.

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

I. Any substantial or continuous breach by the DEVELOPER of any material obligation owned 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.

J. The Developer's failure, or inability to obtain and/or confirm, Sufficient Funds to fully finance the Project on or before December 31, 2026.

10.2 Notice of Default and Opportunity to Cure. The CITY shall give written notice to the DEVELOPER and the limited partner of 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, any time period provided for in the notice no less than ten days, or 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, with the CITY's written consent, the DEVELOPER and its limited partner 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 previously identified in writing delivered to the CITY in the manner provided in this Agreement.

10.3 Remedies Upon an Event of Default. Upon the happening of an Event of Default and a failure to cure said Event of Default within the time specified, the CITY's obligation to disburse LHTF 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;

B. Bring an action in equitable relief: (1) seeking specific performance 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 approval as to form by the City Attorney's Office.

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 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 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 or 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 date first above written, upon the CITY and the DEVELOPER's complete execution following City Council approval and recordation of related documents.

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, transfer, assign or otherwise dispose of all or a 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.

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, its 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
Planning and Development Department
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, CA 93721-3605

If to DEVELOPER: 3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364

11.19 Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto, 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, and to

promptly effectuate the recordation of this Agreement, the Declaration of Restrictions, 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.

[SIGNATURE PAGE TO FOLLOW]

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

CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White, City Manager
(Attach notary certificate of acknowledgment)

Date: _____

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: Signed by: Tracy Parvanian C20B3D38494F4C1... 6/1/2026
Tracy N. Parvanian Date
Assistant City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy Clerk

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: DocuSigned by: Lori Koester ED1B7E4432AD485...
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: DocuSigned by: Benjamin Lingo 95C24DA336EE4A5...
Benjamin Lingo, Member

Notice Address:

3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

Attachments:
EXHIBIT A: PROPERTY DESCRIPTION
EXHIBIT B: PROJECT DESCRIPTION AND SCHEDULE
EXHIBIT C: PROJECT BUDGET AND CASH FLOW STATEMENT

EXHIBIT D: EXEMPLAR DECLARATION OF RESTRICTIONS
EXHIBIT E: CERTIFICATE OF COMPLETION
EXHIBIT F: EXEMPLAR PROMISSORY NOTE
EXHIBIT G: EXEMPLAR DEED OF TRUST ASSIGNMENT OF RENTS

EXHIBIT "A"
LEGAL DESCRIPTION

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled "Plat of Lincoln Hill Addition", recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled "Map of Kenmore Park", recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said "Plat of Lincoln Hill Addition", said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00'00" East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said "Map of Kenmore Park", said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00'00" West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said "Map of Kenmore Park", said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00'00" West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said "Plat of Lincoln Hill Addition"; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00'00" East, 150.00 feet to the POINT OF BEGINNING

EXHIBIT "B"
PROJECT DESCRIPTION AND SCHEDULE

I. PROJECT DESCRIPTION

The Ventura Family Apartments Project consists of the construction of 54 affordable rental housing units, onsite and offsite improvements, amenities, and parking. Of the 54 Project Units, 19 will be LHTF-Assisted Units reserved as affordable rental units for Extremely-Low to Low-Income Households earning up to 60% of Area Median Income, as defined by the State HCD income limits. The location of the apartments site is South of Ventura Avenue, between Seventh Street and Eighth Street, Fresno, CA 93702 (a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T).

LHTF-FUNDED FLOATING UNITS

% of Median	Unit
30% or less	6
60% or less	13
Totals	19

LHTF Funds will be made available by the CITY for payment of LHTF Eligible Costs not to exceed Five Million Dollars ($5,000,000.00), the aggregate for the LHTF-Assisted Units as determined by the CITY, as needed, for LHTF Eligible Costs.

II. PROJECT SCHEDULE

A. Construction Finance Closing (est): June 12, 2026

B. Commencement of Construction (est): June 12, 2026

C. Completion of Construction: November 30, 2027*

D. Rent Up: March 31, 2028*

*The dates set forth in Items C and D above shall be subject to extension on a day-for-day basis for delays caused by Force Majeure Events. As used herein, "Force Majeure Event(s)" shall mean any delay caused by circumstances beyond the reasonable control of the DEVELOPER, including, without limitation, acts of God, fire, flood, earthquake, epidemic, pandemic, hurricane, tornado, or other natural disaster, war, invasion, hostilities, terrorist attack, civil unrest, riot, strike, lockout or other labor dispute, governmental action or inaction, embargo, shortage of materials or labor, or any other cause beyond the reasonable control of the DEVELOPER. The DEVELOPER shall provide written notice to the CITY within ten (10) days of the commencement of any Force Majeure Event and shall use commercially reasonable efforts to mitigate the effects thereof. In any event, the Project must be completed no later than 180 calendar days after the scheduled completion date specified in this Agreement, notwithstanding any delay caused by that included in this Section.

EXHIBIT "C"
PROJECT BUDGET

Cesar Chavez Apartments

	Total Development Costs	Funding Sources					
		City Land Lease (Assumed Value)	City LHTF	USDA	LIHTC	Permanent Loan	Def Dev Fee
Acquisition Costs:	$ -	$ -		$ -	$ -	$ -	$ -
Purchase Price	$ -	$ -		$ -	$ -	$ -	$ -
Liens	$ -	$ -		$ -	$ -	$ -	$ -
Closing, Title & Recording Costs	$ 95,000.00	$ -		$ -	$ 95,000.00	$ -	$ -
SUBTOTAL	$ 95,000.00	$ -	$ -	$ -	$ 95,000.00	$ -	$ -
Construction							
Basic Construction Contract	$ 28,341,546.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 15,441,546.00	$ 2,900,000.00	$ -
Bond Premium	$ -	$ -		$ -	$ -	$ -	$ -
Infrastructure Improvements	$ -	$ -		$ -	$ -	$ -	$ -
Hazardous Abate. & Monitoring		$ -		$ -	$ -	$ -	$ -
Construction Contingency (5%)	$ 1,417,077.00	$ -		$ -	$ 1,417,077.00	$ -	$ -
Sales Taxes	$ -	$ -		$ -	$ -	$ -	$ -
Other Construction Costs: Security	$ 170,000.00	$ -		$ -	$ 170,000.00	$ -	$ -
Other Construction Costs: Furnishings	$ 75,000.00	$ -		$ -	$ 75,000.00	$ -	$ -
SUBTOTAL	$ 30,003,623.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 17,103,623.00	$ 2,900,000.00	$ -
Development							
Appraisal	$ 30,000.00	$ -		$ -	$ 30,000.00	$ -	$ -
Architect/Engineer	$ 1,315,000.00	$ -		$ -	$ 1,315,000.00	$ -	$ -
Environmental Assessment	$ 200,000.00	$ -		$ -	$ 200,000.00	$ -	$ -
Geotechnical Study	$ -	$ -		$ -	$ -	$ -	$ -
Boundary & Topographic Survey	$ 85,000.00	$ -		$ -	$ 85,000.00	$ -	$ -
Legal	$ 494,746.00	$ -		$ -	$ 494,746.00	$ -	$ -
Developer Fee	$ 3,000,000.00	$ -		$ -	$ 3,000,000.00	$ -	$ -
Project Management	$ 153,700.00	$ -		$ -	$ 153,700.00	$ -	$ -
Technical Assistance	$ -	$ -		$ -	$ -	$ -	$ -
Other:	$ -	$ -		$ -	$ -	$ -	$ -
SUBTOTAL	$ 5,278,446.00	$ -	$ -	$ -	$ 5,278,446.00	$ -	$ -
Other Development							
Real Estate Tax	$ -	$ -		$ -	$ -	$ -	$ -
Insurance	$ 1,105,113.00	$ -		$ -	$ 1,105,113.00	$ -	$ -
Relocation	$ -	$ -		$ -	$ -	$ -	$ -
Permits, Fees & Hookups	$ 624,334.00	$ -		$ -	$ 624,334.00	$ -	$ -
Impact/Mitigation Fees	$ 731,698.00	$ -		$ -	$ 731,698.00	$ -	$ -
Development Period Utilities	$ -	$ -		$ -	$ -	$ -	$ -
Construction Loan Fees	$ 244,000.00	$ -		$ -	$ 244,000.00	$ -	$ -
Construction Interest	$ 2,590,000.00	$ -		$ -	$ 270,298.00	$ -	$ 2,319,702.00
Other Loan Fees (State HF, etc.)	$ -	$ -		$ -	$ -	$ -	$ -
LIHTC Fees	$ 165,000.00	$ -		$ -	$ 165,000.00	$ -	$ -
Accounting/Audit	$ 40,000.00	$ -		$ -	$ 40,000.00	$ -	$ -
Marketing/Leasing Expenses	$ 94,500.00	$ -		$ -	$ 94,500.00	$ -	$ -
Carrying Costs at Rent Up	$ 235,557.00	$ -		$ -	$ 235,557.00	$ -	$ -
Operating Reserves	$ 226,000.00	$ -		$ -	$ 226,000.00	$ -	$ -
Soft Cost Contingecy	$ 700,000.00	$ -		$ -	$ 700,000.00	$ -	$ -
SUBTOTAL	$ 6,756,202.00	$ -	$ -	$ -	$ 4,436,500.00	$ -	$ 2,319,702.00
Total Development Costs	$ 42,133,271.00	$ -	$ 5,000,000.00	$ 5,000,000.00	$ 26,913,569.00	$ 2,900,000.00	$ 2,319,702.00

Sources of Funds	Amount	Comment
First Mortgage Loan (proposed amount)	$ 2,900,000.00	
Amortizing Second Mortgage Loan	$ -	
Deferred Developer Fee	$ 2,319,702.00	
Developer Cash Investment	$ -	
LIHTC Equity	$ 26,913,569.00	
Homekey	$ -	
City of Fresno LHTF	$ 5,000,000.00	
USDA RHS 514	$ 5,000,000.00	
	$ -	
	$ -	
	$ -	
	$ -	
	$ -	
	$ -	
Total Sources of Funds	**$ 42,133,271.00**	

Uses of Funds / Total Development Cost	Amount	Comment
Acquisition Costs	$ -	Applicant will enter into a long term lease with the city at $1 per year.
Site Work Costs	$ -	
Construction / Rehabilitation Costs	$ 30,003,623.00	
Architectural / Engineering Costs	$ 1,315,000.00	
Construction Interest	$ 2,590,000.00	
Other Interim Financing Costs	$ 244,000.00	
Permanent Financing Costs	$ -	
Developer's Fee	$ 3,000,000.00	
Initial Project Reserves	$ 461,557.00	
Project Management Costs	$ -	
Other Development Costs	$ 4,519,091.00	Misc soft costs (i.e. insurance, permits, etc) plus soft cost contingecy
Total Uses of Funds	**$ 42,133,271.00**	

EXHIBIT "D"
EXEMPLAR DECLARATION OF RESTRICTIONS

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Planning and Development Dept.
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, CA 93721-3605

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

The document is exempt from the payment of a recording fee in accordance with Government Code Sections 6103 and 27383.

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS (Declaration) is executed as of this _____ day of _____, 2026, by the 3720 E. Ventura Ave., L.P., a California limited partnership, in favor of the CITY OF FRESNO, a California municipal corporation (CITY).

WHEREAS, the DECLARANT is the leasehold owner of the real estate in the City of Fresno, County of Fresno, California, located South of Ventura Avenue between Seventh Street and Eighth Street, Fresno, CA 93702, which is more particularly described in EXHIBIT "A" – Property Description, attached hereto and made a part hereof, including the improvements thereon (Property); and

WHEREAS, pursuant to a certain City of Fresno Local Housing Trust Fund (LHTF) Agreement dated _____, 2026, incorporated herein by reference (LHTF Agreement) and instruments referenced therein, the DECLARANT agrees to utilize, and the CITY agrees to provide, certain LHTF Funds from the California Department of Housing and Community Development, to the DECLARANT and the DECLARANT agrees to construct a 54-unit affordable rental housing project of which one unit will be reserved for an on-site property manager, and 19 will be LHTF-Assisted Units and reserved as affordable rental housing units available as Extremely Low- and Low-Income Units, subject to the terms and conditions set forth in the LHTF Agreement for Extremely Low to Low-Income Households earning 30-60% of area median income (AMI) of the State income limits referenced by Household Size.

WHEREAS, the LHTF regulations promulgated by the City of Fresno and State Department of Housing and Community Development impose certain affordability requirements upon property owned by the DECLARANT, which affordability restrictions shall be enforceable for a 55-year period; and

WHEREAS, these restrictions are intended to bind the DECLARANT, and all purchasers of the Property and their successors; and

NOW THEREFORE, the 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 Project. 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, covenant, and limitations set forth in this Declaration commencing on the date the DECLARANT is notified by the CITY that the LHTF-Assisted Unit Household information has been obtained and verified, constituting the commencement of the 55-year Affordability Period.

1. Declarations. The 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 LHTF Agreement and are established and agreed upon for the purpose of enhancing and protecting the value of the Property and in consideration of the CITY entering into the LHTF Agreement with the 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 the CITY and shall run with the Property and be binding on any future owners of the Property and inure to the benefit of and be enforceable by CITY. These covenants and restrictions are as follows:

a. The DECLARANT for itself and its successor(s) on title covenants and agrees that from the date of the recordation of the Certificate of Completion, until the expiration of the Affordability Period, it shall cause a minimum of 19 LHTF-Assisted Units to be used as rental affordable housing to Extremely Low- to Low-Income Households. The DECLARANT further agrees to file a recordable document setting forth the Project Completion Date when determined by the CITY. Unless otherwise provided in the Agreement, the term LHTF-Assisted Units shall include, without limitation, compliance with the following requirements:

i. Nondiscrimination. There shall be no discrimination against nor segregation of any persons 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 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. The LHTF-Assisted Units shall be leased only to eligible natural persons, who shall occupy the LHTF-Assisted Units as the tenants' principal place of residence. The forgoing requirement that the tenant of unit occupy the unit as their principal residence does not apply to (i) persons, other than natural persons, who acquire the Project Property or portion thereof by foreclosure or deed in lieu of foreclosure; or qualified entities that acquire the Property or portion thereof with the consent of the CITY.

iii. Household Income Requirements. The 19 LHTF-Assisted Units constructed on the Project Property may be rented only to a natural person(s) whose annual

Household income at the time of rental is 30-60% of area median income (AMI) of the State income limits referenced by Household Size.

Item (a) above is hereinafter referred to as the Covenant and Restriction.

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 Restriction. The acceptance of a deed of conveyance to the Property shall constitute an agreement that the Covenant and Restriction, as may be amended or supplemented from time to time, are accepted and ratified by 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 affordability. However, the requirements with respect to a LHTF-Assisted Unit 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 of those with whom the former owner has or had formally, 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 of 55 years from the date of recordation of the Notice of Completion in the Official Records. The failure or delay at any time of CITY and/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 the DECLARANT or any future owner of the Property to comply with the Covenant and Restriction required by this Declaration, as may be amended from time to time, the CITY shall be entitled to recover its respective costs and reasonable attorney's fees incurred in connection with such default or failure.

7. Waiver. Neither the DECLARANT nor any future Leasehold owner or owner of the Property may exempt itself from liability for failure to comply with the Covenant and Restriction required in this Declaration; provided however, that upon the transfer of the Property, the transferring owner may be released from liability hereunder, upon the 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 Restriction 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 the DECLARANT.

12. Recordation. The 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 LHTF Agreement.

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

15. Declarant Liability. The DECLARANT shall not have any personal liability for the obligations under this Declaration. The sole recourse of the CITY shall be exercised by its rights against the Property pursuant to the Deed of Trust and the CITY shall have no right to seek or recover any deficiency amount from DECLARANT.

///

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

DECLARANT:

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: _____
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: _____
Benjamin Lingo, Member

Notice Address:

3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

(Attach notary certificate of acknowledgment)

EXHIBIT "A"
Legal Description
To Declaration of Restrictions

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled "Plat of Lincoln Hill Addition", recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled "Map of Kenmore Park", recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said "Plat of Lincoln Hill Addition", said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00'00" East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said "Map of Kenmore Park", said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00'00" West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said "Map of Kenmore Park", said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00'00" West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said "Plat of Lincoln Hill Addition"; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00'00" East, 150.00 feet to the POINT OF BEGINNING

EXHIBIT "E"
CERTIFICATE OF COMPLETION

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Planning and Development Department
Housing Finance Division
2600 Fresno Street, Room 3065
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.

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

City of Fresno

By:_____

Planning and Development Department

Date:_____

Certificate of Completion

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

Recitals:

A. By a Local Housing Trust Fund (LHTF) Agreement dated _____, 2026, (LHTF Agreement) between the City of Fresno, a California municipal corporation (CITY), and the 3720 E. Ventura Ave., L.P., a California limited partnership (DEVELOPER), the DEVELOPER agreed to construct 54 affordable rental housing units, of which a total of 19 are to be LHTF-Assisted Units and one on-site manager's unit, and related onsite and offsite improvements upon the Property described in EXHIBIT "A" attached to the LHTF Agreement, and made a part hereof by this reference (Property), with assistance of LHTF while meeting the affordable housing, income targeting and other requirements of the LHTF and according to the terms and conditions of the LHTF Agreement and Loan Documents and other documents/instruments referenced therein.

B. The LHTF Agreement was recorded on _____, 2026, as Instrument No. _____ in the Official Records of Fresno County, California.

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

D. The DEVELOPER has asked the 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 LHTF Agreement.

NOW THEREFORE:

1. The CITY certifies that the DEVELOPER commenced construction of the Project on _____, 20___ and completed construction of the Project on _____, 20___, and has done so in full compliance with the LHTF 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 LHTF Agreement.

///

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

CITY OF FRESNO

By:_____ Date: _____

Planning & Development Department
(Attach notary certificate of acknowledgment)

ATTEST:
AMY K. ALLER
Interim City Clerk

By:_____
_____, Deputy

Date:_____

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By:_____
Tracy N. Parvanian
Assistant City Attorney

Date:_____

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: _____
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: _____
Benjamin Lingo, Member

681886v1

Notice Address:

3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

(Attach notary certificate of acknowledgment)

EXHIBIT "F"
PROMISSORY NOTE

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: $5,000,000.00 Date: _____

Fresno, California

For value received, the undersigned, 3720 E. Ventura Ave., L.P., a California limited partnership, (BORROWER), promises to pay to the order of the City of Fresno, a California municipal corporation, (Lender), the sum of Five Million Dollars ($5,000,000.00), to the extent that such funds are loaned to the BORROWER, with interest on the unpaid principal balance running from the date of disbursement with simple interest at the rate of 3% annually in accordance with the Local Housing Trust Fund (LHTF) Agreement dated _____, 2026, entered into between the Lender and the BORROWER, (Agreement), with the balance of principal and interest due and payable on or before the earlier of (i) the BORROWER's uncured default under the Agreement with respect to the Project, or (ii) 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 equal to 20% 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 180 days following the end of the year in which the Project is completed, 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 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 the Project Residual Receipts did not exist for any particular year. Additionally, any failure to timely submit to Lender annual audited financial statements with the management notes and residual receipts calculation within 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 100% of the sum of: (i) all cash received by the Project from 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), (ii) payments from HUD under a Housing Assistance Program Section 8 Contract, if any, excluding tenant security or other deposits required by law to be segregated and restricted, and interest on reserves not available for distribution, and 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) Operating Expenses (as defined below), (ii) all payments on account of any loans (including unpaid principal and accrued reasonable interest) made for the benefit of the Project by the BORROWER, including the payment of principal and interest, and any associated fees, expenses, and costs, with respect to the senior Financing., and (iii) contributions to any prudent and reasonable cash reserves for working capital, operating expenses, 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, annually adjusted in proportion to the average increase of the following indices (a) the United States Bureau of Labor Statistics for Hourly Wage Rates of all workers in manufacturing, and (b) of all Commodity Wholesale Prices, said indices shall be re-defined to the mutual satisfaction of the parties in the event of change in form and basis of indices, all increases shall use the indices for calendar year 2010 as their base.

Operating Expenses means actual, reasonable and customary (for comparable quality, newly 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 fees (including deferred developer fee) per the Budget, made to the BORROWER, its successors or assigns, limited partner Asset Management Fee, GP Partnership Management Fee, and other actual operating costs and capital costs which are incurred and paid by the BORROWER, but which are not eligible for payment 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.
>
> Note Maturity Date means 55 years from the Note date.

This Note, and any extensions or renewals hereof, is secured by a Deed of Trust and 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 the 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 the BORROWER with respect to any sum payable under this Note and the failure to cure such default within ten days, the BORROWER shall pay a late charge equal to the lesser of 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 the BORROWER and shall accept any cure offered by such limited partners on the same basis as it would accept a cure from Borrower. Any limited partner of BORROWER has the right, but not the obligation, to cure any default on behalf of 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.

The 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 the 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 the 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. The Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of the Lender's rights under 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.

The Lender, with the consent of the BORROWER and the limited partner of BORROWER, 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 the Lender; and the Lender will then be forever relieved from any liability or responsibility in the matter, but the 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 the BORROWER, Lender, and their respective successors and assigns.

The 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 the Lender and BORROWER may consent to in a writing duly signed by the BORROWER or Lender or its authorized agents.

This Note shall be nonrecourse to the BORROWER and all its constituent partners and may be prepaid at any time without penalty. Neither the BORROWER nor any of its general or 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 the Lender shall have no right to seek or recover any deficiency amount from the BORROWER or any partner of the BORROWER.

///

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

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: _____
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: _____
Benjamin Lingo, Member

Notice Address:

3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

(Attach notary certificate of acknowledgment)

EXHIBIT "G"
EXEMPLAR DEED OF TRUST

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Planning and Development Department
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, CA 93721-3605

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

TITLE ORDER NO._____ ESCROW NO._____
A.P.N.: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

LEASEHOLD DEED OF TRUST ASSIGNMENT OF RENTS

THIS DEED OF TRUST (Deed of Trust) made this ____ day of _____, 2026, by and between 3720 E. Ventura Ave., L.P., a California limited partnership (Borrower), (Commonwealth Land Title Company), a California corporation (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 (Beneficiary and Lender).

The Borrower, in consideration of the indebtedness herein recited and the trust herein created, does irrevocably grant and convey to Trustee, in trust, all the Borrower's leasehold interest now owned or hereafter acquired in the real property (Land) known as a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T located South of Ventura Avenue between Seventh Street and Eighth Street, Fresno, CA 93702, located in Fresno County, California and more particularly described in the Attached EXHIBIT "A", incorporated by reference 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 the Borrower in this Deed of Trust to collect and apply the rents, issues, and profits; and

The Borrower also irrevocably grants, transfers, and assigns to the Trustee, in trust, all of the Borrower's leasehold interest now owned or later acquired in 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; and

(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 the Beneficiary determines:

(1) Payment of the indebtedness evidenced by a note of the Borrower of even date with this Deed of Trust in the principal amount of Five Million Dollars ($5,000,000) (Note), payable to the 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 the Beneficiary or the Trustee pursuant to the terms of this Deed of Trust;

(4) Performance of every obligation contained in this Deed of Trust, the Note, the Local Housing Trust Fund Agreement dated the ___ of _____, 2026 (LHTF Agreement), and its related documents, the Declaration of Restrictions dated the ___ of _____, 2026, 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.

The Borrower covenants that it is lawfully seized of the estate hereby conveyed and has the right to grant and convey its interest, including but not limited to its leasehold interest in the Property and that the Property is unencumbered except for encumbrances of record. The Borrower covenants that the 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. The

Borrower covenants that the Borrower will maintain and preserve the lien of this Deed of Trust until all the indebtedness under the Note is paid in full.

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

The Borrower represents and warrants to the 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 the Borrower, or any indenture, agreement, or any other instrument to which the Borrower is a party or by which the 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 the Borrower, except as contemplated by the provisions of the Loan Documents; and each of the Loan Documents, when executed and delivered to the Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

The Borrower represents and warrants to the Beneficiary that as of the date of this Deed of Trust that the Property is not used principally for agricultural or grazing purposes; that the Borrower is engaged in the development and operation of Improvements to the Property; and that the principal purpose of the Loan is the construction of a 54-unit affordable rental housing development and improvements to the Property.

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

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

2. Hazard Insurance. The Borrower, at its sole cost and expense, for the mutual benefit of the Borrower and Beneficiary, shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as the Lender may require, and in such amounts, and for such periods as the Lender may require as set forth in the LHTF Agreement referenced above. The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the Lender and shall include a standard mortgage clause in favor of and in a form acceptable to the Lender. The 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, the Borrower shall give prompt notice to the insurance carrier and the Lender. The Lender may make proof of loss if not made promptly by the Borrower. If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the Lender within 30 days from the date notice is mailed by the Lender to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Lender is authorized to collect and apply the insurance proceeds at the 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. The 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, the Borrower shall perform all of the 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. The 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 the 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 the Lender's interest in the Property, then the Lender, at the Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect the Lender's interest. If the 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 the Borrower's and Lender's written agreement or applicable laws. Any amounts disbursed by the Lender pursuant to this Paragraph 4 shall become additional indebtedness of the Borrower secured by this Deed of Trust. Unless the Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof. Nothing contained in this paragraph 4 shall require the Lender to incur any expense or take any action hereunder.

5. Inspection. The Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that the Lender shall provide the Borrower notice prior to any such inspection specifying reasonable cause therefore related to the 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 the 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. The extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by the Lender to any successor in interest of the Borrower shall not operate to release, in any manner, the liability of the original Borrower and the Borrower's successors in interest. The 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 the Borrower's successors in interest. Any forbearance by the 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 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 the Lender and the Borrower. All covenants and agreements of the Borrower shall be joint and several. Any borrower who co-signs this Deed of Trust, but does not execute the Note is: (a) co-signing this Deed of Trust only to grant and convey that the Borrower's interest in the Property of Trustee under the terms of this Deed of Trust, and (b) 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 the Beneficiary for making the Loan is the identity of the Borrower. The existence of any interest in the Property other than the interests of the Borrower and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of the Beneficiary, and the existence of any interest in the Borrower other than those of the present owners, would impair the Property and the security interest of the Beneficiary, and, therefore, except as provided herein or in the Loan Documents, the 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 the Beneficiary. The consent to one transaction by the Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If the Borrower is a corporation, any sale, transfer, or disposition of 50% or more of the voting interest of the Borrower or of any entity that directly or indirectly owns or controls the Borrower, including, without limitation, the parent company of the Borrower, and the parent company of the parent company of the Borrower, will constitute a sale of the Borrower’s interest in the Property for purposes of this article. Except as permitted in Section 16 hereof, if the Borrower is a partnership any change or addition of a general partner of the Borrower, change of a partnership interest of the Borrower with the exception of a limited partner transfer, which shall not require the Beneficiary’s consent, or sale, transfer, or disposition of 50% or more of the voting interest or partnership interest of any general partner of the Borrower or of any corporation, partnership or entity that directly or indirectly owns or controls any general partner of the Borrower, including, without limitation, each parent company of a general partner of the Borrower and each parent company of any parent company

of a general partner of the Borrower, will constitute a sale of the Borrower's interest in the Property for purposes of this section. If the Borrower is a limited liability company, any change of the manager or any sale, transfer or disposition of 50% or more of the partnership interests of the Borrower, or disposition of 50% or more of the voting interest of the Borrower or of any corporation, partnership or entity that directly or indirectly owns or controls any member of the Borrower, including without limitations, each parent company of the Borrower and each parent company of any parent company of a member of the Borrower, will constitute a sale of the Borrower's interest in 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 the Borrower and to the limited partner of Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to the Borrower at the Property Address or at such other address as the Borrower may designate by notice to the Lender as provided herein, and (b) any notice to the Lender shall be given by certified mail to the Lender's address stated herein or to such other address as the Lender may designate by notice to the Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to the 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. The Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation thereof.

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

13. Acceleration; Remedies. Upon the Borrower's breach of any covenant or agreement of the 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, the Lender, prior to acceleration shall give notice to the Borrower and to the limited partner of 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 ten days from

the date notice is mailed to the Borrower, by which such breach must be cured or 30 days for a non-monetary default; 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 Borrower's interest in the Property. The notice shall further inform the 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 the Borrower to acceleration and sale of the Borrower's interest in the Property. If the breach is not cured on or before the date specified in the notice, the Lender, at the 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 of the Borrower's interest in the Property and any other remedies permitted by applicable law. The 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 the Lender invokes the power of sale, the Lender shall execute or cause the Trustee to execute a written notice of the occurrence of an event of default and of the Lender's election to cause the Borrower's interest in 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. The Lender or the Trustee shall mail copies of such notice in the manner prescribed by applicable law. The 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, the Trustee, without demand on the Borrower, shall sell the Borrower's interest in 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. The Trustee may postpone sale of all or any part of the Borrower's interest in the Property by public announcement at the time and place of any previously scheduled sale. The Lender or the Lender's designee may purchase the Borrower's interest in the Property at any sale. The Trustee shall deliver to the purchaser the Trustee's deed conveying the Borrower's interest in 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. The 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 the Lender's acceleration of the sums secured by this Deed of Trust due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Lender to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Borrower's interest in 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) the Borrower pays the Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) the Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) the Borrower pays all reasonable expenses incurred by the 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) the Borrower takes such action as the Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and the Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by the 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 the Borrower, nor any of Borrower's 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. The General Partner of the Borrower may be removed pursuant to the terms of a partnership agreement due to violation by a general partner of the 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. The 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, the Borrower hereby assigns to the Lender the rents of the Property, provided that the Borrower shall, prior to acceleration under paragraph 13 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, the 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 the 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. The 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, the Lender shall request the Trustee to reconvey the Borrower's interest in the Property and shall surrender this Deed of Trust, and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. The Trustee shall reconvey the Borrower's interest in

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. The Lender at the Lender's option, may from time to time, appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by the Lender and recorded in the Fresno County Recorder's Office. The instrument shall contain the name of the original the 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. The Lender may collect a fee not to exceed fifty dollars ($50.00) 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) the Borrower's limited partners shall have an additional period of not less than 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 30 days, the Borrower's limited partner shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than 90 days from the expiration of the initial 30 day period above, and if the Borrower's limited partners reasonably believe that in order to cure such default, the Borrower's limited partner must remove one or more of the Borrower's general partners in order to cure such default, the Borrower's limited partner 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 LHTF 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 the 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 the Beneficiary.

(d) The assignment by the 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 the 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 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 the Borrower, Beneficiary, any tenants of the Borrower, and any one listed in a title exception approved by the Beneficiary in writing; or

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

(f) Default under any agreement to which the Borrower is a party, which agreement relates to the borrowing of money by the Borrower from Beneficiary, subject to applicable notice and cure periods.

(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 the Borrower or any stockholder or partner of the Borrower, or the 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, subject to Section 10.2 of the LHTF Agreement, then the 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 the Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of the Borrower, or the existence of waste, enter on and take possession of the Borrower's interest in 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 the 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;

(iii) deliver to the Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Borrower's interest in the Property to be sold, which notice the Trustee or the 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 the 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 the Beneficiary's rights and remedies; or

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

23. Protection of Security. If an Event of Default occurs and is continuing after notice to the Borrower, the Beneficiary or Trustee, without further notice to or demand upon the Borrower, and without releasing the 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.

The Borrower agrees to repay on demand all sums expended by the Trustee or the 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.

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

(a) a "mortgagee-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.

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

///

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.

BORROWER:

3720 E. VENTURA AVE., L.P.,
a California limited partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: _____
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: _____
Benjamin Lingo, Member

Notice Address:

3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

(Attach notary certificate of acknowledgment)

EXHIBIT "A"
Legal Description
To Deed of Trust

APN: a portion of previous APN: 470-052-02T and a portion of previous 470-052-03T

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

Being all of Lots 8 through 19 and a portion of a 15.4-foot wide alley, Block 2, as shown on that certain Map entitled "Plat of Lincoln Hill Addition", recorded July 16, 1888 in Volume 1 of Plats at Page 71, Fresno County Records, together with all of Lots 1 through 7, Block 8, as shown on that certain Map entitled "Map of Kenmore Park", recorded November 08, 1911 in Volume 7 of Record of Surveys at Page 4 of, Freno County Records described as follows:

BEGINNING at the intersection of the southerly right-of-way line of East Cesar Chavez Boulevard (formally Ventura Avenue) and the westerly right-of-way line of South Eighth Street (formally Jefferson Avenue), as said streets are shown on said "Plat of Lincoln Hill Addition", said point also being the northeasterly corner of Lot 13, Block 2; Thence, along the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue), South 00°00'00" East, 490.40 feet to the intersection of the westerly right-of-way line of said South Eighth Street (formally Jefferson Avenue) with the northerly right-of-way line of East El Monte Way (formerly Burness Avenue) as said streets are shown on said "Map of Kenmore Park", said point also being the southeasterly corner of said Lot 7, Block 8; Thence, along said northerly right-of-way line of East El Monte Way (formerly Burness Avenue), North 90°00'00" West, 150.00 feet to intersection of northerly right-of-way line of said East El Monte Way (formerly Burness Avenue) with the easterly right-of-way line of a 20-foot wide Alley as said streets are shown on said "Map of Kenmore Park", said point also being the southwesterly corner of said Lot 7, Block 8; Thence along the easterly right-of-way line of said Alley, North 00°00'00" West, 490.40 feet to the southerly right of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), as said street is shown on said "Plat of Lincoln Hill Addition"; Thence, along the southerly right-of-way line of said East Cesar Chavez Boulevard (formally Ventura Avenue), North 90°00'00" East, 150.00 feet to the POINT OF BEGINNING

The following is a copy of provisions (1) to (14), inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein

To Protect the Security of This Deed of Trust, Trustor (Borrower) Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violations of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to the Beneficiary fire insurance satisfactory to and with loss payable to the Beneficiary. The amount collected under any fire or other insurance policy may be applied by the Beneficiary upon indebtedness secured hereby and in such order as the Beneficiary may determine, or at option of the Beneficiary the entire amount so collected or any part thereof may be released to the Borrower. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee, and to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Beneficiary or the Trustee may appear, and in any suit brought by the Beneficiary to foreclose this Deed of Trust.

(4) To pay at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees, and expenses of this Trust.

Should the Borrower fail to make any payment or to do any act as herein provided, then the Beneficiary or the Trustee, but without obligation to do so and without notice to or demand upon the Borrower and without releasing the Borrower from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof the Beneficiary or the Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising

any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by the Beneficiary or the Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to the Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, the Beneficiary does not waive its rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of the Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, the Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of the Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to the Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto." Five (5) years after issuance of such full reconveyance, the Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, the Borrower hereby gives to and confers upon the Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto the Borrower the right, prior to any default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto the Borrower the right, prior to any default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and

take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees. Upon any indebtedness secured hereby, and in such order as the Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder. The Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice the Trustee shall cause to be filed for record. The Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, the Trustee, without demand on the Borrower, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. The Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including the Borrower, Trustee, or the Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of the Trustee and of this Trust, including cost of evidence of title in connection with sale, the Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) The Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Borrower, Trustee and the Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as the Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which the Borrower, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD
REQUEST FOR FULL RECONVEYANCE
To be used only when note has been paid:
To _____Title Company, Trustee:
Dated _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums 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 all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:
By _____
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.

LICENSE AND RIGHT OF ENTRY AGREEMENT
717 S. Seventh Street
FRESNO, CALIFORNIA 93721
APN 470-052-02T

This License and Right of Entry Agreement (the "Agreement") is entered on _____, 2026 by and between the CITY OF FRESNO, a California municipal corporation, (the "City") and 3720 E. Ventura Ave., L.P., a California Limited Partnership (together with its successors, the "Licensee") (individually a "Party," collectively referred to as the "Parties").

RECITALS

A. The City is owner in fee of a portion of the Assessor's Parcel Number ("APN") 470-052-02T (the "Subject Property") situated at 717 S. Seventh Street, in the City of Fresno, California.

B. The Licensee wishes to utilize the Subject Property as a construction laydown yard, including staging of materials, equipment storage, contractor parking, and other temporary construction support uses.

C. The City desires to allow Licensee temporary access to the Subject Property for the purpose of establishing and operating a construction laydown yard in support of construction activities on the adjacent parcel.

D. The Licensee acknowledges that this Agreement is temporary, to allow the Licensee to proceed with the additional testing on the Subject Property as directed by the City. The term of the Agreement is more particularly described in Section 3 of the Agreement below.

NOW, THEREFORE, the City and the Licensee do hereby agree as follows:

AGREEMENT

1. **Recitals.** Each and all of the foregoing recitals of background facts are incorporated herein by this reference as though set forth herein.

2. **Right of Entry**. The City hereby grants to the Licensee and its agents, employees, and contractors the right to enter upon the portion of the Subject Property described in Exhibit "A" (the "Construction Laydown Yard") for the purpose of a construction laydown yard. Authorized uses include, but is not limited to the following activities:

- Staging and storage of construction materials
- Storage of construction equipment and machinery
- Contractor and subcontractor parking
- Temporary placement of construction trailers
- Installation of temporary fencing, signage, and safety barriers as necessary.

3. **Term.** This Agreement shall commence upon its duly authorized execution by the City and remain in effect for a period of twenty-four (24) months from that date. The Agreement may be extended for additional twelve (12) month period provided the Licensee has not violated any of the terms of the Agreement and with the City's written consent, such consent not to be unreasonably withheld, conditioned or delayed, by Licensee providing a thirty (30) day written notice to exercise such additional period until completion of the Construction. This Agreement is subordinate to all prior or future rights and obligations of the City in the Subject Property, except that the City shall grant no rights inconsistent with the reasonable exercise by the Licensee of its rights under this Agreement.

4. **Licensee's Obligation.** At the conclusion of the Construction, the Licensee will return the utilized property clean and clear of any construction materials and debris and in its original condition.

5. **Limitations on Use.**

5.1 Licensee's use of the Licensed Property shall be limited to use for the Equipment Storage and use reasonably and incidentally related thereto.

5.2 Licensee shall not install any permanent improvements on the Licensed Property. Should Licensee desire to make temporary improvements, Licensee shall provide five (5) days written notice to City detailing the desired changes, approval of which shall not be unreasonably withheld.

5.3 Licensee is prohibited, without limitation, from increasing the permitted use on the Licensed Property.

5.4 Licensee shall comply with all applicable terms, conditions and requirements of the City's policies regarding use of public property and other City rules and regulations. Licensee shall comply with all applicable laws and regulations of the federal, state, county, local governments and all administrative agencies thereof which may have jurisdiction over Licensee's use of the Licensed Property.

5.5 Licensee shall not cause or permit any Hazardous Material to be used, stored, transported, generated, or disposed in or about the Licensed Property by Licensee or Licensee's agents, employees, contractors, licensees, or invitees. "Hazardous Material" means any hazardous, toxic, or infectious substance, material, or waste which is or becomes regulated by any local governmental entity, the State of California, or the United States Government under any law, regulation or ordinance regulating or controlling any Hazardous Material (the "Hazardous Materials Laws"), including, without limitation, any material, or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under California Health and Safety Code §§ 25115, 25117 or 25122.7, or listed pursuant to California Health and Safety Code § 25140, (ii) defined as a "hazardous substance" under California Health

and Safety Code § 25316, (iii) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under California Health and Safety Code § 25501 (v) defined as a "regulated medical waste" under 40 C.F.R. § 259.10(a) or § 259.30, (v) petroleum or petroleum product, (vi) asbestos, (vii) designated as a "hazardous substance" pursuant to § 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (ix) defined as a "hazardous waste" pursuant to § 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903), or (x) defined as a "hazardous substance" pursuant to § 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

6. **Indemnification.** To the furthest extent allowed by law, LICENSEE shall indemnify, defend and hold harmless CITY and each of its officers, officials, employees, agents, and volunteers from any and all claims, demands, actions in law or equity, loss, liability, fines, penalties, forfeitures, interest, costs including legal fees, and damages (whether in contract, tort, or strict liability, including but not limited to personal injury, death at any time, property damage, or loss of any type) arising or alleged to have arisen directly or indirectly out of (1) any voluntary or involuntary act or omission, (2) error, omission or negligence, or (3) the performance or non-performance of this Contract . LICENSEE'S obligations as set forth in this section shall apply regardless of whether 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 or sole negligence, or the willful misconduct, of CITY or any of its officers, officials, employees, agents or volunteers.

To the fullest extent allowed by law, and in addition to the express duty to indemnify, LICENSEE, whenever there is any causal connection between the LICENSEE's performance or non-performance of the work or services required under this Contract and any claim or loss, injury or damage of any type, LICENSEE expressly agrees to undertake a duty to defend CITY and any of its officers, officials, employees, agents, or volunteers, as a separate duty, independent of and broader that the duty to indemnify. The duty to defend as herein agreed to by LICENSEE expressly includes all costs of litigation, attorneys fees, settlement costs and expenses in connection with claims or litigation, whether or not the claims are valid, false or groundless, as long as the claims could be in any manner be causally connected to LICENSEE as reasonably determined by CITY.

Upon the tender by CITY to LICENSEE, LICENSEE shall be bound and obligated to assume the defense of CITY and any of its officers, officials, employees, agents, or volunteers, including the a duty to settle and otherwise pursue settlement negotiations, and shall pay, liquidate, discharge and satisfy any and all settlements, judgments, awards, or expenses resulting from or arising out of the claims without reimbursement from CITY or any of its officers, officials, employees, agents, or volunteers.

It is further understood and agreed by LICENSEE that if CITY tenders a defense of a claim on behalf of CITY or any of its officers, officials, employees, agents, or volunteers and LICENSEE fails, refuses or neglects to assume the defense thereof, CITY and its officers, officials, employees, agents, or volunteers may agree to compromise and settle

or defend any such claim or action and LICENSEE shall be bound and obligated to reimburse CITY and its officers, officials, employees, agents, or volunteers for the amounts expended by each in defending or settling such claim, or in the amount required to pay any judgment rendered therein.

The defense and indemnity obligations set forth above shall be direct obligations and shall be separate from and shall not be limited in any manner by any insurance procured in accordance with the insurance requirements set forth in this Contract. In addition, such obligations remain in force regardless of whether CITY provided approval for, or did not review or object to, any insurance LICENSEE may have procured in a accordance with the insurance requirements set forth in this Contract. The defense and indemnity obligations shall arise at such time that any claim is made, or loss, injury or damage of any type has been incurred by CITY, and the entry of judgment, arbitration, or litigation of any claim shall not be a condition precedent to these obligations.

The defense and indemnity obligations set forth in this section shall survive termination or expiration of this Contract.

If LICENSEE should subcontract all or any portion of the work to be performed under this Contract, LICENSEE shall require each subcontractor to Indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms as set forth above.

Notwithstanding anything to the contrary in this Section 6, in the event a successor to LICENSEE acquires the interest of LICENSEE under this Agreement by foreclosure, deed in lieu of foreclosure, or other exercise of remedies under a deed of trust encumbering the adjacent parcel, such successor shall not be liable for any indemnification obligations arising out of or related to any acts, omissions, or events occurring prior to the date such successor acquires title to the adjacent parcel.

7. **Insurance.**

(a) Throughout the life of this Agreement, LICENSEE shall pay for and maintain in full force and effect all insurance as required herein with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by CITY'S Risk Manager or his/her designee at any time and in his/her sole discretion. The required policies of insurance as stated herein shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Agreement or any extension, LICENSEE or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to LICENSEE 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

this Agreement. No action taken by CITY pursuant to this section shall in any way relieve LICENSEE of its responsibilities under this 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.

(c) The fact that insurance is obtained by LICENSEE shall not be deemed to release or diminish the liability of LICENSEE, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify 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 LICENSEE. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of LICENSEE, vendors, suppliers, invitees, contractors, sub-contractors, subcontractors, or anyone employed directly or indirectly by any of them.

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage 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 not less than those set forth under "Minimum Limits of Insurance."

2. The most current version of ISO *Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

MINIMUM LIMITS OF INSURANCE

LICENSEE shall procure and maintain for the duration of the contract insurance with limits of liability not less than those set forth below. However, insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified herein or the full limit of any insurance proceeds available to the named insured:

1. COMMERCIAL GENERAL LIABILITY

   (i) $1,000,000 per occurrence for bodily injury and property damage;

   (ii) $1,000,000 per occurrence for personal and advertising injury;

   (iii) $2,000,000 aggregate for products and completed operations; and,

(iv) $2,000,000 general aggregate applying separately to the work performed under the Agreement.

2. COMMERCIAL AUTOMOBILE LIABILITY

$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation Insurance as required by the State of California with statutory limits and EMPLOYER'S LIABILITY with limits of liability not less than:

(i) $1,000,000 each accident for bodily injury;

(ii) $1,000,000 disease each employee; and,

(iii) $1,000,000 disease policy limit.

4. CONTRACTORS' POLLUTION LEGAL LIABILITY with coverage for bodily injury, property damage or pollution clean-up costs that could result from of pollution condition, both sudden and gradual. Including a discharge of pollutants brought to the work site, a release of pre-existing pollutants at the site, or other pollution conditions with limits of liability of not less than the following:

(i) $1,000,000 per occurrence; and,

(ii) $2,000,000 general aggregate per annual policy period.

(a) In the event this Agreement involves the transportation of hazardous material, either the Commercial Automobile policy or other appropriate insurance policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by LICENSEE pursuant to the Agreement.

UMBRELLA OR EXCESS INSURANCE

In the event LICENSEE purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

LICENSEE shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and LICENSEE shall also be responsible for payment of any self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

(i) All policies of insurance required herein 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 days written notice has been given to CITY, except ten (10) days for nonpayment of premium. LICENSEE is also responsible for providing written notice to the CITY under the same terms and conditions. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, LICENSEE 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, LICENSEE shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than seven (7) calendar days following to the expiration date of the expiring policy.

(ii) The Commercial General, Pollution and Automobile Liability insurance policies shall be written on an occurrence form.

(iii) The Commercial General, Pollution and Automobile Liability insurance policies shall be endorsed to name City, its officers, officials, agents, employees and volunteers as an additional insured for all ongoing and completed operations. The Commercial General endorsements must be as broad as that contained in ISO Form: CG 20 26 04 13.

(iv) The Commercial General, Pollution and Automobile Liability insurance shall contain, or be endorsed to contain, that the LICENSEES' insurance shall be primary to and require no contribution from the City. Coverage under the General Liability policy shall be as broad as that contained in ISO Form CG 20 01 04 13. These coverages shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers.

(v) If LICENSEE maintains higher limits of liability than the minimums shown above, City requires and shall be entitled to coverage for the higher limits of liability maintained by LICENSEE.

(vi) Should any of these policies provide that the defense costs are paid within the Limits of Liability, thereby reducing the available limits by defense costs, then the requirement for the Limits of Liability of these policies will be twice the above stated limits.

(vii) All policies of insurance shall contain, or be endorsed to contain, a waiver of subrogation as to CITY, its officers, officials, agents, employees and volunteers.

PROVIDING OF DOCUMENTS

LICENSEE shall furnish CITY with all certificate(s) and applicable endorsements effecting coverage required herein All certificates and applicable endorsements are to be received and approved by the CITY'S Risk Manager or his/her designee prior to CITY'S execution of the Agreement and before work commences. All non-ISO endorsements amending policy coverage shall be executed by a licensed and authorized agent or broker. Upon request of CITY, LICENSEE shall immediately furnish CITY with a complete copy of any insurance policy required under this 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. All subcontractors working under the direction of LICENSEE shall also be required to provide all documents noted herein.

SUBCONTRACTORS

If LICENSEE subcontracts any or all of the services to be performed under this Agreement, LICENSEE shall require, at the discretion of the CITY Risk Manager or designee, subcontractor(s) to enter into a separate Side Agreement with the City to provide required indemnification and insurance protection. Any required Side

Agreement(s) and associated insurance documents for the subcontractor must be reviewed and preapproved by CITY Risk Manager or designee. If no Side Agreement is required, LICENSEE will be solely responsible for ensuring that it's subcontractors meet all insurance requirements required herein..

8. **Notice of Access.** The Licensee agrees to give the City not less than five (5) business days advance written notice of intent to access the Subject Property specifying the date and time of entry upon the Subject Property and the scope of work whenever reasonably possible and except for emergency situations where delayed access would result in damage to equipment, environmental safety concerns. The Developer shall provide weekly schedules of anticipated access activity. Separate approval shall not be required for each entry, provided such access remains within the scope and term of this Agreement.

9. **Accessibility of Parcel.** The Licensee agrees and warrants that its agents, employees, contractors, and subcontractors shall comply with the directions of any governmental authorities, pay all fees and charges required by the City and the requirements of the City that relate in any fashion to safety or the regulation of traffic or parking on the Subject Property. If the City reasonably believes that the Licensee's agents, employees, contractors and subcontractors pose a threat to safety, are impeding parking or traffic (except as necessary for the performance of this Agreement) or are otherwise not in compliance with the terms of this Agreement or the terms of the Construction, the City may direct the Licensee's agents, employees, contractors, and subcontractors to cease and desist and/or to leave the Subject Property, and the Licensee's agents, employees, contractors and subcontractors shall promptly comply with such request after taking reasonable precautions to secure the ongoing Construction. The City will reasonably cooperate with the Licensee and its agents, employees, contractors, and subcontractors to allow the work and Construction to proceed as described.

10. **Liens.** The Licensee shall not permit to be placed against the Subject Property, or any part thereof, any design professionals', mechanics, material men's, contractors', or subcontractors' liens with regard to the Licensee's actions upon the Subject Property. The Licensee agrees to hold the City harmless for any loss or expense, including reasonable attorney fees and costs arising from any such liens, which might be filed against the Subject Property.

11. **Compliance with Laws/Permits.** The Licensee shall in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents, and employees to comply with all federal, state and local laws, statues, orders, ordinances, rules, regulations, plans policies and decrees. Without limiting the generality of the foregoing, the Licensee at its sole cost and expense shall obtain any and all permits which may be required by any law, regulation, or ordinance for any Construction the Licensee desires to conduct or have conducted pursuant to this Agreement.

The Parties shall implement this Agreement in accordance with all applicable Federal, State and City laws, ordinances and codes. Pursuant to Section 21.7(a) of Title 49, Code of Federal Regulations, the Parties shall comply with all elements of Title VI of the Civil Rights Act of 1964. This requirement under Title VI and the Code of Federal

Regulations is to complete the USDOT Non-Discrimination Assurance requiring compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R. Parts 21 and 28 C.F.R. Section 50.3.

Further, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that is the subject of this Agreement.

12. **Inspection.** The City and its representatives, employees, agents or independent contractors may enter and inspect the Subject Property or any portion at any time and from time to time at reasonable times to verify the Licensee's compliance with the terms and conditions of this Agreement.

13. **Not Real Property Interest.** It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, lease, fee, or other interest in the Subject Property to the Licensee. This Agreement is not exclusive, and the City specifically reserves the right to grant other rights of entry within the vicinity of the Subject Property.

14. **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 in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

15. **Revocable Licenses and Termination.** Notwithstanding any improvements made by the Licensee to the Subject Property or any sums expended by the Licensee in furtherance of this Agreement, the right of entry granted herein is revocable and may be terminated by the City in accordance with the terms of this Agreement. This Agreement may be terminated at any time prior to the commencement of the Construction by either Party upon five (5) business days prior notice in writing to be served upon the other Party.

16. **No Assignment.** This Agreement is personal to the Licensee and shall not be assigned. Any attempt to assign this Agreement shall automatically terminate it. No legal title or leasehold interest in the Subject Property is created or vested in the Licensee by the grant of this right of entry. Notwithstanding the foregoing, nothing in this Section 16 shall prohibit or restrict the holder of a deed of trust encumbering the adjacent parcel (or its successors or assigns) from succeeding to the interest of Licensee under this Agreement by foreclosure, deed in lieu of foreclosure, or other exercise of remedies under such deed of trust, and any such succession shall not constitute an assignment for purposes of this Section 16.

17. **Notices.** Any notice required or intended to be given to either Party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the Party to which notice is to be given at the Party's address set forth on the signature page of this Agreement or at such other address as the Parties may from time to time designate by written notice. Notice served by United

States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.

CITY: City of Fresno
Attn: Phil Skei, Assistant Director, Planning and Development
2600 Fresno Street, Room 3065
Fresno, CA 93721
(559) 621-8012, email: Philip.Skei@fresno.gov

LICENSEE: 3720 E. Ventura Ave., L.P.
c/o Corporation for Better Housing
20750 Ventura Blvd., Suite 155
Woodland Hills, CA 91364
Attention: Executive Director

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nichole Berklas

18. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, excluding however, any conflicts of laws rule which would apply the law of another jurisdiction. Venue for purposes of filing any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

19. **Entire Agreement.** Each of the Exhibits referred to in this Agreement is incorporated into and made a part of this Agreement. This Agreement constitutes the entire Agreement between the Licensee and the City relating to the right of entry. Any prior agreements, promises, negotiations, or representations not expressly set forth herein are of no force and effect. Any amendment shall be of no force and effect unless it is in writing and signed by the Licensee and the City.

20. **Severability.** The provisions of this Agreement are severable. The invalidity, or unenforceability, of any provision in this Agreement will not affect the other provisions.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement at Fresno, California, on the day and year first above written.

CITY OF FRESNO,
a California municipal corporation

By:_____
Georgeanne A. White Date
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: Signed by: Brent Richardson 538D38920F114F5... 6/1/2026
Brent Richardson Date
Deputy City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

3720 E. Ventura Ave., L.P., a California Limited Partnership

By: Ventura MGP LLC,
a California limited liability company,
its managing general partner

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its manager

By: DocuSigned by: Lori Koester ED1B7E4432AD485... _____
Lori Koester, Executive Director

By: Integrated Community Development, LLC,
a California limited liability company,
its administrative general partner

By: DocuSigned by: Benjamin Lingo 95C24DA336EE4A5... _____
Benjamin Lingo, Member

Attachments:

Exhibit A: Depiction of Laydown Area

EXHIBIT A

DEPICTION OF LAYDOWN AREA

A portion of APN 470-052-02T

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

Lots 4, 5, 6, 7, 20, 21, 22, and 23, in Block 2 of the Lincoln Hill Addition to the Town, (now City) of Fresno, County of Fresno, State of California, according to the map recorded in Book 1, Page 71 of Plats, in the office of the County Recorder of said County;

Lots 4, 5, 6, 7, 8, 9, and 10 in Block 10 of Kenmore Park, in the City of Fresno, County of Fresno State of California, according to the map thereof recorded in Book 7, Page 4 of Record of Surveys, in the office of the County Recorder of said County;

Lots 1, 2, 3, and 4 in Block 9 of Kenmore Park, in the City of Fresno, County of Fresno State of California, according to the map thereof recorded in Book 7, Page 4 of Record of Surveys, in the office of the County Recorder of said County;

Disclaimer: All lots described herein are legal, unmerged lots that remain independently viable for sale, lease, and other lawful conveyances. Any future development or use of the lots is subject to compliance with all applicable local building codes, zoning ordinances, and land use regulations.

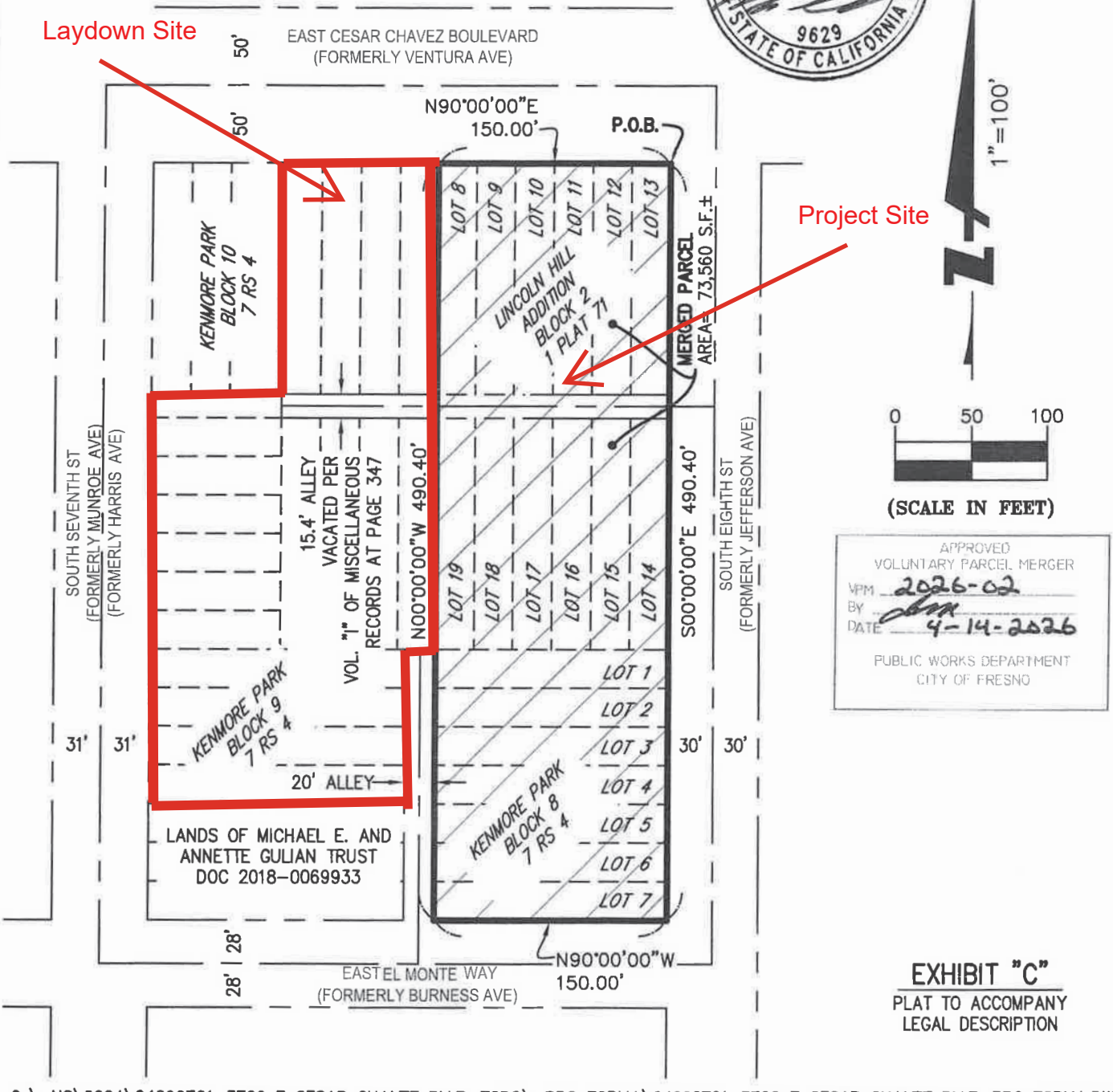
LEGEND

MERGED PARCEL
CENTERLINE
RIGHT-OF-WAY/LOT LINE
HISTORIC LOT LINE
P.O.B. POINT OF BEGINNING

SURVEY NOTES

ALL DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.

LICENSED LAND SURVEYOR
BRIAN CASS
9629
STATE OF CALIFORNIA



APPROVED
VOLUNTARY PARCEL MERGER
VPM 2026-02
BY
DATE 4-14-2026
PUBLIC WORKS DEPARTMENT
CITY OF FRESNO

EXHIBIT "C"

PLAT TO ACCOMPANY
LEGAL DESCRIPTION

C:_NS\2024\24092701_3720 E CESAR CHAVEZ BLVD_TOPO_PRO FORMA\24092701_3720 E CESAR CHAVEZ BLVD_PRO FORMA.DWG

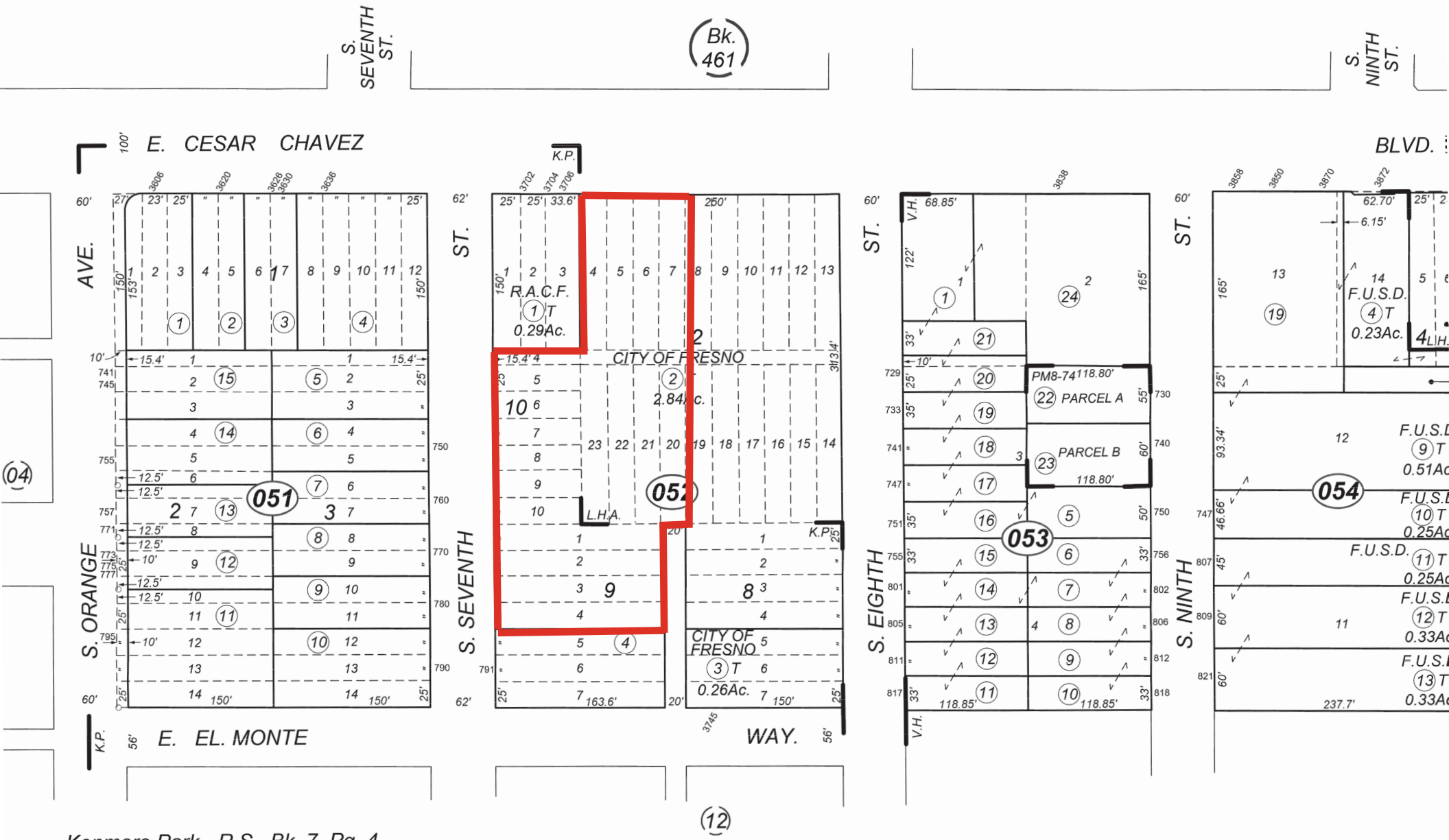
NORTHSTAR SURVEY
WWW.NSSURVEY.NET
669-250-7429

SUBJECT LOT MERGER
3720 E CESAR CHAVEZ BLVD
JOB NO. 24092701 FRESNO, CA
BY BC APPR. BC DATE 03-23-2026
1 OF 1

SUBDIVIDED LAND & POR. SEC. 11, T.14S., R.20E., M.D.B.&M.

-NOTE-
ap is for Assessment purposes only.
t to be construed as portraying legal
hip or divisions of land for purposes
of zoning or subdivision law.

Tax Rate Area
5 - 479
5 - 478
5 - 483
5 - 525



Kenmore Park - R.S. Bk. 7, Pg. 4
Lincoln Hills Addition - Plat Bk. 1, Pg. 71
Parcel Map No. 72-74 - Bk. 8, Pg. 74
Ventura Heights - R.S. Bk. 3, Pg. 3

Note - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Assessor's Map B
County of Fre

MC