

RDA LOAN AGREEMENT

by and between

LEMOORE REDEVELOPMENT AGENCY

and

LEMOORE PACIFIC ASSOCIATES II,
A CALIFORNIA LIMITED PARTNERSHIP

CINNAMON VILLAS

RDA LOAN AGREEMENT
(Cinnamon Villas)

This RDA Loan Agreement (the "Agreement") is entered into as of December 13, 2011, by and between the Lemoore Redevelopment Agency (the "Agency" or "RDA") and Lemoore Pacific Associates II, a California Limited Partnership (the "Borrower") with reference to the following facts:

RECITALS

A. On December 2, 1986, the Lemoore City Council enacted Ordinance No. 8616, approving the Redevelopment Plan (the "Original Plan") for the Lemoore Redevelopment Project Area (the "Project Area"), and, on June 19, 1990, enacted Ordinance No. 9009 approving Amendment No. One to the Original Plan. On July 19, 1997, the Lemoore City Council enacted Ordinance No. 9702, approving Amendment No. Two to the Redevelopment Plan for the Lemoore Redevelopment Project (the "Amended Plan"), which added territory to the Project Area and, except as expressly provided therein, superseded and replaced the Original Plan as amended by Amendment No. One. The Amended Plan now is the controlling redevelopment plan for the entire Project Area and sets forth goals, objectives, and proposed activities for redevelopment of the Project Area.

B. Borrower desires to acquire certain real property described in the attached Exhibit A (the "Property") and construct seventy eight (78) units of affordable housing for seniors and two (2) units for resident managers. Borrower intends to rent the units to very low-, low- and moderate-income households at affordable housing cost.

C. The Agency desires to provide financial assistance to Borrower for acquisition and development costs in the form of a loan for a total amount not to exceed Two Million Six Hundred Eighty Thousand Dollars (\$2,680,000) (the "Loan"). The funds utilized to fund the Loan are Redevelopment Low and Moderate Income Housing Fund monies. None of the funds are federal funds or the proceeds of a tax-exempt bond issue. The Agency Loan was approved by the Lemoore Redevelopment Agency Board on March 15, 2011 through Resolution 2011-03, and is considered a legally enforceable obligation.

D. Through this Agreement and accompanying documents, the Agency is imposing occupancy and affordability restrictions on the Property in order to meet housing requirements of the Community Redevelopment Law.

NOW, THEREFORE, the Agency and Borrower agree as follows:

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

- (a) "Agency" shall mean the Lemoore Redevelopment Agency (RDA), a public body corporate and politic.
- (b) "Agreement" shall mean this RDA Loan Agreement.
- (c) "Approved Development Budget" shall mean the budget, as prepared by Borrower and approved by the Agency, and attached hereto and incorporated herein as Exhibit B.
- (d) "Borrower" shall mean Lemoore Pacific Associates II, a California Limited Partnership, and its permitted successors and assigns hereunder.
- (e) "Certificate of Completion" shall mean the certificate to be issued by the Agency pursuant to Section 3.9 of this Agreement. The form of the Certificate of Completion is attached to this Agreement as Exhibit C.
- (f) "City" shall mean the City of Lemoore, a California municipal corporation and charter city.
- (g) "Deed of Trust" shall mean the RDA Deed of Trust, Security Agreement and Covenants Running with the Land that will encumber the Development to secure repayment of the Loan.
- (h) "Default" shall have the meaning set forth in Section 7.1 below.
- (i) "Development" shall mean the Property and Improvements.
- (j) "Development Fiscal Year" shall mean the period from January 1 through December 31.
- (k) "Hazardous Materials" shall have the meaning set forth in Section 4.6 below.
- (l) "Hazardous Materials Claim" shall have the meaning set forth in Section 4.6 below.
- (m) "Hazardous Materials Law" shall have the meaning set forth in Section 4.6 below.
- (n) "Improvements" shall mean the eighty (80) unit residential rental facility on the Property to be constructed under this Agreement, plus appurtenant landscaping and improvements.
- (o) "Loan" shall mean the RDA Loan to Borrower by the Agency in the total principal amount of Two Million Six Hundred Eighty Thousand Dollars (\$2,680,000).
- (p) "Loan Documents" shall mean this Agreement, the RDA Note, the RDA Regulatory Agreement, and the RDA Deed of Trust.

(q) "Note" shall mean the RDA Promissory Note Secured by Deed of Trust that will evidence Borrower's obligation to repay the loan.

(r) "Lemoore" shall mean the City.

(s) "Parties" shall mean the Agency and Borrower.

(t) "Property" shall mean the real property located in the City of Lemoore, County of Kings, California, more particularly described in the attached Exhibit A.

(u) "Regulatory Agreement" shall mean the RDA Regulatory Agreement and Declaration of Restrictive Covenants between the Agency and the Borrower associated with the Loan and recorded against the Development.

(v) "Term" shall mean the term of the Loan as set forth in Section 2.6(a) below.

(w) "Transfer" shall have the meaning set forth in Section 5.1 below.

(x) "Unit" means one of the eighty (80) apartment units to be constructed on the Property under this Agreement.

Section 1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property

EXHIBIT B: Approved Development Budget

EXHIBIT C: Form of Certificate of Completion

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

The Agency shall lend to the Borrower the Loan in the principal amount of Two Million Six Hundred Eighty Thousand Dollars (\$2,680,000), subject to all terms and conditions in this Agreement and the Loan Documents. The obligation to repay the Loan shall be evidenced by the Note in the form provided by the Agency. The source of Loan proceeds shall be tax increment revenues such that no portion of the Loan shall be derived from tax exempt bond proceeds.

Section 2.2 Interest.

(a) Subject to the provisions of Section 2.2(b) below, the outstanding principal balance of the Loan shall accrue simple interest at the rate of three percent (3%) per annum, commencing on the date of Loan disbursement.

(b) In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continuing until the earliest of the time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of five percent (5%) compounded annually, or the highest rate permitted by law.

Section 2.3 Use of Loan Funds.

(a) The Borrower shall use the Agency Loan funds to pay for acquisition of the Property and to pay for certain development costs associated with Borrower's efforts to develop the Improvements on the Property as set forth in the Approved Development Budget.

(b) The Borrower shall not use the Agency Loan funds for any other purpose without the prior written consent of the Agency.

Section 2.4 Security.

Borrower shall secure its obligation to repay the Loan, as evidenced by the Note, by executing the Deed of Trust, and recording it as a lien against the Development, junior in lien priority only to the deeds of trust securing the \$6,400,000 construction loan and \$1,080,000 permanent loan made by Wells Fargo Bank and the permanent \$1,000,000 USDA Loan 515 as identified in the Approved Development Budget, when funded, or such replacement or refinancing thereof to the extent approved by the Agency, such approval not to be unreasonably withheld.

Section 2.5 Loan Disbursement.

The Agency shall not be obligated to make any disbursements of the Loan unless the following conditions precedent are satisfied prior to the disbursement:

(a) The Borrower holds title to the Property or is acquiring title simultaneously with the disbursement of Loan proceeds.

(b) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement or the Loan Documents.

(c) Borrower has delivered to Agency a copy of a resolution or other limited partnership documents satisfactory to the Agency authorizing Borrower's execution of the Loan Documents and the transactions contemplated by the Loan Documents.

(d) Borrower has executed and delivered to Agency all documents, instruments, and policies required under the Loan Documents;

(e) The Deed of Trust and the Regulatory Agreement has been recorded against the Property in the Office of the Recorder of Kings County.

(f) Borrower has furnished Agency with evidence of the insurance coverage meeting the requirements of this Agreement and the Deed of Trust.

(g) Borrower has received a reservation of low income housing tax credits from the California Tax Credit Allocation Committee, in the amount specified in the Approved Development Budget.

(h) Borrower has caused Chicago Title Insurance Company to furnish to the Agency its current (not older than 30 calendar days) preliminary title report on the Property. Within 15 calendar days after receiving the preliminary title report, the Agency shall notify Borrower and Chicago Title Insurance Company of disapproval of any title exceptions in the report which may adversely affect the security for the Loan. Borrower shall, without cost or expense to the Agency, remove or cause to be removed any disapproved title exceptions to be removed prior to disbursement.

(i) Borrower, at Borrower's expense, has caused Chicago Title Insurance Company to furnish to the Agency its commitment to issue an ALTA Lender's Policy of Title Insurance in the amount of the Loan, insuring title to the Property in the Agency, subject only to the matters approved, or with objection thereto deemed waived, by the Agency pursuant to paragraph (i) and the printed exceptions normally contained in Chicago Title Insurance Company's customary and current form of such policy.

(j) Borrower has submitted to the Agency a written Proforma Development Plan for the Development showing estimated revenues and expenditures for at least the first five years of operation, sufficient to evidence, to the Agency's reasonable satisfaction, that operation and maintenance of the Development is financially feasible and that there will be sufficient Residual Receipts (defined in subsection 2.6.(f) below) to fully repay the Loan as provided in Section 2.6.

When the foregoing conditions have been satisfied, the Agency shall disburse the Loan at closing to pay the costs incurred by Borrower to acquire the Property and all other Development related costs to be paid out of the first loan draw, with any remaining balance of the Loan to be deposited into the construction escrow account established and maintained by Wells Fargo Bank, N.A. Any Loan funds deposited into said construction account shall be disbursed only to pay for or reimburse costs of the Improvements and related on-site and off-site improvements which are determined by the Agency to be eligible costs for constructing the Units. In order to make such a determination, the Agency's Executive Director, or his authorized representative, shall review and approve each disbursement request for Loan funds before the disbursement is made. Also, the Agency shall have the right, but not the obligation, to monitor actual use of the Loan amounts from time to time and to require the Borrower to certify in writing that the Loan funds have been used and applied as required by this paragraph. However, the Borrower, not the Agency, shall be entirely responsible to ensure proper use and application of the Loan funds.

Section 2.6 Repayment Schedule.

(a) Term. The Loan and this Agreement shall have a term (the "Term") that expires on the date that is Thirty (30) years after the date of issuance of the Certificate of Completion but in no event more than Thirty two (32) years after the date of this Agreement.

(b) Annual Payments. During the Term of the Loan, the Borrower shall make annual payments of the outstanding principal and accrued interest on the Loan in the amount equal to fifty percent (50%) of Residual Receipts. Such annual payments shall be due and payable in arrears no later than May 1st of each year with respect to the previous calendar year, and shall be accompanied by the Borrower's report of Residual Receipts (including an independent auditor's report regarding the auditor's review of Annual Operating Expenses). The Borrower shall provide the Agency with any documentation reasonably requested by the Agency to substantiate the Borrower's determination of Residual Receipts. Payments made shall be credited first against accrued interest and then against outstanding principal.

(c) Payment in Full. Notwithstanding any other provision herein, all unpaid principal and interest on the Loan shall be immediately due and payable in full from Residual Receipts or any other source of funds, upon the earliest of:

(i) a Transfer of the Development other than a Transfer permitted or approved by the Agency as provided in this Agreement;

(ii) the occurrence of an Event of Default for which the Agency exercises its right to cause the Loan indebtedness to become immediately due and payable, or for which the Loan indebtedness is automatically specified to become immediately due and payable pursuant to applicable subsections of this Agreement; or

(iii) the expiration of the Term.

(e) Prepayments. The Loan may be prepaid at any time; provided, however, the Regulatory Agreement shall remain in effect for the entire Term, regardless of any prepayment.

(f) Special Definitions. The following special definitions shall apply for purposes of this Section 2.6:

(i) "Residual Receipts" means, in a particular calendar year, the amount by which Gross Revenue (as defined below) less the required conventional mortgage payments on the construction loan, the USDA loan, the permanent loan or other loans identified in the Approved Development Budget, exceeds Annual Operating Expenses (as defined below).

(ii) "Annual Operating Expenses" with respect to a particular calendar year shall mean the following costs actually incurred for operation and maintenance of the Development to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles: property and other taxes and assessments imposed on the Development; premiums for property damage and

liability insurance; utility services not paid for directly by tenants, including but not limited to water, sewer, trash collection, gas and electricity; maintenance and repair including but not limited to pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial, supplies, and others; any annual license or certificate of occupancy fees required for operation of the Development; general administrative expenses including but not limited to advertising and marketing, security services and systems, and professional fees for legal, audit and accounting; property management fees and reimbursements including on-site manager expenses, not to exceed fees and reimbursements which are standard in the industry and pursuant to a management contract approved by the Agency; asset management fees paid to Borrower's investor limited partner, partnership management fees paid to Borrower's general partners, deferred developer fees paid to the developer of the Development, tax credit shortfall payments paid to Borrower's investor limited partner, and any payments on any unpaid loans made by a partner of the Borrower all to the extent provided in Borrower's Agreement of Limited Partnership which has been approved by Agency, as the same may be amended so long as such amendments are approved by Agency in its sole discretion; and cash deposited into a reserve for capital replacements of Development improvements and an operating reserve in such amounts as are required by the Borrower's Agreement of Limited Partnership. "Annual Operating Expenses" shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account.

(iii) "Gross Revenue" with respect to a particular calendar year, shall mean all revenue, income, receipts and other consideration actually received from operation and leasing of the Development. "Gross Revenue" shall include, but not be limited to: all rents, fees and charges paid by tenants; Section 8 payments or other rental subsidy payments actually received for the dwelling units; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Development; and condemnation awards for a taking of part or all of the Development for a temporary period. "Gross Revenue" shall also include the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Development. "Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

Section 2.7 Reports and Accounting of Residual Receipts.

(a) Audited Financial Statement.

In connection with the annual repayment of the Loan, the Borrower shall furnish to the Agency an audited statement duly certified by an independent firm of certified public accountants approved by the Agency, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding Development Fiscal Year.

(b) Books and Records.

The Borrower shall keep and maintain on the Property or at its principal place of business, or elsewhere with the Agency's written consent, full, materially complete and appropriate books, record and accounts relating to the Development, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail Borrower's calculation of Residual Receipts. Books, records and accounts relating to Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the Agency, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Borrower may be required to furnish any governmental agency shall at all reasonable times to open for inspection by the Agency at the place that the books, records and accounts of the Borrower are kept. The Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(c) Agency Audits.

The receipt by the Agency of any statement pursuant to subsection (a) above or any payment by Borrower or acceptance by the Agency of any loan repayment for any period shall not bind the Agency as to the correctness of such statement or such payment. Within three (3) years after the receipt of any such statement, the Agency or any designated agent or employee of the Agency at any time shall be entitled to audit the Residual Receipts and all books, records, and account pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of Borrower and other places where records are kept. Immediately after the completion of an audit, the Agency shall deliver a copy of the results of such audit to Borrower. If it shall be determined as a result of such audit that there has been a deficiency in a loan repayment to the Agency, then such deficiency shall become immediately due and payable with interest at the default rate set forth in subsection 2.2 (b) of this Agreement, determined as of and accruing from the date that said payment should have been made. In addition, if Borrower's auditor's statement for any Development Fiscal Year shall be found to have intentionally understated Residual Receipts by more than five percent (5%) and by at least Five Thousand Dollars (\$5,000), and the Agency is entitled to any additional Loan repayment as a result of said understatement, then Borrower shall pay, in addition to the interest charges referenced hereinabove, all of the Agency's reasonable costs and expenses connected with any audit or review of Borrower's accounts and records.

(d) Maximization of Residual Receipts.

Borrower agrees at all times during the Term of the Loan to continue its operations of the Development and to use its skills and diligence to produce the maximum

Residual Receipts, subject to the rent and occupancy requirements of the Regulatory Agreement including Section 2.3 (c) of the RDA Regulatory Agreement (CTAC Regulations and Internal Revenue Code Section 42).

Section 2.8 Non-Recourse.

Except as provided below, neither the Borrower nor any partner or member of the Borrower shall have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan or the performance of the covenants of the Borrower under the Deed of Trust. The sole recourse of the Agency with respect to the principal of, or interest on, the Note and defaults by Borrower in the performance of its covenants under the Deed of Trust shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Agency thereunder, or (b) be deemed in any way to impair the right of the Agency to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note and the performance of the Borrower's obligations under the Deed of Trust, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of any other obligations, including without limitation its obligation to indemnify the Agency under Sections 4.6 and 8.4 of this Agreement, or liability for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 CONSTRUCTION OF THE DEVELOPMENT

Section 3.1 Permits and Approvals; Construction Plans; Financing.

(a) Within thirty (30) calendar days following the execution of this Agreement by the Agency, the Borrower shall apply to the City of Lemoore and thereafter diligently pursue issuance of the zoning and land use permits, building permits and approvals necessary to construct the Improvements.

(b) Prior to and as a condition of closing, Borrower shall have submitted to Agency evidence of an award of federal low income housing tax credits for the Development by the California Tax Credit Allocation Committee, and of all other financing for the Development as described in the Approved Development Budget. Borrower shall also complete detailed construction plans for construction of the Improvements and submit those plans to the City for approval, which approval shall not be unreasonably withheld if such plans are consistent with all

applicable federal, state and local laws and the zoning and land use permits and approvals in the event that such approvals are not yet in place.

(c) Once the City has approved the construction plans, Borrower shall apply to the City and thereafter diligently pursue and obtain a building permit for construction of the Improvements if not already obtained.

(d) Promptly following execution of this Agreement, Borrower shall make good faith efforts to obtain the financing described in the Approved Development Budget and necessary to construct the Improvements if not already obtained.

(e) All permits and approvals necessary for the commencement of construction of the Improvements on the Property must be received, and all financing for construction of the Improvements obtained, prior to closing.

Section 3.2 Construction Contract.

(a) At the Agency's option, the Borrower shall submit to the Agency for its approval the proposed construction contract(s) for the Improvements. All construction work and professional services shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California. Each contract that the Borrower enters for construction of the Development shall provide that at least five percent (5%) of the costs incurred shall be payable only upon completion of construction, subject to early release of retention for specified subcontractors upon approval by the Agency. The Agency's approval of a construction contract shall in no way be deemed to constitute approval of or concurrence with any term or condition of the construction contract except as such term or condition may be required by this Agreement.

(b) Upon receipt by the Agency of a proposed construction contract, the Agency shall promptly review same and approve or disapprove it within ten (10) business days. If the construction contract is not approved by the Agency, the Agency shall set forth in writing and notify the Borrower of the Agency's reasons for withholding such approval. The Borrower shall thereafter submit a revised construction contract for Agency approval, which approval shall be granted or denied in five (5) business days in accordance with the procedures set forth above. Any construction contract executed by the Borrower for the Development shall be in the form approved by the Agency.

Section 3.3 Reserved.

Section 3.4 Commencement of Construction.

Borrower shall cause the commencement of construction of the Development (which may be evidenced by grading) no later than December 31, 2011.

Section 3.5 Completion of Construction.

Borrower shall diligently pursue construction of the Development to completion, and shall cause the completion of the construction of the Development no later than December 31, 2012.

Section 3.6 Construction Pursuant to Plans and Laws.

(a) Borrower shall construct the Development in substantial conformance with the plans and specifications approved by the Agency. Borrower shall notify the Agency in a timely manner of any substantial changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by the Agency. A written change order authorized by the Agency must be obtained before material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the Development as provided for in the plans and specifications approved by the Agency. Consent to any additions, changes, or deletions to the work shall not relieve or release Borrower from any other obligations under this Agreement, or relieve or release Borrower or its surety from any surety bond. Agency shall utilize best efforts to approve or disapprove change orders within five (5) business days of receipt of a request for approval.

(b) Borrower shall cause all work performed in connection with the Development to be performed in compliance with (i) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter; (ii) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction; and (iii) the Amended Plan. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and Borrower shall be responsible to the Agency for the procurement and maintenance thereof, as may be required of Borrower and all entities engaged in work on the Development.

Section 3.7 Marketing Plan.

(a) At the request of the Agency and no later than three (3) months prior to the projected date of the completion of the Development, Borrower shall submit to the Agency for approval its plan for marketing the Development to income-eligible households as required pursuant to the Regulatory Agreement, including information on affirmative marketing efforts and compliance with fair housing laws.

(b) Upon receipt of the Marketing Plan, the Agency shall promptly review the Marketing Plan and shall approve or disapprove it within ten (10) business days after submission. If the Marketing Plan is not approved, Borrower shall submit a revised Marketing Plan, with revisions removing the basis for disapproval, within ten (10) business days. If the Agency does not approve the revised Marketing Plan because Borrower fails to make specific revisions requested by the Agency, Borrower shall be in default hereunder.

Section 3.8 Equal Opportunity.

During the construction of the Development there shall be no discrimination on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code (race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability or any other basis prohibited by California Civil Code § 51), as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the hiring, firing, promoting, or demoting of any person engaged in the construction work.

Section 3.9 Certificate of Completion.

When the Agency has determined that the obligations of the Borrower under this Article Three have been met, the Borrower may request that the Agency issue a Certificate of Completion in substantially the form shown in Exhibit C, which the Agency shall do within thirty (30) calendar days of such a request. The Agency shall have no obligation to consider whether the obligations of the Borrower under this Article Three have been met unless the Agency has received certification from the architect for the Development stating that the Improvements to the Property have been made in substantial accordance with the plans and specifications approved by the Agency above (and any changes as have been approved by the Agency pursuant to Section 3.6(a) above), with all applicable federal, state and local laws, ordinances, rules and regulations, and with this Agreement.

If the Borrower requests issuance of a Certificate of Completion but the Agency refuses, then the Agency shall provide the Borrower with a written explanation of its refusal within ten (10) business days of the Borrower's request. If and when the Borrower has taken the specified measures or met the specified standards, and is not otherwise in violation under this Agreement, the Agency shall issue a Certificate of Completion.

The Certificate of Completion shall not be deemed a notice of completion under the California Civil Code, nor shall it constitute evidence of compliance with or satisfaction of any obligation of the Borrower to any holder of deed of trust securing money loaned to finance the Development, other than the Agency as to the obligations under this Article Three.

Section 3.10 Progress Reports.

At the request of the Agency and until such time as Borrower has received a Certificate of Completion from the Agency, Borrower shall provide the Agency with written quarterly progress reports regarding the status of the construction of the Development.

Section 3.11 Construction Responsibilities.

(a) It shall be the responsibility of Borrower to coordinate and schedule the work to be performed so that commencement and completion of construction will take place in accordance with this Agreement.

(b) Borrower shall be solely responsible for all aspects of Borrower's conduct in connection with the Development, including (but not limited to) the quality and suitability of the plans and specifications, the supervision of construction work and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property manager. Any review or inspection undertaken by the Agency with reference to the Development is solely for the purpose of determining whether Borrower is properly discharging its obligations to the Agency, and may not be relied upon by Borrower or by any third parties as a warranty or representation by the Agency as to the quality of the design or construction of the Development.

Section 3.12 Mechanics Lien, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or a stop notice affecting the Loan is served on the Agency or any other lender or other third party in connection with the Development, then Borrower shall, within twenty (20) calendar days after 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 Agency a surety bond in sufficient form and amount, or provide the Agency with other assurance satisfactory to the Agency that the claim of lien or stop notice will be paid or discharged.

(b) If Borrower fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, the Agency may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternately, the Agency may require Borrower to immediately deposit with the Agency the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The Agency may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

(c) Borrower shall file a valid notice of cessation or notice of completion upon cessation of construction on the Development for a continuous period of thirty (30) calendar days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes the Agency, but without any obligation by the Agency to do so, to record any notices of completion or cessation of labor, or any other notice that the Agency deems necessary to desirable to protect its interest in the Development and Property.

Section 3.13 Inspections.

Borrower shall permit and facilitate, and shall require its contractors to permit and facilitate, observation and inspection at the Development by the Agency and by public authorities during reasonable business hours and upon reasonable notice to Borrower for the purposes of determining compliance with this Agreement.

ARTICLE 4 LOAN REQUIREMENTS

Section 4.1 Applicability.

The Borrower shall comply with this Article Four throughout the Term.

Section 4.2 Financial Accountings and Post-Completion Audits.

No later than sixty (60) calendar days following completion of construction of the Development, Borrower shall provide to Agency an initial estimated unaudited financial accounting of all sources and uses of funds for the Development. No later than one hundred fifty (150) calendar days following completion of construction of the Development, Borrower shall submit an audited financial report showing the sources and uses of all funds utilized for the Development.

Section 4.3 Information.

Borrower shall provide any information reasonably requested by the Agency in connection with the Development or use of Loan funds and other funds.

Section 4.4 Records.

(a) Borrower shall maintain complete, accurate, and current records pertaining to the Development for a period of five (5) years after the creation of such records, and shall permit any duly authorized representative of the Agency to inspect and copy records. Such records shall include all invoices, receipts, and other documents related to expenditures from the Loan funds. Records must be kept accurate and current.

(b) The Agency shall notify Borrower of any records it deems insufficient. Borrower shall have twenty-one (21) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the Agency in such notice, or if a period longer than twenty-one (21) calendar days is reasonably necessary to correct the deficiency, then Borrower shall begin to correct the deficiency within twenty-one (21) calendar days and correct the deficiency as soon as reasonably possible.

Section 4.5 Audits.

Borrower shall make available for examination at reasonable intervals and during normal business hours to Agency all books, accounts, reports, files and other papers or property with respect to all matters covered by this Agreement, and shall permit Agency to audit, examine, and make excerpts or transcripts from such records. Agency may make audits of any conditions relating to this Agreement or the Development.

Section 4.6 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the Development or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the Agency in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Borrower's discovery of any occurrence of condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq. or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The Agency shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify, defend and hold harmless the Agency and the City and their respective councilmembers, boardmembers, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by the Agency in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees. This obligation to indemnify shall survive termination of this Agreement.

(d) Without the Agency's prior written consent, which shall not be unreasonably withheld, Borrower shall not take any remedial action in response to the presence of any

Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the Agency's reasonable judgement, impair the value of the Agency's security hereunder; provided, however, that the Agency's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the Agency's consent before taking such action, provided that in such event Borrower shall notify the Agency as soon as practicable of any action so taken. The Agency agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Borrower establishes to the reasonable satisfaction of the Agency that there is no reasonable alternative to such remedial action which would result in less impairment of the Agency's security hereunder; or (iv) the action has been agreed to by the Agency.

(e) Borrower hereby acknowledges and agrees that (i) this Section is intended as the Agency's written request for information (and Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

Section 4.7 Maintenance and Damage.

(a) During the course of both construction and operation of the Development, Borrower shall maintain the Development and the Property in good repair and in a neat, clean and orderly condition, reasonable wear and tear excepted. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) calendar days after receiving an Agency notice of such a condition, then in addition to any other rights available to the Agency, the Agency shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property for the amounts incurred by the Agency in performing such acts.

(b) Subject to the requirements of senior lenders, and if economically feasible in the Agency's reasonable judgement, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the Agency with such changes as have been approved by the Agency. Such work or repair shall be commenced no later than the later of one hundred twenty (120) calendar days after the damage or loss occurs or thirty (60) calendar days following receipt of the insurance proceeds, and shall be complete within two (2) years thereafter (or such longer period for the commencement and completion as may be extended by the Agency in its reasonable discretion). Any 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, then Borrower shall make up the deficiency.

Section 4.8 Fees and Taxes.

Borrower shall be solely 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 Development to the extent owned by Borrower, and shall pay such charges prior to delinquency. However, Borrower 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 Agency, Borrower deposits with the Agency any funds or other forms of assurance that the Agency in good faith from time to time determines appropriate to protect the Agency from the consequences of the contest being unsuccessful.

Section 4.9 Notice of Litigation.

Borrower shall promptly notify the Agency in writing of any litigation materially affecting the Borrower, the Development or the Property and of any claims or disputes that involve a material risk of such litigation.

Section 4.10 Operation of Development as Affordable Housing.

Promptly following the completion of construction of the Improvements, Borrower shall continuously operate and maintain the Development as multifamily housing rented to occupants and at rent levels in conformity with the Regulatory Agreement.

Section 4.11 Nondiscrimination.

The Borrower covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code (race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability or any other basis prohibited by California Civil Code § 51), as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Development or the Property, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Development or the Property. The foregoing covenant shall run with the land in perpetuity.

Section 4.12 Mandatory Language in all Subsequent Deeds, Leases and Contracts.

All deeds, leases, or contracts entered into by the Borrower as to any portion of the Property shall contain the following language:

(a) In Deeds:

“Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code (race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability or any other basis prohibited by California Civil Code § 51), as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.”

(b) In Leases:

“The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns and all persons claiming under the lessee or through the lessee that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code (race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability or any other basis prohibited by California Civil Code § 51), as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased.”

(c) In Contracts:

“There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code (race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability or any other basis prohibited by California Civil Code § 51), as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land.”

Section 4.13 Insurance Requirements.

The Borrower shall maintain the following insurance coverage throughout the Term of the Loan:

(a) Worker's Compensation insurance to the extent required by law, including Employer's Liability Coverage, with limits not less than One Million Dollars (\$1,000,000) each accident.

(b) Comprehensive General Liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(c) Comprehensive Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Borrower does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

(d) Property insurance covering the Development, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for 100% of the replacement value, with deductible, if any, acceptable to the Agency, naming the Agency as a Loss Payee, as its interests may appear. Flood insurance shall be obtained if required by applicable federal regulations. Property insurance need not be maintained prior to commencement of construction of the Development.

The Borrower shall cause any general contractor or agent working on the Development under direct contract with the Borrower to maintain insurance of the types and in at least the minimum amounts described in subsections (a), (b), and (c) above, except that the limit of liability for comprehensive general liability insurance for subcontractors shall be One Million Dollars (\$1,000,000), and shall require that such insurance shall meet all of the general requirements of subsections (e), (f), and (g) below, including, without limitation, the requirement of subsection (f). Subcontractors working on the Development under indirect contract with the Borrower shall be required to maintain the insurance described in subsections (a), (b), and (c) above. Liability and Comprehensive Automobile Liability insurance to be maintained by such contractors and agents pursuant to this subsection shall name as additional insureds the Agency, the City, their respective officers, agents, employees and members of the City Council and Agency Board.

(e) The required insurance shall be provided under an occurrence form and Borrower shall maintain such coverage continuously so long as the Note is outstanding. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(f) Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies shall be endorsed to name as an additional insureds the Agency, the City, their respective officers, agents, employees and members of the City Council and Agency Board.

(g) All policies and bonds shall be endorsed to provide thirty (30) calendar days prior written notice of cancellation, reduction in coverage, or intent not to renew to the address established for notices to the Agency. The notice endorsement shall not contain best efforts, "shall endeavor" or similar qualifiers.

(h) In the event of any fire or other casualty to the Development or eminent domain proceedings resulting in condemnation of the Development or any part thereof, the Borrower shall have the right to rebuild the Development and to use all available insurance or condemnation proceeds therefor, provided that (i) such proceeds are sufficient to keep the Loan in balance and rebuild the Development in a manner that provides adequate security to the Agency for repayment of the Loan or, if such proceeds are insufficient, then the Borrower shall have funded any deficiency; (ii) the Agency shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement; and (iii) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Development and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to the Agency for repayment of the remaining balance of the Loan.

ARTICLE 5 ASSIGNMENT AND TRANSFERS

Section 5.1 Definitions.

As used in this Article Five, the term "Transfer" means:

(a) Any total or partial sale, lease, assignment, or other conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or of any part of or interest in the Development, or any agreement to do any of the foregoing; or

(b) Any total or partial sale, assignment, or other conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to any ownership interest in the Borrower or any agreement to do any of the foregoing.

Section 5.2 Purpose of Restrictions on Transfer.

This Agreement is entered into solely for the purpose of the Borrower's construction and operation of the Development in accordance with the terms of this Agreement and the Regulatory Agreement. The qualifications and identity of the Borrower are of particular concern to the Agency, in view of:

(a) The importance of the development of the Property with the Improvements to the general welfare of the community.

(b) The public aids that have been made available by law and by the government for the purpose of making such development possible;

(c) The reliance by the Agency upon the unique qualifications and ability of the Borrower to serve as the catalyst for development of the Property and upon the continuing interest which the Borrower will have in the Property to assure the quality of the use, operation, and maintenance deemed critical by the Agency in the development of the Property;

(d) The fact that a change in ownership or control of the owner of the Property, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties in control of the Borrower or the degree thereof, is for practical purposes a transfer or disposition of the Property; and

(e) The importance to the Agency of the standards of use, operation, and maintenance of the Property.

It is because of the qualifications and identity of the Borrower that the Agency is entering into this Agreement and that Transfers are permitted only as provided in this Agreement.

Section 5.3 Prohibited Transfers.

The limitations on Transfers set forth in this Article Five shall apply throughout the Term. Except as expressly permitted in this Agreement, the Borrower represents that it has not made or created, and agrees that it will not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior written approval of the Agency.

Any Transfer made in contravention of this Section 5.3 shall at the Agency's discretion be void and shall be deemed to be a default under this Agreement, whether or not Borrower knew of or participated in such Transfer.

Section 5.4 Permitted Transfers Without Prior Agency Approval.

The only Transfers permitted at any time without the prior approval of the Agency are as follows:

(a) The rental of a Unit by the Borrower in the ordinary course of business and in compliance with the Regulatory Agreement.

(b) The Transfer of the Development to a limited partnership as required for financing the Development, in which an affiliate of the Borrower is a general partner, the only other general partner or partners are non-profit corporations and the limited partner or partners

are persons or entities who are providing funds to the partnership in consideration for receipt of federal tax credits allocated to the Development.

(c) The Transfer of the respective interests of Borrower's limited partners. No consent of Agency shall be required for any amendment to Borrower's Amended and Restated Agreement of Limited Partnership in order to effectuate a transfer authorized by this paragraph.

In addition, the Borrower's administrative general partner shall be permitted to remove a general partner thereof for cause in accordance with Borrower's Amended and Restated Agreement of Limited Partnership without the consent of the Agency, provided the substitute general partner is the Borrower's limited partner, or an entity which is affiliated with and controlled by Borrower's limited partner, or it otherwise reasonably acceptable to the Agency and is selected with reasonable promptness.

Borrower shall promptly notify the Agency in writing of any such Transfer permitted without prior approval of the Agency.

Section 5.5 Permitted Transfers With Prior Approval.

Except as permitted under Section 5.4, any Transfer shall be permitted only after (a) the Agency, in its sole discretion, has delivered to the Borrower its prior written approval of such Transfer, and (b) the transferee has assumed the Borrower's obligations under this Agreement by signing this Agreement or such other reasonable documentation as the Agency may require.

Section 5.6 Release of Borrower.

Upon all of the terms of this Article Five being satisfied for a permitted Transfer to be effective, the Borrower or the successor transferor party, as applicable, shall be released from all liability under this Agreement so transferred arising subsequent to the effectiveness of such Transfer, provided Borrower or other transferor party is not then in Default under this Agreement.

Section 5.7 Transfer by Agency.

The Agency, in its sole discretion, may transfer all its rights and obligations under this Agreement and the Loan Documents to the City of Lemoore.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 6.1 Representations and Warranties.

Borrower hereby represents and warrants to the Agency as follows:

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

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Agency Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Agency Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Agency Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(d) Valid Binding Agreements. This Agreement and the Agency Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms, subject to laws affecting creditors rights and principles of equity.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Agency Loan Documents or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Borrower, or any provision of the organizational commission or agency whatsoever binding on Borrower, or any provision of the organizational documents of Borrower, or will materially conflict with or constitute a material breach of or a material default under any agreement to which Borrower is a party, or will result in the creation or imposition of any lien upon assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance With Laws; Consents and Approvals. The construction of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and will all applicable directions, rules and regulations of the fire marshal, health officers, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default in any material respect under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to

Borrower, materially affect Borrower's ability to repay the Agency Loan or construct, operate or maintain the Development, or impair the security to be given to the Agency pursuant hereto.

(h) Title to Land. At the time of recordation of the Agency Deed of Trust, Borrower will have good and marketable fee title to the Development and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than those liens approved by the Agency and described in the Approved Development Budget (Section 1.1(c) of this Agreement), liens for current real property taxes and assessments not yet due and payable, and liens in favor of the Agency or approved in writing by the Agency.

(i) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the Agency at any time during the Term fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Borrower from that shown by such financial statements and other data and information delivered to the Agency at or before the effective date of this Agreement.

ARTICLE 7 DEFAULT AND REMEDIES

Section 7.1 Events of Default.

Each of the following shall constitute a "Default" by Borrower under this Agreement:

(a) Failure to Obtain Approvals or Financing. Borrower fails to receive permits or approvals or obtain financing by December 31, 2011.

(b) Failure to Construct. Subject to Section 8.13, failure of Borrower to commence and complete construction of the Development with the times set forth in Article 3 above.

(c) Failure to Make Payment. Failure to repay the regularly scheduled principal and any interest on the Loan that is due and payable to the Agency pursuant to the Loan Documents provided that such failure continues for ten (10) calendar days after written notice from Agency to Borrower of such failure.

(d) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement or any of the other Loan Documents, and such failure having continued uncured for thirty (30) calendar days after receipt of written notice thereof by Borrower from Agency or, if the breach cannot be cured within thirty (30) calendar days, Borrower shall not be in breach so long as Borrower is diligently undertaking to cure such breach, and such breach is cured within one hundred twenty (120) calendar days of the breach; provided, however, that if a different period or notice requirement is specified under any other section of this Article 7, the specific provisions shall control.

(e) Insolvency. A court having jurisdiction shall have made or entered any decree or order (i) adjudging Borrower to be bankrupt or insolvent; (ii) approving as properly filed a

petition seeking reorganization of Borrower or seeking any arrangement for Borrower under the bankruptcy law or any applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties; or (iv) directing the winding up or liquidation of Borrower, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) calendar days; or Borrower shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the Agency, the indebtedness evidenced by the Note.

(f) Assignment; Attachment. Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the Agency, the indebtedness evidenced by the Note.

(g) Suspension; Termination. Borrower shall have suspended its business or, if Borrower is a partnership, the partnership shall have been dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(h) Liens on Property or the Development. There shall not be filed any claim of lien (other than liens approved in writing by the Agency) against the Property or the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) calendar days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the Agency.

(i) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development, except that condemnation by the County, City or Agency shall cause the Loan to accelerate but shall not be a Default.

(j) Unauthorized Transfer. Any Transfer other than as permitted by Article Five.

(k) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the Agency in connection with any of the Loan Documents, proving to have been incorrect in any material and adverse respect when made.

Notwithstanding anything to the contrary contained herein, any cure of any Default made or tendered by one or more of Borrower's limited partner shall be deemed to be a

cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

Section 7.2 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the Agency or automatically where so specified, relieve the Agency of any obligation to make or continue the Loan and shall give the Agency the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) Acceleration of Note and other Remedies. The Agency shall have the right to cause all indebtedness of the Borrower to the Agency under this Agreement and the Note, together with any accrued interest thereof, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The Agency may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the Agency as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Agency Deed of Trust. In addition, the Agency shall have the right to the recovery and return of funds and the right to block the disbursement of funds as a remedy to the extent such funds are in the "Control Account" as defined in the Account Agreement between the Agency and Wells Fargo Bank, N.A. The Borrower shall be liable to pay the Agency on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the Agency in connection with the collection of the Loan and the preservation, maintenance, protection, sale or other disposition of the security given for the Loan.

(b) Specific Performance. The Agency shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under this Agreement or the other Loan Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of this Agreement or the other Loan Documents.

(c) Right to Cure at Borrower's Expense. The Agency shall have the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loan. The Borrower agrees to reimburse the Agency for any funds advanced by the Agency to cure a monetary default by Borrower upon demand therefor, together with interest thereon at the lesser of the maximum rate permitted by law or ten percent (10%) per annum from the date of expenditure until the date of reimbursement.

(d) Cure by Limited Partner. Notwithstanding anything to the contrary contained herein, Agency hereby agrees that any cure of any default made or tendered by one or more of Borrower's limited partners shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

Section 7.3 Right of Contest.

Borrower shall have the right to contest in good faith any claim demand, levy, or assessment the assertion of which would constitute a Default hereunder; provided (i) any such contest shall be prosecuted diligently and shall not be prejudicial to the Agency or the rights of the Agency hereunder or under any other Loan Documents; and (ii) if requested by the Agency, Borrower deposits with the Agency any funds or other forms of assurance that the Agency in good faith from time to time determines appropriate to protect the Agency from the consequences of the contest being unsuccessful.

Section 7.4 Remedies Cumulative.

Subject to the non-recourse provisions contained in the Note and this Agreement, no right, power, or remedy given to the Agency by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Agency by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the Agency to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Agency of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 8 GENERAL PROVISIONS

Section 8.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Agency and Borrower or its agents, employees or contractors, and Borrower shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the obligations required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the purchase of the Property, construction of the Improvements, and operation of the Development, Borrower shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Borrower shall be solely responsible for its own acts and those of its agents and employees.

Section 8.2 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the Agency by any person that Borrower may have employed or with whom Borrower may have contracted

relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, the construction of the Improvements, or the operation of the Development, and Borrower shall include similar requirements in any contracts entered into for the purchase of the Property, the construction of the Improvements, or the operation of the Development.

Section 8.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties and approved by the Board of Directors of the Agency.

Section 8.4 Indemnification.

The Borrower shall indemnify, defend and hold the City and the Agency, their respective councilmembers, boardmembers, officers, employees, agents, successors and assigns harmless against all claims made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with the purchase of the Property, or the development, construction, marketing and operation of the Development by Borrower, except to the extent such claim arises from the grossly negligent or willful misconduct of the City and the Agency or their respective councilmembers, boardmembers, officers, employees, agents, successors and assigns. The provision of this Section 8.4 shall survive the expiration of the Term and the Reconveyance of the Deed of Trust

Section 8.5 Non-Liability of Officials, Employees and Agents.

No member, official, employee or agent of the City or Agency shall be personally liable to Borrower in the event of any default or breach by the City or Agency or for any amount which may become due to Borrower or its successor or on any obligation under the terms of this Agreement.

Section 8.6 No Third Party Beneficiaries.

There shall be no third party beneficiaries to this Agreement.

Section 8.7 Notices, Demands and Communications.

Formal notices, demands, and communications between the Parties shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, or sent by facsimile transmission from a machine that generates a written record of the transmission, to the principal office of the Parties as follows:

Agency: Lemoore Redevelopment Agency
119 Fox Street
Lemoore, CA 93245
ATTN: Executive Director
FAX No. (559) 924-9003

Borrower: Lemoore Pacific Associates II
430 E. State Street, Suite 100
Eagle, ID 83616
ATTN: Caleb Roope
FAX No. (208) 461-3267

Kings County Management and Development Corporation
680 North Douty Street
Hanford, CA 93230
ATTN: Robert Hoskins
FAX No. (559) 583-6964

Wells Fargo Affordable Housing Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28202-6000
Attention: Asset Management

Joel Hjelmaas, Counsel
Wells Fargo Bank, N.A.
MAC X2401-06T
1 Home Campus, 6th Floor
Des Moines, IA 50328-0001

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). Copies of notice, sent to Borrower shall also be sent to any limited partner of Borrower who requests such notice in writing and provides its address and FAX number.

Section 8.8 Applicable Law.

This Agreement shall be governed by California law.

Section 8.9 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and, subject to Article Five above, shall bind Borrower and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof shall inure to the benefit of the Agency and its successors and assigns.

Section 8.10 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 8.11 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 8.12 Force Majeure.

In addition to specific provisions of this Agreement, performance by either Party shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fire; quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes (other than lack of funds of Borrower or Borrower's inability to finance the construction of the Development) beyond the control and without the fault of the Party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) calendar days from the commencement of the cause and such extension of time is not rejected in writing by the other Party within ten (10) calendar days of receipt of the notice. In no event shall the Agency be required to agree to cumulative delays in excess of one hundred eighty (180) calendar days.

Section 8.13 Agency Approval.

Except as expressly provided otherwise in this Agreement, whenever this Agreement calls for Agency approval, consent, or waiver, the written approval, consent, or waiver of the Executive Director or his or her designee shall constitute the approval, consent, or waiver of the Agency, without further authorization required from the Board of the Agency. The Agency hereby authorizes the Executive Director or his or her designee to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the Agency. The Executive Director or his or her designee is also hereby authorized to approve, on behalf of the Agency, request by Borrower for reasonable extensions of time deadlines set forth in this Agreement.

Section 8.14 Waivers.

Any waiver by the Agency of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failures by the Agency to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this

Agreement. Consent by the Agency to any act or omission by Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the Agency's written consent to future waivers.

Section 8.15 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 8.16 Entire Understanding of the Parties.

This Agreement and the Loan Documents, constitute the entire understanding and agreement of the Parties with respect to the Loan.

Section 8.17 Multiple Originals; Counterpart.

Section 8.18 Compliance with Internal Revenue Code Section 42.

Agency acknowledges that the Project is being developed and operated so that 100% of the Units (other than units occupied by resident managers) will qualify for low income housing tax credits under Section 42 of the Internal Revenue Code ("LIHTCs"). Agency agrees that nothing in the Loan Documents shall require Borrower to violate the requirements of Section 42 of the Internal Revenue Code or the Treasury Regulations promulgated thereunder, or to operate the Project in a manner that would prevent 100% of the Units (other than units occupied by resident managers) from generating LIHTCs.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

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[Agreement continued, and signatures on, next page.]

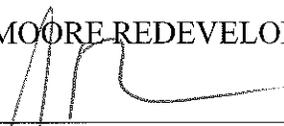
WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

AGENCY:

ATTEST:

By: 
Nanci C.O. Lima, Secretary
Lemoore Redevelopment
Agency

LEMOORE REDEVELOPMENT AGENCY

By: 
Jeff Britz, Executive Director

BORROWER:

LEMOORE PACIFIC ASSOCIATES II, A
CALIFORNIA LIMITED PARTNERSHIP

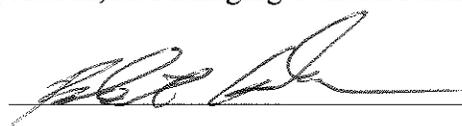
By: TPC Holdings IV, LLC, an Idaho limited liability
company, its Administrative General Partner

By: _____

Name: Caleb Roope

Title: Manager

By: Kings County Management and Development
Corp., a California nonprofit public benefit
corporation, its Managing General Partner

By: 

Name: Robert Hoskins

Title: Secretary

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

AGENCY:

ATTEST:

LEMOORE REDEVELOPMENT AGENCY

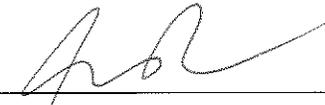
By: _____
Nanci C.O. Lima, Secretary
Lemoore Redevelopment
Agency

By: _____
Jeff Briltz, Executive Director

BORROWER:

LEMOORE PACIFIC ASSOCIATES II, A
CALIFORNIA LIMITED PARTNERSHIP

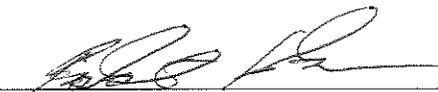
By: TPC Holdings IV, LLC, an Idaho limited liability
company, its Administrative General Partner

By:  _____

Name: Caleb Roope

Title: Manager

By: Kings County Management and Development
Corp., a California nonprofit public benefit
corporation, its Managing General Partner

By:  _____

Name: Robert Hoskins

Title: Secretary

EXHIBIT A: Legal Description of the Property

Real property situated in the City of Lemoore, County of Kings, State of California, described as follows:

Being a portion of the Northeast quarter and the East half of the Northwest quarter of Section 3, in Township 19 South, Range 20 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, more particularly described as Parcel A of Parcel Map No. 2009-02 recorded in Book 19, Page 86 of Parcel Maps, Kings County Records.

EXHIBIT B: Approved Development Budget

EXHIBIT B
Approved Development Budget

Rev. 12/2/11

DEVELOPMENT BUDGET
Cinnamon Villas
Lemoore, CA

	Project Costs	Cost Per Unit	Cost Per Res. Sq. Ft.	Tax Credit Eligible Basis
Total Land Costs	\$ 1,105,000	\$ 13,813	\$ 18.45	XXXXXXXXXX
Total Acquisition Costs	\$ -	\$ -	\$ -	\$ -
New Construction and/or Rehabilitation				
Off-Site Work	\$ 146,235	\$ 1,828	\$ 2.44	\$ 146,235
Prevailing Wages	\$ -	\$ -	\$ -	\$ -
On Site Work	\$ 1,280,000	\$ 16,000	\$ 21.37	\$ 1,280,000
Structures	\$ 4,829,494	\$ 60,369	\$ 80.63	\$ 4,829,494
General Requirements	\$ 375,344	\$ 4,692	\$ 6.27	\$ 375,344
Contractor Overhead	\$ 125,115	\$ 1,564	\$ 2.09	\$ 125,115
Contractor Profit	\$ 375,344	\$ 4,692	\$ 6.27	\$ 375,344
Construction Contingency	\$ 425,000	\$ 5,313	\$ 7.10	\$ 425,000
Total Construction Costs	\$ 7,556,532	\$ 94,457	\$ 126.16	\$ 7,556,532
Financing Costs				
Construction Loan Interest	\$ 300,000	\$ 3,750	\$ 5.01	\$ 230,000
Construction Loan Fee	\$ 65,000	\$ 813	\$ 1.09	\$ 65,000
Construction Lender Costs (Legal, Etc.)	\$ 20,000	\$ 250	\$ 0.33	\$ 20,000
Bond Issuer & Trustee Fees	\$ -	\$ -	\$ -	\$ -
Permanent Loan Fees	\$ 31,000	\$ 388	\$ 0.52	XXXXXXXXXX
Permanent Loan Costs	\$ 25,000	\$ 313	\$ 0.42	XXXXXXXXXX
Tax Credit Fees	\$ 58,828	\$ 735	\$ 0.98	XXXXXXXXXX
Bond Counsel	\$ -	\$ -	\$ -	XXXXXXXXXX
Financial Advisor	\$ -	\$ -	\$ -	XXXXXXXXXX
Total Financing Costs	\$ 499,828	\$ 6,248	\$ 8.34	\$ 315,000
Soft Costs				
Architectural	\$ 375,000	\$ 4,688	\$ 6.26	\$ 375,000
Engineering/Surveying/Environmental	\$ 180,000	\$ 2,250	\$ 3.01	\$ 180,000
Taxes During Construction	\$ 10,000	\$ 125	\$ 0.17	\$ 10,000
Insurance	\$ 113,300	\$ 1,416	\$ 1.89	\$ 113,300
Title & Recording	\$ 40,000	\$ 500	\$ 0.67	\$ 40,000
Borrower Attorney	\$ 40,000	\$ 500	\$ 0.67	\$ 40,000
Appraisal	\$ 10,000	\$ 125	\$ 0.17	\$ 10,000
Local Tap, Building Permit, & Impact Fees	\$ 1,062,295	\$ 13,279	\$ 17.74	\$ 1,062,295
Marketing	\$ 76,347	\$ 954	\$ 1.27	XXXXXXXXXX
Relocation Costs	\$ -	\$ -	\$ -	XXXXXXXXXX
Furnishings	\$ 40,000	\$ 500	\$ 0.67	\$ 40,000
Cost Certification	\$ 10,000	\$ 125	\$ 0.17	\$ 10,000
Market Study	\$ 10,000	\$ 125	\$ 0.17	\$ 10,000
Soft Cost Contingency	\$ 100,000	\$ 1,250	\$ 1.67	\$ 100,000
Developer Overhead & Profit	\$ 1,400,000	\$ 17,500	\$ 23.37	\$ 1,400,000
Consultant Fee	\$ -	\$ -	\$ -	\$ -
Total Soft Costs	\$ 3,466,942	\$ 43,337	\$ 57.88	\$ 3,390,595
Reserves				
Rent Reserve	\$ -	\$ -	\$ -	XXXXXXXXXX
Operating Reserve	\$ 230,000	\$ 2,875	\$ 3.84	XXXXXXXXXX
Total Reserve Costs	\$ 230,000	\$ 2,875	\$ 3.84	XXXXXXXXXX
Totals	\$ 12,858,302	\$ 160,729	\$ 214.67	\$ 11,262,127

SOURCES & USES**Cinnamon Villas
Lemoore, CA****CONSTRUCTION PHASE**

Sources of Funds	
Tax Credit Financing	\$ 1,371,333
USDA 515 Loan	\$ -
Lemoore RDA	\$ 2,680,000
CDBG Loan	\$ 651,200
Other	\$ -
Other	\$ -
Deferred Costs	\$ 230,000
Deferred Contractor Profit	\$ -
Deferred Developer Fee	\$ 1,400,000
Construction Loan	\$ 6,525,769
Total Sources of Funds	\$ 12,858,302

PERMANENT PHASE

Sources of Funds	
Total Tax Credit Financing	\$ 7,427,102
Permanent Loan	\$ 1,100,000
USDA 515 Loan	\$ 1,000,000
Lemoore RDA	\$ 2,680,000
CDBG Loan	\$ 651,200
Other	\$ -
Deferred Developer Fee	\$ -
Total Sources of Funds	\$ 12,858,302

Uses of Funds

Uses of Funds	
Total Land Costs	\$ 1,105,000
Total Acquisition Costs	\$ -
New Construction and/or Rehabilitation	\$ 7,131,532
Construction Contingency	\$ 425,000
Financing Costs	\$ 499,828
Architecture & Engineering	\$ 555,000
Other Soft Costs	\$ 1,411,942
Developer Fees	\$ 1,400,000
Soft Cost Contingency	\$ 100,000
Reserves	\$ 230,000
Total Uses of Funds	\$ 12,858,302

Uses of Funds

Uses of Funds	
Total Land Costs	\$ 1,105,000
Total Acquisition Costs	\$ -
New Construction and/or Rehabilitation	\$ 7,131,532
Construction Contingency	\$ 425,000
Financing Costs	\$ 499,828
Architecture & Engineering	\$ 555,000
Other Soft Costs	\$ 1,411,942
Developer Fees	\$ 1,400,000
Soft Cost Contingency	\$ 100,000
Reserves	\$ 230,000
Total Uses of Funds	\$ 12,858,302

EXHIBIT C

Form of Certificate of Completion

Recording Requested By
And When Recorded Mail To:

Lemoore Redevelopment Agency
119 Fox Street
Lemoore, CA 93245
Attention: Executive Director

No fee for recording pursuant to
Government Code Section 27383

CERTIFICATE OF COMPLETION

Pursuant to Section 3.9 of the Loan Agreement (the "Loan Agreement") by and between the Lemoore Redevelopment Agency, a Public Body corporate and politic, and Lemoore Pacific Associates II, a California Limited Partnership (the "Borrower"), the Agency certifies that the Borrower has met its redevelopment construction obligations under Article 3 of the Loan Agreement. This Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Borrower to any holder of a deed of trust securing money loaned to finance the Development (as defined in the Loan Agreement) or any part thereof and shall not be deemed either a notice of completion under the California Civil Code or a certificate of occupancy.

Lemoore Redevelopment Agency

By: _____

Its: _____

(Notarize signature and
attach legal description)