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This RLF 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
REVOLVING LOAN FUND
AGREEMENT

by and between

CITY OF FRESNO,
a municipal corporation

and

The Park Partners, LLC
A Limited Liability Company

regarding

The Park at South Stadium
815, 829, 835 Fulton St, Fresno, CA 93721
(APN: 468-282-23T, 468-282-05T, 468-282-22T)

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**CITY OF FRESNO
REVOLVING LOAN FUND
LOAN AGREEMENT**

This Revolving Loan Fund Agreement (Agreement) is entered into on _____, 2026 (Effective Date), by and between the City of Fresno, a California municipal corporation, (CITY), and The Park Partners LLC, a Limited Liability Company (hereinafter referred to as DEVELOPER).

RECITALS

A. WHEREAS, the CITY has received a Revolving Loan Fund (RLF) award from the State of California Department of Housing and Community Development (HCD).

B. WHEREAS, the CITY has elected to utilize the RLF allocation to provide construction loans intended as gap financing (specifically as last-in funds) to support the construction of higher-density multifamily rental housing developments.

C. WHEREAS, the CITY released the Downtown & Chinatown Housing Development Round 2 Notice of Funding Availability (NOFA) on February 13, 2026 for the development of multifamily new construction and/or substantial rehabilitation projects.

D. WHEREAS, in response to the NOFA, the DEVELOPER submitted a qualifying proposal that was selected for the new construction development of a new 8 story, 174-unit multifamily residential building (Project), to be constructed on property owned by the DEVELOPER, as more specifically described in ATTACHMENT 1 – LEGAL DESCRIPTION.

E. WHEREAS, DEVELOPER has adopted a resolution authorizing and approving the submission of DEVELOPER's application for funding under the NOFA; for the development of the Project.

F. WHEREAS, the Project, as defined below, aligns with the goals of the RLF by providing market-rate housing as well as affordable housing that serves a diverse, mixed-income population.

G. WHEREAS, the DEVELOPER desires to act as the owner/developer exercising effective project control, as to the project described in ATTACHMENT 2 - SCOPE OF DEVELOPMENT, incorporated herein.

H. WHEREAS, to further its goal to increase the supply of housing within the City of Fresno, the CITY desires to assist the DEVELOPER by providing a Sixty (60) Month Term Loan in the amount of Eight Million Dollars (\$8,000,000.00), at an interest rate benchmarked at 1.17% plus the 'Effective Federal Funds Rate' (currently 3.64% as of 1/23/26 resulting in a total interest rate of 4.81%), for the Project (the "Loan"). The Loan will be used to finance eligible predevelopment, soft, and hard construction costs for the Project, as further detailed in ATTACHMENT 4 – PROJECT BUDGET AND CASHFLOW STATEMENT and shall be secured by the underlying Property and the applicable covenants attached as ATTACHMENT 6 – EXEMPLAR DECLARATION OF RESTRICTION, and ATTACHMENT 8 – EXEMPLAR PROMISSORY NOTE, all upon the terms and conditions set forth in this Agreement.

I. WHEREAS, the CITY has determined that the Project qualifies as a ministerial project under the California Environmental Quality Act (CEQA) and is therefore exempt from

the preparation of environmental documents pursuant to CEQA Guidelines, Article 18. Statutory Exemptions, Section 15268 (Ministerial Projects).

J. WHEREAS, the CITY has further found that the Project will materially contribute to the Housing Element of the General Plan and 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 market-rate housing as well as affordable housing available to Extremely Low- Very Low- to Low-Income households, (v) involves planning and administrative expenses necessary for the production, improvement, or preservation of housing in the CITY's downtown and Chinatown areas, and (vi) will comply with any and all owner participation rules and criteria applicable thereto.

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 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 Affordable Housing Units proposed for construction on the eligible Property, as hereinafter defined.

1.3 Affordability Period means the period of fifty-five (55) years commencing on the date the CITY records the Certificate of Completion for the Project, during which the Affordable Housing Units must be maintained and operated in accordance with the affordability requirements set forth in this Agreement and applicable law. The Affordability Period shall remain in effect regardless of the repayment or satisfaction of the Loan, unless earlier terminated in accordance with the terms of this Agreement or applicable regulations.

1.4 Affordable Housing Units means all the units (excluding a manager unit) in the Project required to meet the affordability requirements set forth in this agreement.

1.5 Agreement shall mean this funding Agreement, including all attachments hereto, between the DEVELOPER and CITY.

1.6 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 reasonable acceptable to CITY, and submitted annually during the term of the Loan, or more frequently as requested by the CITY, 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

1.7 Area Median Income (AMI) shall mean the area median household income set for each county in California (and for this Agreement for Fresno County), adjusted for household size.

1.8 Budget means the Budget for the development of the Project, as may be amended upon the review and approval by the CITY's Housing Finance Manager, provided any increase in RLF funds hereunder requires City Council Approval, attached hereto as ATTACHMENT 4 – PROJECT BUDGET AND CASH FLOW STATEMENT.

1.9 Certificate of Completion means that certificate issued, in the form attached as ATTACHMENT 7 (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.

1.10 CFR means the Code of Federal Regulations.

1.11 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.

1.12 Completion Date means the date the CITY issues a recorded Certificate of Completion for the Project. The Completion of the Project is identified in ATTACHMENT 3 – SCHEDULE OF PERFORMANCE.

1.13 Construction Contract(s) means each and every contract between DEVELOPER, DEVELOPER'S 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 and the City approved plans.

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

1.15 Declaration of Restrictions means the Declaration of Restrictions in the form attached hereto as ATTACHMENT 6, 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 after the Effective Date of this Agreement.

1.16 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, and recorded against the Property to ensure the Note, together with the Deed of Trust in a substantially similar form and attached as ATTACHMENT 9 – EXEMPLAR DEED OF TRUST ASSIGNMENT OF RENTS 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 ATTACHMENT 4. The terms of any such Deed of Trust are hereby incorporated into this Agreement by this reference.

1.17 Eligible Costs means as of the Effective Date of this Agreement, those construction costs that are eligible for funding under the RLF program, are consistent with the Project Budget attached as ATTACHMENT 4, and are allowable under RLF regulations.

Notwithstanding the foregoing, any costs incurred in connection with activities determined to be ineligible under the RLF by the CITY shall not be considered Eligible Costs.

1.18 Extremely Low- Income shall mean those households earning no greater than 30% of Fresno County Area Median Income, adjusted for household size.

1.19 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.

1.20 Family has the same meaning given that term in 24 CFR 5.403.

1.21 Funds or RLF Funds means the HCD monies consisting of the Loan, in the amount of Eight Million Dollars (\$8,000,000.00) to be used for eligible Project predevelopment, soft and hard construction-related costs.

1.22 Funding Sources means the CITY's RLF Funds, conventional construction loan, other state, federal, and local funds, and any other funds that may become available to the Project.

1.23 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.

1.24 Household means persons occupying the Units within the Project.

1.25 RLF means Revolving Loan Fund.

1.26 Affordable Housing Units means 70 of the 174 housing units to be constructed on the Property and preserved as affordable housing for the duration of the 55-year Affordability Period.

1.27 Loan means the Project Loan of RLF Funds provided under a City-issued Notice of Funding Availability (NOFA) and on a City RLF NOFA application, in the total amount of Eight Million Dollars (\$8,000,000.00), made available by the CITY to the Project pursuant to this Agreement, and is a construction loan.

1.28 Loan Documents are collectively this Agreement, Promissory Note – Attachment 8, Deed of Trust – Attachment 9, and Declaration of Restrictions – Attachment 6, 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.

1.29 Loan Term means with respect to each disbursement of Loan Funds, the period commencing on the date of such disbursement and continuing until the earlier of (i) full repayment of the Loan, or (ii) Sixty (60) months from the date of that disbursement, with all disbursements to be made in accordance with the Developer's Equity Schedule, attached hereto as ATTACHMENT 10, and incorporated herein by this reference. The Loan must be

repaid in full, including all principal and any applicable interest, within this period, unless otherwise extended or modified in writing by the parties.

1.30 Low-Income shall mean households whose gross income is no more than 80% of area median income (AMI) for Fresno, California as published and updated annually by the California Department of Housing and Community Development (HCD).

1.31 Note means that certain Eight Million Dollars (\$8,000,000.00) RLF Loan Note as determined by the CITY, 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 ATTACHMENT 8 and incorporated herein, as well as any amendments to, modifications of and restatements of said Note consented to by the CITY.

1.32 Notice of Completion means a notice filed by the owner of a construction project, in the County Recorder's Office, stating that the construction has been completed.

1.33 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.

1.34 Primary Loan means, the permanent and construction financing obtained by Developer for the Project from one or more institutional lender(s)

1.35 Project means the construction of The Park at South Stadium multifamily housing project as described in ATTACHMENT 2.

1.36 Project Schedule means the schedule for commencement and completion of the Project included ATTACHMENT 3.

1.37 Project Units means the 174 rental units to be constructed on the Property.

1.38 Property means the property located at 815, 829, 835 Fulton St, Fresno, CA 93721 (APN: 468-282-23T, 468-282-05T, 468-282-22T) as more specifically described in the ATTACHMENT 1 – LEGAL DESCRIPTION.

1.39 Rent means the total monthly payment a tenant pays for a unit including the following: use and occupancy of the unit and land and associated facilities; any separately charged fees or service charges assessed by the DEVELOPER that are required of all tenants (other than security deposits); and 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.

1.40 Request for Notice or Request for Notice of Default means the requests for notice of default pursuant to Civil Code Section 2924b to be recorded against the Property in connection with the Escrow substantially in the form attached hereto as Attachment 5 and fully incorporated by this reference.

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

1.42 Senior Lender means lenders providing the Senior Financing for the Project.

ARTICLE 2. TERMS OF THE LOAN

2.1 Loan of RLF Funds. The CITY agrees to provide a 60-month term loan of RLF Funds to the DEVELOPER, in an amount of Eight Million Dollars (\$8,000,000.00), all under the terms and conditions provided in this Agreement. The RLF Funds shall be used for payment of eligible soft and hard construction costs.

2.2 Loan Documents. The DEVELOPER shall execute and deliver the Loan Documents including the Promissory Note to the CITY, and thereafter, the CITY shall deliver the notarized Deed of Trust to the developer for recordation against the Property, as provided for in this Agreement.

2.3 Term of Agreement This Agreement shall become effective as of the Effective Date and shall remain in effect for the duration of the Loan Term, which, with respect to each disbursement, shall not exceed sixty (60) months from the date of such disbursement. Notwithstanding the expiration of the Loan Term, the provisions of this Agreement related to the affordability of designated Affordable Housing Units shall remain in full force and effect for a period of fifty-five (55) years from the date of project completion (the "Affordability Period"), unless earlier terminated in accordance with the terms set forth herein. Upon the expiration of the Affordability Period, this Agreement shall automatically terminate with respect to the Affordable Housing Units. 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. The Declaration of Restrictions will not be impacted should the Agreement be terminated.

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 RLF application, the CITY Council approved minutes, approving this Agreement, the Loan Documents, the RLF 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.

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 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 Senior 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.

2.8 Financing of the Project. DEVELOPER shall use its reasonable and best efforts to apply for and secure full financing for the project utilizing allocations from public and private lenders by May 15, 2026.

2.9. Submission of Evidence of Financing. Prior to Closing, and as a condition precedent to the Closing, DEVELOPER shall submit to the CITY evidence, reasonably satisfactory to the CITY and its financial consultant(s) and legal counsel(s)), that DEVELOPER has obtained sufficient equity capital and firm, 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, nor permit to be created or incurred, any mortgage, pledge, lien, charge or other security interest of any kind on the Property, except those related to the Project's construction and consistent with the Financing Plan, without the prior written consent of the CITY.

2.10 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 proforma 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 Senior 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 the CITY 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 Senior Lender's customary and normal conditions and terms and subject to the requirements of this Section. DEVELOPER shall provide written certification to the CITY that the loan documents submitted are correct copies of the actual loan documents to be executed by DEVELOPER concurrently with the Closing.

If the Senior Lender requires a subordination agreement between or among Senior Lender, the CITY and/or DEVELOPER, the CITY shall review the form of subordination subject to the reasonable review and approval of the City Manager and Executive Director, and legal counsel(s),

(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 the CITY 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 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 CITY approved 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, (as set forth in Attachment 2), the land use entitlement, and the City approved plans, and such scope of work shall be subject to the City Manager, or designees sole and absolute approval.

The CITY shall have the right to approve or disapprove such evidence of financing within 30 days of submission by DEVELOPER to the CITY of all complete items required by this Section 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 the CITY has had no fewer than 30 days for review of a complete submittal). In this regard, DEVELOPER agrees it shall use best efforts to cause its Senior Lender to timely provide complete drafts of documents for review by the CITY and its legal counsel(s) to perform within such time frames. Approval shall not be unreasonably withheld or conditioned. If the CITY disapproves any such evidence of financing, the CITY shall do so by written notice to DEVELOPER stating the reasons for such disapproval and DEVELOPER shall promptly obtain and submit to the CITY 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 the CITY with adequate time to review such evidence within the times established in this Section, the CITY shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section for the approval or disapproval of the evidence of financing as submitted to the CITY 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 any and all updates submitted by DEVELOPER to the CITY. Once the complete evidence of financing is approved by the CITY, DEVELOPER shall promptly notify the CITY in writing of any change in additional conditions to, or additional sources of financing, including, without limitation, the award of private loans, and any updates or additional information material or relevant to such financing. 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, were and remain the basis used by the CITY 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 the CITY, may be cause to renegotiate the financial terms hereof for the Project.

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 Limited Liability Company and 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 or 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 five percent (5%) of the Project Units, or at least one (1) unit, whichever is greater, must be constructed to be accessible for persons with mobility disabilities. An additional two percent (2%) of the Project Units, or at least one unit, 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 Project 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 Compliance with Agreement. The DEVELOPER warrants, covenants and agrees that, in accordance with the requirements of the Act, 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 with the DEVELOPER without waiver or limitation of rights/remedies otherwise available to the CITY.

4.4 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 themselves or for anyone with which that person has family or business ties, during their tenure or for one year thereafter.

4.5 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.

4.6 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- Very 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 70 Project Units to be rented as Affordable housing for Extremely Low- Very Low- and 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.

4.7 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). The parties acknowledge and agree that the Property located at 815, 829, 835 Fulton St, Fresno CA 93721 is vacant property.

4.8 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 Affordable 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 for the Affordable Housing Units 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.

4.9 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.

4.10 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.

4.11 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 RLF Program, including, without limitation, the following:

- A. The DEVELOPER does not intend, but is not prohibited, 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 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".
- E. 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").

F. 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.

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

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

I. 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.

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

K. E.O. 11063 on Equal Opportunity and Housing.

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

M. The Housing and Community Development Act of 1974.

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

O. 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.

P. 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.

Q. DEVELOPER shall comply with broadband infrastructure requirements for new housing and rehabilitation projects as set forth in 24 CFR 92.251.

R. The Pet Friendly Housing Act of 2017 (HSC Section 50466)

4.12 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.

4.13 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 RLF Funds using generally accepted accounting principles, for which financial documentation shall be made available to the CITY and HCD upon their respective written request(s). Recipients of RLF Funds shall comply, to the extent required by RLF 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").

4.14 Housing Affordability. The DEVELOPER covenants and agrees with the CITY that 70 of the Project Units will be Affordable Housing Units. The Affordable Housing 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 80% AMI with a minimum Developer shall comply with 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 RLF Funds disbursed to the DEVELOPER by the CITY.

4.15 Terminated Projects. The DEVELOPER understands and agrees that, if the Project is terminated before completion, either voluntarily or otherwise, such termination constitutes an ineligible activity, and the CITY will not be required to provide any further RLF assistance funding to the Project. In addition, the DEVELOPER shall be obligated to repay to the CITY any and all RLF assistance funds disbursed for the Project prior to termination, together with any applicable interest or costs as may be required under this Agreement.

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, during its time on title, 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 satisfactorily.

5.2 Affordable Rental Housing. The DEVELOPER covenants and agrees that the Project shall constitute 174 Project Units, of which 70 units will be available for rent and preserved as "floating" to households earning no more than 80% of the Area Median Income 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 Affordable Housing 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 DEVELOPER shall be entitled to 30 days' notice and opportunity to cure such 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 for 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 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 RLF 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 statutes, 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 RLF Funds are disbursed hereunder, and 2) the end of fiscal year 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 RLF Funds disbursed for the Project pursuant to this Agreement. Any duly authorized representative of the CITY 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 RLF Funds and to keep all invoices, receipts and other documents related to expenditures financed with RLF 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 or expiration of this Agreement.

B. During the term of this Agreement and for three years thereafter, 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 RLF. This section shall survive the termination or expiration 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 unit in the Project.

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

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 RLF FUNDS

Without waiver of limitation, the parties agree as follows, regarding RLF 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 ATTACHMENT 4, 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 approve 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 RLF Funds. The DEVELOPER warrants, covenants and agrees that it shall request RLF Funds only for reimbursement of construction-related costs incurred as identified in the attached Budget, attached hereto as ATTACHMENT 4 not aggregating to more than the CITY's obligations and shall in no event exceed the RLF 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 construction-related 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 RLF Funds are requested to reimburse Eligible Costs which subsequently lose eligibility as Eligible Costs, the DEVELOPER shall immediately return such RLF Funds to the CITY.

C. The CITY will disburse RLF Funds to the DEVELOPER through proper invoicing for eligible construction-related costs as provided in this Article 6, payable in the normal course of City business. Proper invoicing includes the submission to the CITY by the DEVELOPER of detailed invoices with applicable copies of representative and identifiable receipts or records substantiating such expenses.

6.4 Conditions Precedent to Disbursement. The CITY shall not be obligated to make or authorize any disbursements of RLF 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.

D. The CITY has approved the requested reimbursement of eligible Project construction 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 RLF Funds (provided by the CITY), for reimbursement of eligible Project construction 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 RLF Funds.

6.5 Requests for Reimbursement of RLF Funds. The DEVELOPER shall request that the CITY reimburse funds for eligible construction-related costs using the CITY's Request for Reimbursement of Funds form. The DEVELOPER shall only request a maximum of Eight Million Dollars (\$8,000,000) in RLF assistance. All requests should provide in detail such Eligible Costs applicable to the request. All requests for RLF 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 construction-related costs identified in this Agreement and must be 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 RLF Funds shall occur within the normal course of CITY business (approximately 30 days) after the CITY receives the Certification and Request for Reimbursement with correct supporting documentation and to the extent of annually allocated and available RLF 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 SCHEDULE OF PERFORMANCE as identified in ATTACHMENT 3 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 contractors 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 of 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.

A. Before the start of construction, DEVELOPER shall place a poster or sign with a minimum of 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 of Fresno Housing logo. 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, 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, RLF 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 20 days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the CITY a surety bond in sufficient form and amount, or provide the CITY with other assurance satisfactory to the CITY that the claim of lien or stop notice will be paid or discharged.

A. If the DEVELOPER fails to discharge, bond, or otherwise satisfy the CITY with respect to any lien, encumbrance, charge, or claim referred to in 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

A. 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 RLF Agreement.

B. The DEVELOPER will construct the Project in full conformance with the Plans and Specifications and modifications thereto approved by the CITY. The DEVELOPER shall obtain the CITY's prior written approval for any modifications to the Plans and Specifications.

7.14 Project Responsibilities/Public Work-Prevailing Wage Requirements. The DEVELOPER shall be solely responsible for all aspects of the DEVELOPER's conduct in connection with the Project, including but not limited to, compliance with all local, State and federal laws including without limitation, as to prevailing wage and public bidding requirements, as may be applicable. 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 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 throughout the Affordability Period, the DEVELOPER shall submit to the CITY an Annual Rent Roll Report, in a form approved by the CITY. The Annual Report shall include, at a minimum, the following information for each RLF restricted Project Unit: occupancy status, household income size, date of initial occupancy, and a certification from an authorized officer of the DEVELOPER that the project remains in compliance with the affordability requirements set forth in this Agreement. The CITY may also require any additional information necessary to fulfill its monitoring obligations under applicable law. The DEVELOPER shall provide any additional information upon request and shall cooperate with the CITY during 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 the final approved 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 a force majeure event included in this Section 7.19.

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. An 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 ATTACHMENT 7. 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. Seventy (70) Affordable Housing Units shall be rented and occupied by, or if vacant, available for rental occupancy by Extremely-Low-, Very-Low-, to Low-Income households, at or between 30% - 80% AMI.

8.3 Leasing the Affordable Housing Units. Before leasing any Affordable Housing Units, the DEVELOPER shall submit its proposed form of lease agreement for the CITY's review and approval. The DEVELOPER covenants and agrees to utilize only leases that have been approved in advance by the CITY. The CITY shall respond to the DEVELOPER's submission of a sample lease agreement within thirty (30) days. Should the CITY not respond within thirty (30) days of the lease agreement submittal, the DEVELOPER shall be authorized to use the submitted sample lease agreement. Additionally, the DEVELOPER agrees not to terminate the tenancy or to refuse to renew or lease with a tenant of the Affordable Housing 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 thirty (30) days' written notice served by the DEVELOPER or its authorized management entity upon the tenant specifying the grounds for such action. The DEVELOPER agrees it shall annually report to the CITY the number of leases that were not renewed or terminated and the reason for such non-renewal or termination. This section shall survive termination or expiration of this Agreement.

8.4 Lease of Affordable Housing Units Provisions. The leases are subject to the following:

A. The DEVELOPER shall include in its Leases for the Affordable Housing 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-, Very 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-, Very 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.

8.5 Final Management Plan. Before leasing and at least sixty (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 Project Units (Final Management Plan). The Final Management Plan shall also address in detail how the DEVELOPER or its designated management entity plans to market the availability of the Affordable Housing 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 all Project Units in accordance with the CITY's 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 lower income tenants. The DEVELOPER shall abide by the terms of this Final Management Plan, approved by the CITY, in marketing, managing, and maintaining the Project Units.

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

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

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

8.7 Maintenance and Security. The DEVELOPER shall (i) at its own expense maintain the Project in good condition, in good repair and in decent, safe, sanitary, habitable, and tenantable living conditions for the benefit of the Project 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. Seventy (70) Affordable Housing Units shall be available for occupancy on a continuous basis to households who are income eligible. The DEVELOPER shall not illegally discriminate or segregate in the constructed complex, the use, enjoyment,

occupancy, or conveyance of any part of the Project or Property on the basis of race, color, ancestry, national origin, religion, sex, marital status, family status, source of income/rental assistance subsidy, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), sexual orientation, or any other arbitrary basis. The DEVELOPER shall otherwise comply with all applicable local, State, and federal laws concerning nondiscrimination in housing. Neither the DEVELOPER nor any person claiming under or through the DEVELOPER, shall establish or permit any such practice or practices of illegal discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants or vendees of any Affordable Housing 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 Project Units or the Project or portion thereof, shall contain covenants concerning nondiscrimination consistent with this section. The DEVELOPER shall include a statement in all advertisements, notices, and signs for availability of 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 Affordable Housing 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 California Department of Housing and Community Development Department (HCD) and the U.S. Department of Housing and Urban Development (HUD), consistent with the RLF Program requirements applicable to the Affordable Housing Units in the Fresno, California area, and further covenants not to impose a monthly allowance for utility services to tenants of such Affordable Housing 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 Affordable Housing Units and the monthly allowances for utilities and services to be charged during any annual period until the expiration of the Affordability Period. The DEVELOPER shall reexamine the income of each tenant Household living in the Affordable Housing 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).

This section shall survive termination or expiration of this Agreement.

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 the CITY'S Risk Manager or designee at any time and in its 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 the 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 the 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 the CITY. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Agreement. No action taken by the 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 the 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 the CITY shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by 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 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 RLF 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 RLF 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 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 its sole cost and expense. Nothing herein provided for shall in any way excuse the DEVELOPER or its 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's 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 the CITY's 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 Indemnity. To the furthest extent allowed by law, including California Civil Code section 2782, DEVELOPER shall indemnify, defend and hold harmless the 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 Agreement. DEVELOPER'S obligations as set forth in this section shall apply regardless of whether the CITY or any of its officers, officials, employees, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of the 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 Agreement and any claim or loss, injury or damage of any type, DEVELOPER expressly agrees to undertake a duty to defend the CITY and any of its officers, officials, employees, agents, or volunteers, as a separate duty, independent of and broader than 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 the CITY.

Upon the tender by the CITY to DEVELOPER, DEVELOPER shall be bound and obligated to assume the defense of the 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 the CITY or any of its officers, officials, employees, agents, or volunteers.

It is further understood and agreed by DEVELOPER that if the CITY tenders a defense of a claim on behalf of the CITY or any of its officers, officials, employees, agents, or volunteers and DEVELOPER fails, refuses or neglects to assume the defense thereof, the 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 the 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 Agreement. In addition, such obligations remain in force regardless of whether the CITY provided approval for, or did not review or object to, any insurance DEVELOPER may have procured in accordance with the insurance requirements set forth in this Agreement. 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 the 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 Agreement.

If DEVELOPER should subcontract all or any portion of the work to be performed under this Agreement, DEVELOPER shall require each subcontractor to Indemnify, hold harmless and defend the 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 Loan as reflected in the DEVELOPER's pro forma budget, attached hereto as ATTACHMENT 4, 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 Loan 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 RLF 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 RLF 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. Failure to maintain the required insurance shall be sufficient cause for the CITY to terminate 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 ATTACHMENT 2 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.

10.2 Notice of Default and Opportunity to Cure. The CITY shall give written notice to the DEVELOPER of any Event of Default by specifying: (1) the nature of the event or deficiency giving rise to the default; (2) the action required to cure the deficiency, if any action to cure is possible, and (3) a date, which shall not be less than the lesser of any time period provided in this Agreement, any time period provided for in the notice no less than ten 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 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; but not more than sixty (60) days from receipt of the notice. 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. Additionally, the limited partner of DEVELOPER shall have such notice and cure rights afforded to it in Section 21 of the Deed of Trust and the CITY agrees to accept any cure by limited partner of DEVELOPER as if DEVELOPER had cured such Event of Default.

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 RLF 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. Reimbursement of any and all RLF assistance funds disbursed for the Project prior to termination, together with any applicable interest or costs as may be required under this Agreement;
- D. 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 governmental actions. Nothing in this Agreement obligates the CITY or any other governmental entity to grant final approval of any matter described herein. Such actions are legislative, quasi-judicial, or otherwise discretionary in nature. The CITY cannot take action with respect to such matters before completing the environmental assessment of the Project under NEPA, CEQA and any other applicable statutes. The CITY cannot and does not commit in advance that it will give final approval to any matter. The CITY shall not be liable, in contract, law or equity, to the DEVELOPER or any of its executors, administrators, transferees, successors-in-interest or assigns for any failure of any governmental entity to grant approval on any matter subject to discretionary approval.

11.7 Effective Date. This Agreement shall be effective upon the 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 Attachments. Each Attachment referenced in this Agreement is, by 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 in accordance with the Amended and Restated Disposition and Development Agreement between the CITY and DEVELOPER dated February 26, 2026; which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, upon prior written notice to the CITY, the DEVELOPER shall be permitted to assign its rights and obligation under this Agreement with respect to the Project without the CITY's consent.

11.15 No Third-Party Beneficiary. No contractor, subcontractor, mechanic, materialman, laborer, vendor, or other person hired or retained by the DEVELOPER shall be, nor shall any of them be deemed to be, third-party beneficiaries of this Agreement, but each such person shall be deemed to have agreed: (a) that they shall look to the DEVELOPER as their sole source of recovery if not paid, and (b) except as otherwise agreed to by the CITY and any such person in writing, they may not enter any claim or bring any such action against the CITY under any circumstances. Except as provided by law, or as otherwise agreed to in writing between the CITY and such person, each such person shall be deemed to have waived in writing all rights 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 and Community Development Division
 2600 Fresno Street, Room 3065
 Fresno, CA 93721-3605

If to DEVELOPER: Jeff Isenstadt and Mehmet Noyan
 c/o The Park Partners LLC
 ATTN: Executive Director
 2029 Century Park E., Suite 400
 Los Angeles, CA 90067

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 Cumulative Remedies. 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.

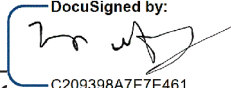
[SIGNATURE PAGE TO FOLLOW]

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

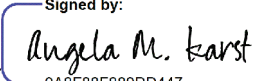
CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White
City Manager
(Attach notary certificate of acknowledgment)

The Park Partners LLC, a California
limited liability company

By:  _____
Mehmet Noyan
Manager
(Attach notary certificate of acknowledgment)

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By:  4/29/2026
Angela M. Karst
Senior Deputy City Attorney

The Park Partners LLC, a California
limited liability company

By:  _____
Jeff Isenstadt
Manager
(Attach notary certificate of acknowledgment)

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

Attachments:

- ATTACHMENT 1: LEGAL DESCRIPTION
- ATTACHMENT 2: SCOPE OF DEVELOPMENT
- ATTACHMENT 3: SCHEDULE OF PERFORMANCE
- ATTACHMENT 4: PROJECT BUDGET AND CASH FLOW STATEMENT
- ATTACHMENT 5: REQUEST FOR NOTICE OF DEFAULT
- ATTACHMENT 6: EXEMPLAR DECLARATION OF RESTRICTIONS
- ATTACHMENT 7: EXEMPLAR CERTIFICATE OF COMPLETION
- ATTACHMENT 8: EXEMPLAR PROMISSORY NOTE
- ATTACHMENT 9: EXEMPLAR DEED OF TRUST ASSIGNMENT OF RENTS
- ATTACHMENT 10: DEVELOPER EQUITY SCHEDULE

ATTACHMENT 1

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: 468-282-23T

LOT AND NORTHWEST 8 1/3 FEET OF LOT 11 BLOCK 74 OF THE TOWN OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 12 AND 13 AND THE SOUTHEASTERLY 16-2/3 FEET OF LOT 11 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 14,15 AND 16 IN BLOCK OF THE TOWN OF FRESNO, IN THE CITY OF THE FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS. CONTAINS AN AREA OF 26,250 SQUARE FEET, MORE OR LESS.

APN 468-282-22T:

PARCEL B OF PARCEL MAP 70-52 AS PER MAP RECORDED OCTOBER 14, 1970 IN BOOK 2 OF PARCEL MAPS AT PAGE 30, FRESNO COUNTY RECORDS

APN 468-282-05T:

LOT 9 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

ATTACHMENT 2

SCOPE OF DEVELOPMENT

The Park at South Stadium

The Park at South Stadium is an affordable housing development that will be located at 829 Fulton Street at the intersection of Fulton & Inyo Street in downtown Fresno. The Project will consist of the ground-up construction of an eight-story, approximately 137,000 square foot mixed-use building containing 174 fully furnished residential units. Specifically, 35 units will be restricted to households earning no more than 50% of Area Median Income (AMI) and 35 units at 80% AMI. These affordable housing units will be integrated throughout the Project and maintained in accordance with applicable regulatory requirements.

The Project will feature a robust residential life plan, offering over 10,000 square feet of amenity space designed to support resident success and community engagement. Amenities will include workspaces, conference rooms, study lounges, a fitness center, reception and offices, and approximately 1,500 square foot coffee shop. At the heart of the development will be “The Community Space,” envisioned as the central hub of resident life at The Park. Parking accommodations will include 45 on-site spaces and approximately 355 off-site spaces through agreements with the City of Fresno, utilizing the Fulton Street (Spiral) Garage and the forthcoming H-Street Garage, for a total of approximately 400 parking spaces.

The unit mix will include studio two-bedroom, and three-bedroom configurations. The Project is scheduled to commence construction no later than July 2026, with substantial completion and occupancy targeted for July 2028, subject to delays as defined in the Agreement. The Project will be professionally managed by GSF Properties, with oversight from the Developer’s project team.

Floating Affordable Housing Units	
% of Area Median Income	Units
80% or less	35
50% or less	35
Total	70

ATTACHMENT 3

SCHEDULE OF PERFORMANCE

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.

The project schedule should indicate that all proposed and conditional funds will be committed prior to May 15, 2026 and that the project **must** commence construction within one year of the execution of this Agreement and **must** be completed within three years of the execution of this Agreement.

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.

<u>Items Completed</u>	<u>Time for Performance</u>	<u>Outside Date for Performance</u>	<u>Responsible Party</u>
City of Fresno City Council consideration of 'Resolutions' for all Municipal Funding along with TEFRA Hearing Approvals.		February 26, 2026	City
Publish Preliminary Limited Offering Memorandum (PLOM)	April 2, 2026	April 15, 2026	Developer - Bond Issuer
Provide evidence of commitment on all proposed and conditional funding	April 20, 2026	April 30, 2026	Developer
Complete All Bond and Municipal Loan Agreements	April 30, 2026	May 15, 2026	Developer, Non-Profit Partner, Bond Holder, City & HSA
Developer & Non Profit Partnership Agreement Vesting	May 4, 2026	May 15, 2026	Developer and Non-Profit Partner
Escrow Closing (Land and Project Funding)	May 4, 2026	May 15, 2026	City, HSA, and Developer
Grade Permitting	July 2026	August 31, 2026	Developer and City
Foundation Permits	September 2026	September 30, 2026	Developer and City
Building Permits	November 2026	December 31, 2026	Developer and City

Completion of Construction of Developer's Improvements. The Developer shall complete construction of the improvements to be constructed on the Project Site.	June 2028	June 30, 2028	Developer
Issuance – Certificate of Completion. City shall furnish the Developer with a Certificate of Completion on the Project.	July 2028	July 31, 2028	City and HSA
Grand Opening	July 2028	July 31, 2028	Developer
^Start of Lease Stabilization	July 2028	November 30, 2028	Developer

*Lease Stabilization can take up to a 12-month period.

ATTACHMENT 4 PROJECT BUDGET

Deal Level Sources & Uses		
<u>Sources</u>	<u>At Close</u>	<u>Total at Closing</u>
City of Fresno Mezz + S.A. Loan	\$4,200,000	\$4,200,000
NOFA City of Fresno Mezz Loan	\$8,000,000	\$8,000,000
Series A & B Bond Proceeds	\$69,025,000	\$69,025,000
Total Sources	\$81,225,000	\$81,225,000
<u>Uses</u>		
A&E	\$1,602,000	\$1,602,000
Developer Fee	\$4,000,000	\$4,000,000
FF&E	\$1,960,000	\$1,960,000
Hard Costs + Land	\$44,210,738	\$44,210,738
Owners Construction Contingency	\$2,174,147	\$2,174,147
Other Fees	\$4,288,832	\$4,288,832
Pre-Development Reimbursables	\$1,375,000	\$1,375,000
Capitalized Interest	\$12,009,438	\$12,009,438
Debt Service Reserve Fund	\$5,743,500	\$5,743,500
Extraordinary Expense Fund	\$250,000	\$250,000
Operating / Property Tax Reserve	\$350,000	\$350,000
Cost of Issuance / Underwriter Discount	\$3,258,288	\$3,258,288
Other Uses of Funds	\$3,058	\$3,058
Total Uses	\$81,225,000	\$81,225,000

ATTACHMENT 5
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" – Legal Description to Attachment 5 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: _____
Date
Deputy City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Date
Deputy

EXHIBIT "A"
LEGAL DESCRIPTION
TO ATTACHMENT 5 REQUEST FOR NOTICE OF DEFAULT

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: 468-282-23T

LOT AND NORTHWEST 8 1/3 FEET OF LOT 11 BLOCK 74 OF THE TOWN OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 12 AND 13 AND THE SOUTHEASTERLY 16-2/3 FEET OF LOT 11 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 14,15 AND 16 IN BLOCK OF THE TOWN OF FRESNO, IN THE CITY OF THE FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS. CONTAINS AN AREA OF 26,250 SQUARE FEET, MORE OR LESS.

APN 468-282-22T:

PARCEL B OF PARCEL MAP 70-52 AS PER MAP RECORDED OCTOBER 14, 1970 IN BOOK 2 OF PARCEL MAPS AT PAGE 30, FRESNO COUNTY RECORDS

APN 468-282-05T:

LOT 9 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

ATTACHMENT 6

EXEMPLAR DECLARATION OF RESTRICTIONS

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Planning and Development Dept.
Housing and Community Development 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: 468-282-23T, 468-282-05T, 468-282-22T

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS (Declaration) is executed as of this _____ day of _____, 2026, by The Park Partners LLC, a California Limited Liability Company (DECLARANT), in favor of the CITY OF FRESNO, a California municipal corporation (CITY).

WHEREAS, the DECLARANT is the owner of the real estate in the City of Fresno, County of Fresno, California, located at 815, 829, 835 Fulton St, Fresno, CA 93721, which is more particularly described in Exhibit "A" – Legal Description to Attachment 6, attached hereto and made a part hereof, including the improvements thereon (Property); and

WHEREAS, pursuant to a certain City of Fresno Revolving Loan Fund (RLF) Agreement dated _____, 2026, incorporated herein by reference (RLF Agreement) and instruments referenced therein, the DECLARANT agrees to utilize, and the CITY agrees to provide, certain RLF Funds to the DECLARANT and the DECLARANT agrees to construct a 174-unit multifamily residential building, of which 70 of the 174 units will be Affordable Housing Units available to Extremely Low-, Very Low-, and Low-Income Households, whose incomes are at or below 80% of Area Median Income (AMI), subject to the terms and conditions set forth in the RLF Agreement for Extremely Low- Very Low- and Low-Income Households as defined in State law (Health and Safety Code Section 50052.5) and households whose income is at or below 80% of AMI for the Fresno Metropolitan Statistical Area (FMSA).

WHEREAS, DECLARANT attests that the underwriting standards being utilized for this transaction are those that have been submitted and approved by the City of Fresno Planning and Development Department.

WHEREAS, the RLF regulations promulgated in this agreement impose certain affordability requirements upon the 70 Affordable Housing Units on the 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.

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 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 Affordable Housing 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 RLF 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 RLF 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 the 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 70 Project Units to be used as rental affordable housing to Extremely Low- Very Low- and 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 Affordable Housing 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 Affordable Housing Units shall be leased only to eligible natural persons, who shall occupy the Affordable Housing 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 70 Affordable Housing 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 30-80% of area median income (AMI) of the California law and State income limits reference by household's 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 an Affordable Housing 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 for the Project. 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 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 review, approval, and 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 RLF Agreement.

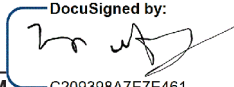
14. Headings. The headings of the articles, sections, and paragraphs used in this Declaration are for convenience only and shall not be read or construed to affect the meaning or construction of any provision.

//

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

DECLARANT:

The Park Partners LLC, a California limited liability company

By:  _____
DocuSigned by:
C209398A7E7E461...
Monnet Nguyen
Manager
(Attach notary certificate of acknowledgment)

The Park Partners LLC, a California limited liability company

By:  _____
DocuSigned by:
E617EF1CAA00476...
Jeff Eisenstadt
Manager
(Attach notary certificate of acknowledgment)

EXHIBIT "A"
LEGAL DESCRIPTION TO ATTACHMENT 6
DECLARATION OF RESTRICTIONS

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: 468-282-23T

LOT AND NORTHWEST 8 1/3 FEET OF LOT 11 BLOCK 74 OF THE TOWN OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 12 AND 13 AND THE SOUTHEASTERLY 16-2/3 FEET OF LOT 11 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 14,15 AND 16 IN BLOCK OF THE TOWN OF FRESNO, IN THE CITY OF THE FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS. CONTAINS AN AREA OF 26,250 SQUARE FEET, MORE OR LESS.

APN 468-282-22T:

PARCEL B OF PARCEL MAP 70-52 AS PER MAP RECORDED OCTOBER 14, 1970 IN BOOK 2 OF PARCEL MAPS AT PAGE 30, FRESNO COUNTY RECORDS

APN 468-282-05T:

LOT 9 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

ATTACHMENT 7
EXEMPLAR CERTIFICATE OF COMPLETION

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)

This Certificate of Occupancy 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: 468-282-23T, 468-282-05T, 468-282-22T

City of Fresno

By: _____
Georgeanne A. White, City Manager

Date: _____

Certificate of Completion

APN: 468-282-23T, 468-282-05T, 468-282-22T

Recitals:

A. By a Revolving Loan Fund Agreement dated _____, 2026, (RLF Agreement), between the City of Fresno, a municipal corporation (CITY), and The Park Partners LLC, a California limited liability company (DEVELOPER), the DEVELOPER agreed to construct a rental housing development consisting of 174 units, of which a total of 70 units are floating Affordable Housing Units, and related on-site and off-site improvements upon the Property described in ATTACHMENT 1 of the RLF Agreement, and made part hereof by this reference (the Property), with assistance of RLF Funds while meeting the market rate and affordable housing, income targeting, and other requirements of RLF program guidelines according to the terms and conditions of the RLF Agreement, Loan Documents, and other documents/instruments referenced therein.

B. The RLF Agreement was recorded on ____, as Instrument No. _____ in the Official Records of Fresno County, California.

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

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 RLF 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 RLF 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 RLF Agreement.

//

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

CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White
City Manager
(Attach notary certificate of acknowledgment)

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Deputy Date

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Deputy Date

The Park Partners LLC, a California
limited liability company

By: _____
Mehmet Noyan
Manager
(Attach notary certificate of acknowledgment)

The Park Partners LLC, a California
limited liability company

By: _____
Jeff Isenstadt
Manager
(Attach notary certificate of acknowledgment)

ATTACHMENT 8 EXEMPLAR 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: \$8,000,000
Fresno, California

Date: _____

For value received, the undersigned, The Park Partners LLC, a California limited liability company ("Borrower"), promises to pay to the order of the City of Fresno, a California municipal corporation ("Lender"), the principal sum of Eight Million Dollars (\$8,000,000.00), or so much thereof as is disbursed to Borrower, with interest on the unpaid principal balance from the date of each disbursement.

Interest shall accrue at a variable rate, calculated as 1.17% plus the Effective Federal Funds Rate. As of January 23, 2026, the Effective Federal Funds Rate was 3.64%, resulting in an initial interest rate of 4.81% per annum, calculated on a simple interest basis. The applicable interest rate shall be adjusted in accordance with the terms of the Revolving Loan Fund (RLF) Agreement dated _____, 2026, entered into between Lender and Borrower ("Agreement").

The entire unpaid principal balance, together with all accrued and unpaid interest, shall be due and payable on the earlier of: (i) the occurrence of an uncured default by Borrower under the Agreement with respect to the Project, or (ii) sixty (60) months from the date of this Note (the "Maturity Date").

In the event of default, Borrower shall also be responsible for all reasonable attorney's fees and costs of collection. This Note shall be payable without relief from valuation and appraisal laws.

This Note is not a residual receipts note, and no payments shall be based on project cash flow. The affordability period for the affordable housing units associated with the Project is fifty-five (55) years, as set forth in the Agreement, but such period shall not affect the term or enforceability of this Note.

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 60 months 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.

The Park Partners LLC, a California limited liability company

By:  _____
DocuSigned by:
C209398A7E7E461...
Meriuel Noyari
Manager
(Attach notary certificate of acknowledgment)

The Park Partners LLC, a California limited liability company

By:  _____
DocuSigned by:
E617EF1CAA00476...
Jeff Eisenstadt
Manager
(Attach notary certificate of acknowledgment)

ATTACHMENT 9 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.: 468-282-23T, 468-282-05T, 468-282-22T

DEED OF TRUST ASSIGNMENT OF RENTS

THIS DEED OF TRUST (Deed of Trust) made this ___ day of _____, 2026, by and between The Park Partners LLC, a California Limited Liability Company (Borrower), _____ 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, with power of sale, all the Borrower's right, title, and interest now owned or hereafter acquired in the real property (Land) known known as 815, 829, 835 Fulton St, Fresno, CA 93721 (APN: 468-282-23T, 468-282-05T, 468-282-22T), located in Fresno County, California and more particularly described in EXHIBIT "A" – LEGAL DESCRIPTION ATTACHMENT 9, 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, with power of sale, all of the Borrower's right, title and interest now owned or later acquired to the following property (including the rights or interests pertaining to the property) located at the Property:

- (1) All buildings ("Buildings") and improvements now or later on the land and all easements, rights, appurtenances, water and water rights, minerals and mineral rights; all machinery, equipment, appliances, and fixtures for the generation or distribution of air, water, heat, electricity, light, fuel, or refrigeration or for ventilating or sanitary purposes or for the exclusion of vermin or insects or for the removal of dust, refuse, or garbage; all wall safes, built-in furniture, and installations, window shades and blinds, light fixtures, fire hoses and brackets, screens, linoleum, carpets, furniture, furnishings, fixtures, plumbing, laundry tubs

and trays, refrigerators, heating units, stoves, water heaters, incinerators, and communication systems and installations for which any Building is specially designed; all of these item, whether now or later installed, being declared to be for all purposes of this Deed of Trust a part of the Land, the specific enumerations in this Deed of Trust not excluding the general; 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 (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 Revolving Loan Fund Agreement dated the ____ of _____, 2026 (RLF 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 the Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered except for encumbrances of record. 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, 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 its 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 multifamily rental housing and improvements to the Property.

The Borrower attests that the underwriting standards being utilized for this transaction are those that have been submitted and approved by the City of Fresno Planning and Development Department.

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

1. Payment of Principal. The Borrower shall promptly pay when due to 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 RLF 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 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 a 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 ultimate parent entity of the Borrower, will constitute a sale of 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 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 ultimate parent company of a member of the Borrower, will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the Beneficiary and without demand or notice, immediately to become due, together with any

prepayment premium in accordance with the terms of the Note except as prohibited by law.

10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to 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 with 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 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. 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 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 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 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 parcel of 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 Property at any sale. The Trustee shall deliver to the purchaser the Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. 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 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. 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.
16. 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.

17. 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.
18. Reconveyance. Upon payment of all sums secured by this Deed of Trust, the Lender shall request the Trustee to reconvey the Property and shall surrender this Deed of Trust, and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. The Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
19. 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.
20. 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.
21. 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 thirty (30) days to cure such alleged default. Notwithstanding the foregoing, in the case of a default that cannot with reasonable diligence be remedied or cured within thirty (30) days, the Borrower's limited partner shall have such additional time as reasonably necessary to remedy or cure such default, but in no event more than sixty (60) days from the expiration of the initial thirty (30) day period above. To the extent that there is a conflict between this paragraph 22 and any remedy permitted by the RLF 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 anyone listed in a title exception approved by the Beneficiary in writing; or
 - (iii) the sale, hypothecation, conveyance, or other disposition of 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.
- (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, 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 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 may determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;

- (ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;
- (iii) deliver to the Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause 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.

22. Protection of Security. If an Event of Default occurs and is continuing, the Beneficiary or Trustee, without 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.

23. 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:

The Park Partners LLC, a California limited liability company

By:  _____
DocuSigned by:
C209398A7E7E461...
Mehmet Noyan
Manager
(Attach notary certificate of acknowledgment)

The Park Partners LLC. a California limited liability company

By:  _____
DocuSigned by:
E617EF1CAA00476...
Jeff Isenstadt
Manager
(Attach notary certificate of acknowledgment)

EXHIBIT "A"
LEGAL DESCRIPTION ATTACHMENT 9
DEED OF TRUST

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: 468-282-23T

LOT AND NORTHWEST 8 1/3 FEET OF LOT 11 BLOCK 74 OF THE TOWN OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 12 AND 13 AND THE SOUTHEASTERLY 16-2/3 FEET OF LOT 11 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

LOTS 14,15 AND 16 IN BLOCK OF THE TOWN OF FRESNO, IN THE CITY OF THE FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS. CONTAINS AN AREA OF 26,250 SQUARE FEET, MORE OR LESS.

APN 468-282-22T:

PARCEL B OF PARCEL MAP 70-52 AS PER MAP RECORDED OCTOBER 14, 1970 IN BOOK 2 OF PARCEL MAPS AT PAGE 30, FRESNO COUNTY RECORDS

APN 468-282-05T:

LOT 9 IN BLOCK 74 OF THE TOWN (NOW CITY) OF FRESNO, IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE MAP RECORDED IN BOOK 1 PAGE 2 OF PLATS, FRESNO COUNTY RECORDS.

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 violation 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.

