

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER

16-AHSC-11185

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

Visionary Home Builders of California, Inc., City of Stockton Public Works Department, and Vision 17, L.P.

2. The term of this Agreement is:

Upon HCD Approval through 06/30/2023

3. The maximum amount of this Agreement is:

\$8,228,370.00

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Authority, Purpose and Scope of Work	8
A-1 - Housing-Related Infrastructure	0
A-2 - Transportation-Related Infrastructure	0
A-3 - Planning Costs	0
A-4 - Program Costs	0
A-5 - Sustainable Transportation Infrastructure	0
A-6 - Transportation-Related Amenities	0
Exhibit B - Budget Detail and Payment Provisions	1
Exhibit C - State of California General Terms and Conditions*	GTC - 04/2017
Exhibit D - AHSC Terms and Conditions	18
Exhibit E - Special Terms and Conditions	1
TOTAL NUMBER OF PAGES ATTACHED	28 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. The GTC 04/2017 documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc)

[See Attached](#)

BY (Authorized Signature)

[See Attached](#)

DATE SIGNED (Do not type)

[See Attached](#)

PRINTED NAME AND TITLE OF PERSON SIGNING

[See Attached](#)

ADDRESS

[See Attached](#)

STATE OF CALIFORNIA

AGENCY NAME

Department of Housing and Community Development

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Synthia Rhinehart, Contracts Manager, Business & Contract Services Branch

ADDRESS

2020 W. El Camino Ave., Suite 330, Sacramento, CA 95833

**California Department of
General Service
Use Only**

☒ Exempt per: **SCM 4.04.A.3 (DGS
Memo dated 6/12/81)**

STATE OF CALIFORNIA

AGREEMENT SUMMARY

STD 215 (Rev. 08/2017)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED**AGREEMENT NUMBER**

16-AHSC-11185

AMENDMENT NUMBER**1. CONTRACTOR'S NAME**

Visionary Home Builders of California, Inc., City of Stockton Public Works Department, and Vision 17, L.P.

2. FEDERAL I.D. NUMBER

N/A

3. AGENCY TRANSMITTING AGREEMENT

Housing and Community Development

4. DIVISION, BUREAU, OR OTHER UNIT

Financial Assistance

5. AGENCY BILLING CODE

N/A

6a. CONTRACT ANALYST NAME

Wendy Barnes

6b. EMAIL

wbarnes@hcd.ca.gov

6c. PHONE NUMBER

(916) 263-6916

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?☒ No ☐ YES (If Yes, enter prior contractor name and agreement number)

PRIOR CONTRACTOR NAME

N/A

PRIOR AGREEMENT NUMBER

N/A

8. BRIEF DESCRIPTION OF SERVICES

Land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions.

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

The AHSC Program, funded from the Greenhouse Gas Reduction Fund, will assist project areas by providing grants and/or loans, or any combination thereof, that will achieve GHG emissions reductions and benefit Disadvantaged Communities through increasing accessibility between destinations resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from Single Occupancy Vehicle use to transit, bicycling or walking.

10. PAYMENT TERMS (More than one may apply)☐ Monthly Flat Rate☐ Quarterly☐ One-Time Payment☐ Progress Payment☐ Itemized Invoice☒ Withhold 10%☐ Advanced Payment Not To Exceed☐ Reimbursement/Revenue

\$ 0.00 or 0%

☒ Other (Explain) Conditional 10% withheld until submittal and approval of cost audit and any remaining loan closing checklist items by Man**11. PROJECTED EXPENDITURES**

FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	PROJECTED EXPENDITURES
Greenhouse Gas Reduction Fund	2240 601 3228 Cat.	2016/2017	36	2014	\$ 8,228,370.00
OBJECT CODE 2000/45302 = \$8,228,370.00 664731 - Loans				AGREEMENT TOTAL	\$ 8,228,370.00
OPTIONAL USE				AMOUNT ENCUMBERED BY THIS DOCUMENT	
				\$ 8,228,370.00	
<i>I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure state above.</i>				PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT	
				\$ 0.00	
				TOTAL AMOUNT ENCUMBERED TO DATE	
				\$ 8,228,370.00	
ACCOUNTING OFFICER'S SIGNATURE		ACCOUNTING OFFICER'S NAME (Print or Type)		DATE SIGNED	

STATE OF CALIFORNIA
AGREEMENT SUMMARY
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12. AGREEMENT

AGREEMENT	TERM FROM	TERM THROUGH	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	Upon HCD Approval	06/30/2023	\$ 8,228,370.00	Exempt
Amendment No. 1				
Amendment No. 2				
Amendment No. 3				
		TOTAL	\$ 8,228,370.00	

13. BIDDING METHOD USED:

- ☐ Request for Proposal (RFP) (Attach justification if secondary method is used) ☐ Use of Master Service Agreement
- ☐ Invitation for Bid (IFB) ☒ Exempt from Bidding (Give authority for exempt status) ☐ Sole Source Contract (Attach STD. 821)
- ☒ Other (Explain) SCM 5.80,B.2.b

Note: Proof of advertisement in the State Contracts Register or an approved form STD.821, Contract Advertising Exemption Request, must be attached.

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank.)

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S). (If an amendment, sole source, or exempt, leave blank.)

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

N/A

17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- ☐ Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified. ☐ Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 54760 must be attached to this document.
- ☒ Not Applicable (Interagency / Public Works / Other PCC § 10348)

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION **N/A**

- ☐ By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

AUTHORIZED SIGNATURE	SIGNER'S NAME (Print or Type)	DATE SIGNED
N/A	N/A	N/A
18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing?	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A
19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? <input type="checkbox"/> No <input type="checkbox"/> Yes SB/DVBE Certification Number: N/A
20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office?	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
21. IS A SIGNED COPY OF THE FOLLOWING FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. Contractor Certification Clauses <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A B. STD.204 Vendor Data Record <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED?

(If an amendment, explain changes, if any)

☐ No (Explain Below) ☐ Yes ____ % of Agreement**N/A**

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?

☐ No ☐ Yes (If Yes, provide justification below)**N/A**

I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.

SIGNATURE	NAME/TITLE (Print or Type)	DATE SIGNED
	Wendy Barnes / Contracts Analyst	

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

Affordable Housing and Sustainable Communities (AHSC) Program

Loan for Rental Affordable Housing Development

1. Authority & Purpose

This Standard Agreement, STD 213, (hereinafter "Agreement") is the result of the Sponsor's application ("Application") for funding under the AHSC Program ("Program") pursuant to:

- A. Part 1 of Division 44 of the Public Resources Code (commencing with Section 75200);
- B. The Program Guidelines dated December 17, 2015, ("Guidelines"), issued by the State of California, by the Strategic Growth Council ("SGC") and as may be amended from time to time. The AHSC Guidelines and the NOFA are available on the Program website at:

http://sgc.ca.gov/pdf/ADOPTED_FINAL_15-16_AHSC_Guidelines_with_QM.pdf; and

- C. The Program's Notice of Funding Availability ("NOFA") issued by the Department of Housing and Community Development (hereinafter the "Department" or "State"), dated January 29, 2016.

The Application, including all representations made therein, is hereby incorporated in this Agreement by this reference.

This Agreement is entered into under the authority of, and in furtherance of the purposes of the AHSC Program. In accordance with the authority cited above, the Application was made to the State for financial assistance from the AHSC Program for the purpose of assisting in the development, operation and maintenance of a residential rental Affordable Housing Development on certain real property (the "Property") as identified in the Application. The financial assistance from the Program shall be in the form of a permanent loan (the "AHSC Loan") to the Sponsor, or to its approved affiliate ("Borrower"), as owner of the residential rental Affordable Housing Development, evidenced by a promissory note, secured by a deed of trust and subject to a regulatory agreement between the Sponsor and the Department. The purpose of the AHSC Loan is to ensure that the rental Affordable Housing Development is constructed, owned, managed, maintained and operated in accordance with the requirements of the AHSC Program, AHSC Guidelines and as identified in the Application, and to ensure that certain residential units therein shall be occupied by eligible households at affordable rents as defined in the AHSC Guidelines for the full term of the AHSC Loan, regardless of sale or transfer of the Property or prepayment of the AHSC Loan. To further effect this purpose, if Sponsor or Borrower is an entity other than the Sponsor identified in the Application, the State may require the Sponsor to enter into a Sponsor Operating Guaranty as a condition of closing the AHSC Loan.

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In addition to the AHSC Terms and Conditions ("General Conditions") contained in Exhibit D of this Agreement, the Award and the AHSC Loan are subject to applicable provisions of the statute, the AHSC Guidelines, the NOFA and the representations contained in the Application.

By entering into this Agreement and thereby accepting the award of AHSC Program Loan funds, the Sponsor agrees to comply with the terms and conditions of the Guidelines, the NOFA, this Agreement, the representations contained in the Application, and the requirements of the authorities cited above.

2. **Definitions**

Capitalized terms herein shall have the meaning of the definitions set forth in the Guidelines, and in page 2 of this Exhibit A, in addition:

- A. "Sponsor" refers to the entity or entities that made the Application to the Department for the Award for the Affordable Housing Development and identified as "Contractor" on page 1 to this Agreement (STD 213). "Sponsor" also includes any affiliate or assignee of the Sponsor approved by the Department and undertaking all the obligations of the Sponsor hereunder. In the case of joint applicants, "Sponsor" shall refer to each applicant or the approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Sponsor as set forth herein.
- B. "Affordable Housing Development" or "Project" refers to the residential rental Affordable Housing Development described in the Application providing the affordable housing units, as described therein, in consideration of the AHSC Loan. The Affordable Housing Development shall meet all the criteria for an eligible project as set forth Section 103(a)(1) of the AHSC Guidelines.
- C. "TCAC" refers to the California Tax Credit Allocation Committee.
- D. Any reference to a specific "Section" or "section" of the Guidelines shall initially refer to that specific numbered section of the Guidelines adopted on and dated December 17, 2015. Notwithstanding, if and when the SGC amends any portion of the Guidelines, all references herein to any such portion of the Guidelines shall be deemed to refer to the updated version of the Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines section or sections (Section or Sections) provision is or are amended, and thereafter receive(s) a new Guidelines section number(s), any reference herein to the old Guidelines section(s) number(s) shall be interpreted to refer instead to the Guidelines section(s) that is (or are) intended to replace the content and substance of the former Guidelines section(s).

3. **Scope of Work**

The Scope of Work ("Work") for this Agreement shall consist of the development and construction

EXHIBIT A

by or on behalf of Sponsor of the Affordable Housing Development designated in the Application which is to be developed and constructed by the Sponsor, or other developer, as provided in the Application and which is incorporated herein by reference, and meeting the following criteria:

Location of Affordable Housing Development : 804 North Hunter Street & 226 E. Poplar Street, Stockton, Ca 95202		Hunter Street Apartments		
Enter the number of units by bedroom size and income level.				
# of Bedrooms	# of Units	AHSC Restricted*	Income Limit (% of AMI)	TOTAL RESTRICTED UNITS**
<u>0</u>	<u>6</u>	<u>6</u>	<u>50</u>	<u>6</u>
<u>1</u>	<u>10</u>	<u>10</u>	<u>50</u>	<u>10</u>
<u>2</u>	<u>10</u>	<u>10</u>	<u>50</u>	<u>10</u>
3	10	10	50	10
<u>1</u>	<u>11</u>	<u>11</u>	<u>60</u>	<u>11</u>
<u>2</u>	<u>11</u>	<u>11</u>	<u>60</u>	<u>11</u>
<u>3</u>	<u>14</u>	<u>14</u>	<u>60</u>	<u>14</u>
<u>1 (Mgrs)</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2 (Mgrs)</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Project Units	<u>74</u>	<u>72</u>	<u>0</u>	<u>72</u>
		<u>72</u>		

*AHSC Restricted Units must equal at least 20 percent of the total residential units.

**Total Restricted units include all units restricted by AHSC and TCAC. The AHSC loan amount was calculated based on the number of Total Restricted Units.

Additionally, upon completion, the Affordable Housing Development must meet or exceed the applicable minimum Net Density as set forth in Section 103(a)(1)(A)(iv) of the Guidelines.

EXHIBIT A

Further, the Sponsor shall take such actions, pay such expenses and do all things necessary to complete the Affordable Housing Development as identified in the Award Letter and described in the Application in accordance with the schedule for completion set forth therein and within the terms and conditions of this Agreement. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by a Division of Financial Assistance Operations Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Application. The State reserves the right to require the Sponsor to modify any or all parts of the Application in order to comply with the AHSC Program requirements. The State reserves the right to review and approve all Work to be performed by the Sponsor in relation to this Agreement. Any proposed revision of the Work must be submitted in writing for review and approval by the State. Any approval shall not be presumed unless such approval is made by the State in writing.

4. Evidence of Point Generating Activities:

Based on the points awarded to its Application, Sponsor assures the Department of the existence or planned aspects of the following criteria of Section 107:

Criteria Applicability Based on Proposed Project							
Guideline Reference		Affordable Developments and Housing-Related Infrastructure	Sustainable Transportation Infrastructure	Transportation-Related Amenities	Active Transportation Programs	Transit Ridership Programs	Criteria Air Pollutant Reduction Program
		Capital Projects			Program Costs		
a	Estimated GHG Reductions based on GHG Quantification Methodology	X	X	X	X	X	X
b	Extent to which the Project incorporates Active Transportation Improvements	X	X		X	X	X
c	Extent to which the Project incorporates Water, Energy and Greening	X	X	X	X	X	X
d	Extent to which the Affordable Housing Development Serves Households at Lower- and Moderate-Income Level	X			X	X	X
i	Anti-Displacement and Workforce Training Strategies	X	X	X			

EXHIBIT A

A. Section 107(a) – GHG Emissions Reductions Estimate

Based on the inputs in the Application, the estimated total MTCO₂e over the life of the project is 13421.

B. Section 107(b) – Active Transportation Improvements

The Sponsor's Application was evaluated for rating points based on the installation, expansion, or improvement of active transportation infrastructure (e.g., sidewalks, bikeways, trails, paths, and crossings) (at the time of application or will be by the completion of the Project) pursuant to 107(b) of the Guidelines. Based on the points awarded to its Application, Sponsor will ensure the following Active Transportation Improvements occur:

- build Class II bicycle lanes
- repair un-traversable sidewalks
- construct ADA accessible curb ramps
- convert two vehicles lanes in two directions to one vehicular lane in two directions
- add center turn lane

C. Section 107(c) – Water, Energy, and Greening

The Sponsor's Application was evaluated for rating points based on how the proposed Project will incorporate infrastructure components or building standards that contribute to the reduction of greenhouse gas emissions through carbon sequestration, energy efficiency, or incorporation of renewable energy sources, as well as address other community benefits supporting public health, environmental, and economic factors. . Based on the points awarded to its Application, Sponsor will ensure the following Water, Energy and Greening improvements occur:

- add trees along Hunter Street near bicycle lanes and sidewalks
- plant native and drought tolerant plants near sidewalks and around the bus shelter/parklet

D. Section 107(i) – Anti-Displacement Strategies and Workforce Training Strategies

The Sponsor's Application was evaluated for rating points based on the existence of displacement risks, for both low-income residents and businesses of the Project Area and community, if applicable. Sponsor's Application was also evaluated for rating points based on the existence of policies or programs to promote the recruitment, training, and/or hiring of disadvantaged populations with barriers to employment. Based on the points awarded to its Application, Sponsor shall ensure the following Anti-Displacement and Workforce Training Strategies are in effect:

EXHIBIT A

Anti-Displacement and Workforce Training Strategies
1. YouthBuild program through Community Partnership for Families of San Joaquin will train low-income young adults in construction skills while building affordable housing and community space.
2. San Joaquin Building Trades Council apprenticeship programs will assist in the construction of the project.
3. Following project completion, social services will be offered on site by Catholic Charities Diocese of Stockton. The service provider will offer employment counseling to low-income residents of the affordable housing development.

At the request of the Department, Sponsor shall provide further and additional evidence sufficient to demonstrate the existence and/or completion of the items listed above for which the Sponsor's Application received points. Failure to provide such evidence to the reasonable satisfaction of the Department may result in a reevaluation of the Application and the reductions or cancellation of the amount of the grant award, require repayments of any disbursed Program funds and the disencumbrance of Program funds awarded.

5. **Performance Milestones**

Sponsor shall ensure the completion of the PERFORMANCE MILESTONES set forth in this Exhibit, attached hereto and made a part hereof, by the designated dates. Sponsor may apply to the Department for an extension of these timelines based on good cause shown and best efforts and assurances from the Sponsor for timely completion of the remaining Milestones.

6. **State Contract Coordinator**

The State Contract Coordinator of this Agreement for the Department is the Division of Financial Assistance Operations Manager, or the Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the State Contract Coordinator at the following address:

Kim Losoya, Section Chief
Department of Housing and Community Development
Division of Financial Assistance – Operations Branch
P.O. Box 952054
Sacramento, CA 94252-2054

7. **Sponsor Contract Coordinator**

The Sponsor's Contract Coordinator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the contact at the following address:

EXHIBIT A

Sponsor:	Visionary Home Builders of California, Inc.
Name:	Carol Ornelas
Address:	315 N. San Joaquin St., Stockton, CA 95202
Phone No.:	(209) 466-6811
Email Address:	cjornelas@visionaryhomebuilders.org

AFFORDABLE HOUSING DEVELOPMENT PROJECT

PERFORMANCE MILESTONE	DATE
Executed binding agreement between the Sponsor and developer of the proposed Affordable Housing Development detailing the terms and conditions of the Project development.	August 2018
Site Control of Affordable Housing Development site(s) by proposed housing developer.	May 2014
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	May 2016 & April 2017
Obtaining all necessary and discretionary public land use approvals.	March 2016
Obtaining all enforceable funding commitments for at least the first phase of the Housing Development supported by the infrastructure Project.	August 2018
Obtaining all enforceable funding commitments for all construction period financing.	August 2018

EXHIBIT A

Obtaining enforceable commitments for all construction/permanent financing described in the Sources and Uses including substantially final construction and permanent loan documents, and Tax Credit syndication documents for remaining phases of Project.	August 2018
Submission of Final Construction Drawings and Specifications to the appropriate local building department or permitting authority.	August 2018
Commencement of construction.	September 2018
Construction complete and the filing of the Notice of Completion.	April 30, 2021
Program funds fully disbursed.	June 30, 2021

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

Affordable Housing and Sustainable Communities (AHSC) Program

Loan for Rental Affordable Housing Development

1. Terms of AHSC Loan

- A. Principal Amount. The principal amount of the AHSC Loan shall be the lesser of (i) the principal amount as stated in the Application, or (ii) the amount later approved by the Department as consistent with the requirements of section 7307 of the Multifamily Housing Program Regulations.
- B. Interest and Payment. The AHSC Loan shall bear interest at the rate and be payable as provided in section 7308 of the Multifamily Housing Program Regulations and under the terms of the Department's AHSC Promissory Note to be executed at loan closing. The AHSC Loan may not be prepaid without the prior written consent of the Department.

2. Invoicing and Payment

- A. **All AHSC Loan proceeds shall be disbursed through an independent escrow/title company. The Department shall prepare and submit instructions to the escrow holder, detailing the requirements for the release of AHSC Loan proceeds to the Borrower.**
- B. The AHSC Loan shall be released through escrow upon the Sponsor's, or its assignee's submittal of the Request for Funds form and the satisfaction of the terms of the Award Letter and this Agreement. The State reserves the right to retain 10 percent of the approved loan proceeds pending receipt and acceptance of the cost audit and any remaining loan closing checklist items.

GTC 610

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

- 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
- 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D**AHSC TERMS AND CONDITIONS****Affordable Housing and Sustainable Communities (AHSC) Program****Loan for Rental Affordable Housing Development****GENERAL****1. Effective Date, Commencement of Work and Completion Dates**

This Agreement is effective upon approval by the State which is the date stamped by the Department in the lower right hand corner of the coversheet of this Agreement (STD 213). The Sponsor agrees that the construction of the Affordable Housing Development has not commenced as of the deadline for submittal of applications set forth in the Notice of Funding Availability. The Sponsor agrees that the Work shall be completed as specified in this Agreement, subject to the termination date specified on page 1, number 2, of this Agreement (STD 213), and in paragraph 3 below, unless a written request for an extension is submitted and written approval by the Department is provided within 90 days prior to the termination date of the Agreement. Any extension to the termination date shall require an amendment to this Agreement.

2. Termination

The Department may terminate this Agreement at any time for cause by giving at least 14 days notice in writing to the Sponsor. Cause shall consist of violations by the Sponsor of any terms and/or special conditions of this Agreement, including but not limited to:

- A. Failure of the AHSC Loan to close on or before the AHSC Loan closing deadline as stated under "Timing" in these General Conditions.
- B. Failure of the Sponsor to satisfy in a timely manner each of the conditions set forth in these General Conditions and the Award Letter.
- C. Determination by the Department that: (a) any material fact or representation made or furnished to the Department by the Sponsor in connection with the Application, or the Award Letter shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue, or (b) the Sponsor shall have concealed any material fact from the Department related to the Application or the Affordable Housing Development.
- D. Filing a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or an answer by Sponsor, or any general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of

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- creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or any affiliate or general partner of Sponsor or any of its property.
- E. Failure of Sponsor, or any general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any general partner of Sponsor, or in any way restrains or limits Sponsor, or any general partner of Sponsor, or the Department regarding the AHSC Loan or the Affordable Housing Development, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or 30 days after the date of filing of such involuntary petition.
 - F. Attachment, levy, execution, or other judicial seizure of any portion of the Affordable Housing Development, or any substantial portion of the other assets of Sponsor, or any general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within 30 days after the attachment, levy, execution, or seizure.
 - G. Tendency of any proceeding challenging the legal existence or authority of Sponsor, or any general partner of Sponsor, or any proceeding challenging the legality of the Affordable Housing Development.
 - H. Failure of Sponsor to close the Department approved construction financing on or before the date indicated under "Timing" in these General Conditions. Any reference in this Agreement to "construction" shall include rehabilitation construction, if applicable.

3. Timing

- A. The Sponsor shall close the construction financing approved by the Department as indicated in the Application and commence construction of the Affordable Housing Development and, upon the Department's request, timely provide evidence of same by submission of recorded deeds of trust for all construction financing (except for AHP funds), payment of all construction lender fees, issuance of building permits (a grading permit does not suffice to meet this requirement) and notice to proceed delivered to the contractor. If no construction lender is involved, and the project is receiving low-income housing tax credits, evidence must be submitted that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
- B. Pursuant to section 111 of the Guidelines, construction of the Affordable Housing Development must commence within two years of the Program award and must be completed within five years of the Program award date.
- C. The Sponsor shall satisfy all conditions required to close the AHSC Loan on or before June 30, 2021. In order to ensure this disbursement happens, the Sponsor must provide

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the Department with a certificate of occupancy, or the equivalent document issued by the local jurisdiction, for the Project by no later than April 1, 2021. No extension to the AHSC Loan closing deadline will be allowed. If the AHSC Loan does not ultimately close by June 30, 2021, the AHSC funds will be disencumbered from the Project.

- D. This Agreement shall expire on November 21, 2022.

PRE-CONSTRUCTION LOAN REQUIREMENTS

Unless otherwise approved in writing by the Department, the following conditions require compliance prior to the close of the construction loan(s) for the Affordable Housing Development (construction loan includes a rehabilitation loan):

4. Site Control

The Sponsor shall hold fee title to the real property on which the Affordable Housing Development is located or a leasehold or other possessory interest sufficient to meet the Sponsor's obligations under the Program and the loan documents. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. Site control may be evidenced by one of the following:

- A. Fee title;
- B. A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance, prior to loan closing, with all program requirements;
- C. An enforceable option to purchase or lease;
- D. An executed disposition and development agreement with a public agency;
- E. An executed agreement with a public agency that gives the Sponsor exclusive rights to negotiate with that agency for acquisition of the site, provided that the major terms of the acquisition have been agreed to by both parties; or
- F. A land sales contract or other enforceable agreement for the acquisition of the property.

If the Sponsor's interest in the property is a leasehold, the lease must provide adequate security for the AHSC Loan and comply with the requirements of the Uniform Multifamily Regulations ("UMR"), Section 8316. The Sponsor shall provide a copy of the ground lease for the Department's approval and review of its compliance with UMR Section 8316. The lessor and lessee will be required to sign the Department's standard form Lease Rider and

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Estoppel Agreement, unless the lessor agrees to sign the AHSC loan documents as required by the Department and encumber all its interest in the Affordable Housing Development. Where the lessee and the lessor are affiliated or related private parties, both the lessee and the lessor must execute the AHSC Loan documents so as to encumber both the leasehold and fee interests in the Affordable Housing Development.

5. **Title Report**

The Sponsor shall provide a current title report for the real property on which the Affordable Housing Development is located. If the Sponsor's interest in the property is leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest.

6. **Site Inspection**

The Department reserves the right, upon reasonable notice, to inspect the Affordable Housing Development site and any structures or other improvements thereon to determine whether the Affordable Housing Development site meets the requirements of the Program, particularly Section 103(a)(1) of the AHSC Guidelines. If the Department reasonably determines that the site is not acceptable for the proposed Affordable Housing Development in accordance with the AHSC Guidelines, the Department reserves the right to rescind the Award and the AHSC Loan.

7. **Adaptability and Accessibility**

The Sponsor and the Affordable Housing Development shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

8. **Sponsor's W-9**

The Sponsor shall provide Sponsor's W-9 showing taxpayer identification information.

9. **Physical Needs Assessment**

If the Affordable Housing Development involves rehabilitation of existing units, the Sponsor shall provide a physical needs assessment acceptable to the Department, in accordance with instructions provided by the Department.

10. **Reserve Study**

Upon request by the Department, Sponsor shall provide an independent, third-party replacement reserve study acceptable to the Department.

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11. **Construction Contract**

The Sponsor shall enter into a written construction contract with a licensed building contractor for the construction work. Such contract shall require, where applicable, prevailing wages be paid in conformance with Labor Code Section 1720 et seq. and applicable provisions of the Standard Agreement. The contract and any amendments thereto shall be subject to the prior approval of the Department.

12. **Affordable Housing Development Budget**

Unless otherwise approved in writing by the Department, prior to the close of any construction financing, the Sponsor shall provide to the Department for its review and approval, a copy of the construction lender(s)' approved development budget.

13. **Reasonable Affordable Housing Development Costs**

Sponsor shall provide to the Department evidence that total development costs are reasonable and necessary for the proposed improvements. To verify cost reasonableness, the Department may require qualified third party verification of costs, evidence of the competitive bidding of major trades and real estate appraisals. Where the Affordable Housing Development is a component of a larger development, the Sponsor shall submit to the Department for its approval, a development cost sharing breakdown for the entire development which covers all development costs for each of the individual components of the entire development and includes a discrete development budget for the Affordable Housing Development consistent with the budget in the Application. Eligible costs for Affordable Housing Developments are limited to costs as specified in 25 CCR Section 7304 (a) & (b).

14. **Sponsor Control of Affordable Housing Development**

Sponsor shall provide evidence satisfactory to the Department that the Sponsor identified in the Application and who demonstrated the requisite experience, pursuant to Section 106(a)(8) of the AHSC Guidelines, in the application process, has and will retain full control over the development, construction, ownership and management of the Affordable Housing Development through control of the Sponsor entity by the Sponsor either directly as Borrower, or as a managing general partner of Borrower, or as the member/manager of the general partner of the Borrower, if Borrower is a partnership) The same control requirement applies to any Borrower organized as a limited liability company. The failure to demonstrate the requisite control of the Sponsor entity by the Sponsor may result in significant delay in the processing, or potentially the cancellation, of the AHSC Loan. The Sponsor which demonstrated the requisite experience of owning and developing affordable rental housing, shall execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Affordable Housing Development. The organizational structure of the Borrower,

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including the control and ownership by the Sponsor or Sponsors, and any changes thereto, must be reviewed and approved by the Department and must comply with all Program requirements.

15. **Relocation Plan**

If there is or will be any residential or commercial displacement directly or indirectly caused by the Affordable Housing Development, the Sponsor shall provide a relocation plan conforming to the requirements of state law and regulations issued by the Department in California Code of Regulations, Title 25, Section 6000 et seq. In addition to the regulatory requirements, the relocation plan shall contain a line item budget. The Affordable Housing Development budget shall contain sufficient funds to pay all costs of relocation benefits and assistance as set forth in the relocation plan accepted by the Department. Should a relocation plan not be required, Sponsor must provide documentation for Department approval that there are no relocation requirements.

16. **Architect Contract**

The Sponsor shall enter into a contract with an architect to provide professional services for the Affordable Housing Development. The contract shall require an architect to supervise the construction work, conduct periodic site visits, prepare periodic inspection reports, verify the validity of the construction contractor's payment requests, prepare or review change orders, and, upon completion of construction, provide the certification described in paragraph 31 of these General Conditions.

17. **Appraisals**

If the property for the Affordable Housing Development is being purchased, the Sponsor shall provide an appraisal acceptable to the Department of the as-is value of the property, prepared by a qualified, licensed appraiser.

18. **Termite Report**

If existing improvements are to be rehabilitated, the Sponsor may be required to provide the Department with a termite/pest report prepared by a licensed inspector in form acceptable to the Department.

19. **Acoustics Report**

Upon request, the Sponsor shall provide the Department with an acoustics report in form acceptable to the Department.

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20. **Non-Department Financing**

The Sponsor shall qualify for and obtain the financial assistance, loans and grants described in the Application for both the construction and permanent periods. Final terms and conditions of the non-Department financing must substantially conform to the terms and conditions of the Sponsor's AHSC Loan Application. The terms and conditions of all financing shall be subject to the Department's review and approval.

21. **Senior Loan Terms and Disclosures**

The terms of loans in a lien position senior to the AHSC Loan must comply with all the underwriting standards of UMR Section 8310. Senior loans must be fully amortized over their term; balloon payments are prohibited on senior loans. Senior loans are prohibited from including call option language in the terms of the loan other than is reasonable in case of default, nor may Sponsor be required to remarket Bonds prior to expiration of the senior loan. All payments, lender fees, bond fees, issuer fees, trustee fees, letter of credit fees, swaps fees, hedge fees, enhancement fees, credit facility and liquidity fees, and other fees, charges and costs, in addition to principal and interest payments, must be fully disclosed to the Department in the loan closing transaction summary and in the operating budget. Sponsors must obtain an interest rate cap on any interest rate that is not fixed for the full term of the senior loan. The interest rate at the cap must not jeopardize project feasibility. Interest rate resets, renewals, extensions of letters of credit, or other senior loan provisions, must not require the Sponsor to re-qualify. Financial instruments on senior loans (including but not limited to swaps, collars, and interest rate hedges) must extend for the full term of the senior loan and cannot be required to be renewed or extended prior to the end of the full term.

22. **Environmental Conditions**

The Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Affordable Housing Development, in conformance with ASTM Standard Practice E 1527, evaluating whether the Affordable Housing Development is affected by any recognized environmental conditions. In the event the Phase I ESA indicates evidence of recognized environmental conditions and the Sponsor desires to proceed with the Affordable Housing Development, the Sponsor shall provide the Department with a Phase II report and such further reports as required by the Department in form acceptable to the Department. Any remediation work to be performed shall be subject to Department approval. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Affordable Housing Development involves rehabilitation or demolition of existing improvements.

23. **Article XXXIV**

The Sponsor shall deliver to the Department satisfactory evidence that the requirements of Article XXXIV of the California Constitution are inapplicable or have been satisfied.

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CONSTRUCTION PHASE REQUIREMENTS

24. Construction Phase Information

If requested by the Department, the Sponsor shall provide the Department information during the construction period including but not limited to all change orders and modifications to the construction documents, all inspection reports prepared by the Affordable Housing Development architect and other consultants, and information relative to Affordable Housing Development income, expenses, occupancy, relocation benefits and expenses, contracts, operations and conditions of the Affordable Housing Development. Upon written notice to Sponsor, Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within 10 business days of receipt by the Department. Sponsor shall not authorize or approve any change orders rejected by the Department.

25. Inspection

The Department and any authorized representative of the Department shall have the right, during construction and thereafter, to enter upon and inspect the construction of the Affordable Housing Development. Such right to inspect shall include, but shall not be limited to, the right to inspect all work done, all materials and equipment used or to be used, and all books and records, including payroll records, maintained in connection with the construction work. Such right of inspection shall be exercised in a reasonable manner. The Department shall have no affirmative duty to inspect the Affordable Housing Development and shall incur no liability for failing to do so. Once having undertaken any inspection, neither the Department, nor any representative of the Department shall incur any liability for failing to make any such inspection properly, or for failing to complete any such inspection. The fact that such inspection may or may not have occurred shall not relieve the Sponsor, the contractor, the construction lender, the architect, the structural engineer, the locality or anyone else of any obligation to inspect the Affordable Housing Development.

26. Updated Information

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the AHSC Loan, including updated sources and uses and income information. All changes shall be subject to Department approval. However, if the Affordable Housing Development is changed in any way as to make it ineligible under Section 103(a)(1) of the AHSC Guidelines, then the AHSC Loan commitment will be cancelled and all AHSC Loan funds awarded to the Sponsor shall be disencumbered.

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27. **Evidence of Existence of Application Selection Criteria**

Upon request, Sponsor shall provide to the Department evidence of the existence of the amenities, services, improvements, features and characteristics of the Affordable Housing Development which were included in the Application and awarded points under Section 107 of the AHSC Guidelines in the Department's rating of the Application. Failure to provide such evidence to the reasonable satisfaction of the Department may result in a reevaluation of the Application and the reduction or cancellation of the amount of the Award and the disencumbrance of Program funds awarded to the Sponsor.

28. **Signage**

Sponsor shall place signs on the construction site for the Work stating that the Department is providing financing through the AHSC Program in an appropriate location(s), typeface and size containing the following message:

Hunter Street Housing

**THIS PROJECT HAS BEEN MADE POSSIBLE
BY FINANCING FROM**

CALIFORNIA CLIMATE INVESTMENT PROGRAM
(funded through the GREENHOUSE GAS REDUCTION FUND)
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
THROUGH THE
STRATEGIC GROWTH COUNCIL AND
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The sign shall be maintained in a prominent location visible and legible to the public through construction completion. If the job sign includes the acknowledgment and/or logo of one or more other public lenders, the Department acknowledgment and logo shall also be displayed in a similar size and layout. A copy of the Department and Program logo can be obtained by contacting the Department Contract Manager.

Upon installation of the sign, the Sponsor shall submit a digital photograph thereof to the Department to verify compliance with these signage requirements.

29. **Photographs**

The Sponsor will provide the Department, upon request, with copies of any photographs that may be taken of the Affordable Housing Development by or on behalf of the Sponsor or the Affordable

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Housing Development's architect. The Sponsor will provide an acceptable written consent and release agreement authorizing use of said photographs, all at no expense to the Department.

COMPLETION OF CONSTRUCTION

30. Relocation Plan Implementation Report

The Sponsor shall provide a report, in a form acceptable to the Department, summarizing the actions taken and identifying all Sponsors of relocation assistance and benefits, and the amounts paid, and benefits provided, to or on behalf of each Sponsor.

31. Architect Certification

Where required by the Department, the Sponsor shall cause the Affordable Housing Development architect(s) or other appropriate professional to certify to the Department, in form acceptable to the Department, that all construction is completed in accordance with the "as-built" Plans and Specifications and in compliance with all applicable federal, state and local laws relating to disabled accessibility.

32. Cost Certification

At the request of the Department, the Sponsor shall submit an Affordable Housing Development cost certification that shall have been audited by an independent certified public accountant in accordance with the requirements of the Department and TCAC, if applicable. The Sponsor (and the developer or builder if there is an identity of interest with the Sponsor) shall keep and maintain records of all construction costs not representing work done under the construction contract and to make such records available for review by the Department.

33. Recorded Notice of Completion

The Sponsor shall provide to the Department a certified copy of any Notice of Completion for the Affordable Housing Development recorded in the county in which the Affordable Housing Development is located.

34. "As-Built" Plans and Specifications

Upon completion, at the request of the Department, the Sponsor shall submit "as-built" plans and specifications for the Affordable Housing Development acceptable to the Department.

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AHSC LOAN CLOSING REQUIREMENTS

The Department shall not be obligated to close or fund the AHSC Loan unless the Sponsor has complied with and satisfied all the terms and conditions of the AHSC Guidelines, the NOFA, this Agreement and the representations made in the Application, all in a manner satisfactory to the Department in its sole discretion, on or before the earlier of the AHSC Loan Closing, the AHSC Loan closing deadline or such earlier time, all as indicated herein.

35. Affordable Housing Development Construction

The Affordable Housing Development shall be constructed in compliance with the plans and specifications, subject to any change order(s) accepted by the Department where such acceptance is required.

36. Title Insurance

The Sponsor shall provide an updated title report and an ALTA As-Built Survey acceptable to the Department. The Sponsor shall provide a pro forma ALTA lender's policy of title insurance if requested by Department. The Sponsor shall ensure the issuance to the Department of an ALTA lender's policy of title insurance. The condition of title, insurer, liability amount, form of policy and endorsements shall be subject to the approval of the Department. Such endorsements shall include, but not be limited to a CLTA endorsement 100, and may include, but shall not be limited to, CLTA endorsements 105, 110.9 and 116 (modified for apartments). The policy shall insure that the Sponsor holds good and marketable fee simple title (or leasehold, if approved by Department) and that the Department holds a fee mortgage (or leasehold) lien on the Affordable Housing Development, free and clear of all encumbrances, encroachments, other interests and exceptions to title other than as shall have been previously approved in writing by the Department. The Department's Deed of Trust and Regulatory Agreement and the other loans indicated under "Permanent Funding" in the Application shall have the lien priority as indicated in the Application.

37. Sponsor's Status

The Sponsor shall provide the Department with copies of all organizational documents, including but not limited to, partnership agreements, operating agreements, corporate documents, and related documents and agreements, as required by the Department. As of the date of the AHSC Loan closing, the Sponsor and Borrower shall be a duly organized and validly existing limited or general partnership, corporation, limited liability company, nonprofit public benefit corporation, or other valid legal entity under California law. The Sponsor or Sponsor controlled Borrower has and shall have the authority to enter into the AHSC Loan and related loan documents.

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38. **Prevailing Wage Compliance**

Where applicable, prevailing wage rates shall be paid with respect to the construction work, as the term is defined in the Standard Agreement, performed in connection with the Affordable Housing Development. Prior to closing the AHSC Loan, a certificate signed by the general contractor(s) and the Sponsor is required, certifying that prevailing wages have been, or will be, paid in conformance with Labor Code Section 1720 et seq., and that labor records shall be maintained and made available to any enforcement agency upon request.

39. **Insurance**

The Sponsor shall obtain and maintain for the term of the AHSC Loan hazard and liability insurance for the Affordable Housing Development in accordance with the Department's requirements, including flood insurance if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies also shall provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. The Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

40. **AHSC Loan Documents**

The Sponsor shall enter into this Standard Agreement with the Department, which shall govern the encumbrance by the Department of the funds to be used to fund the AHSC Loan. In addition, the Sponsor shall enter into a Regulatory Agreement with the Department, governing certain matters related to the use, operation and occupancy of the Affordable Housing Development, including, but not limited to, the imposition of certain low income occupancy requirements, regulation of rents on the low income units, audits and other financial controls and reserve requirements, management oversight by the Department, compliance with federal and state laws, and other Department requirements. In addition to the Regulatory Agreement, the loan shall be evidenced by a Promissory Note and secured by a Deed of Trust. The Regulatory Agreement shall be recorded prior to the Department's Deed of Trust. The Sponsor shall execute and enter into additional agreements and documents, as the Department may deem reasonable and necessary to meet the AHSC requirements and the terms and conditions of this Agreement. The Sponsor and any affiliate of the Sponsor which demonstrated the requisite experience of owning and developing affordable rental housing, must execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Affordable Housing Development.

41. **Restrictions on Transfer and Change of Ownership**

The Sponsor shall not, without the prior written approval of the Department: a) sell, transfer, convey, encumber, hypothecate or pledge any of the Affordable Housing Development or the Affordable Housing Development property, or any portion or interest in either of them; b)

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discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval; c) if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure; d) wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or e) change the organizational structure of the Sponsor.

42. **Rental Subsidy Contract**

The Sponsor shall provide the Department with complete copies of all contracts and amendments thereto, regarding rental subsidies to be provided to tenants residing in the Affordable Housing Development.

43. **Substitution of Rent or Social Service Subsidy**

Sponsor may substitute a source of funding equivalent to the original rent or social service subsidy. The amount, terms and conditions of the new source of funding must provide an equivalent or greater level of subsidy to the project, acceptable to the Department.

44. **Final Certificate of Occupancy**

The Sponsor shall provide a final certificate of occupancy or equivalent certificate issued by the local agency having jurisdiction over such certificates.

45. **Environmental Conditions Remedial Work**

All remedial work on recognized environmental conditions shall be completed prior to loan closing. The Sponsor shall provide the Department with an environmental update/operations and maintenance plan if remedial work was required with evidence of lead-based paint and/or asbestos-containing materials remediation if applicable.

46. **Reserve Accounts**

The Sponsor shall establish and maintain reserve accounts as required by the Department and as further described in the Regulatory Agreement. All withdrawals shall require prior written approval from the Department, as provided in the Regulatory Agreement.

47. **Operating Reserve Account**

The Sponsor shall fund an operating reserve account in accordance with Section 8308 of the UMRs and subject to the requirements thereof. The specific amount of the Operating Reserve Account shall be set forth in the Regulatory Agreement.

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48. **Replacement Reserve Account**

The Sponsor shall establish a replacement reserve account in accordance with Section 8309 of the UMRs. The replacement reserve account shall be funded by monthly deposits from operating income or a combination of operating income and development sources as indicated in the Regulatory Agreement. The amount of the monthly deposits may be adjusted, as determined by the Department, in its sole discretion, based on reserve studies performed by an independent third party at the Sponsor's expense as requested by the Department or as based on other reliable indicators of future reserve needs.

49. **Capitalized Reserve Accounts**

If AHSC funds are used to fund a reserve account, the Department shall disburse such funds in a manner to ensure the proper funding of the reserve. The proceeds of the AHSC Loan may be used to capitalize only operating and replacement reserve accounts and amounts required by UMRs Sections 8308 and 8309. Proceeds of the AHSC Loan may not be used to capitalize rental subsidy reserves or reserves established to pay recurring operating costs, including, but not limited, to the required 0.42 percent annual payment on the AHSC Loan.

50. **CalHFA and HUD Funded Projects**

Projects subject to the HUD Section 811 and 202 programs or receiving a permanent loan from CalHFA shall not be subject to AHSC reserve requirements during the time such projects are regulated by HUD or CalHFA and the Sponsor complies with the applicable CalHFA or HUD reserve requirements.

51. **Property Management Documents**

The Sponsor shall obtain the MHP Operations Manual, which sets forth the obligations and requirements for the use, operation and occupancy of the Affordable Housing Development, including but not limited to the Department's approval of the following (in the format provided or approved by the Department): a) a proposal for management agent with management agent's qualifications attached; b) a management contract; c) a management plan; d) an operating budget; e) a residential tenant lease; f) long-term cash flow projection reports; and g) audits. Prior to close of the AHSC Loan, the Sponsor shall obtain the Department's review and approval of the above-mentioned items a) through f) and any additional property management documents required by the Department.

52. **Affirmative Fair Housing Marketing Plan and Fair Housing Compliance**

Sponsor shall develop and implement an affirmative fair housing marketing plan satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing

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management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for assisted units in the Affordable Housing Development. Sponsor is encouraged to refer to HUD's guidelines for Affirmative Fair Housing Marketing Plans. Sponsor shall comply with all state and federal fair housing laws. At the request of the Department, Sponsor shall provide documentation satisfactory to the Department that the proposed tenant selection criteria in the tenant selection plan do not violate fair housing laws.

53. **Identification of Elderly and Veteran Units**

Sponsor must submit a report that specifically identifies the number of units rented to the elderly. The report must also specifically identify the number of units rented to military veterans.

54. **TCAC and Other Regulatory Agreements**

The Sponsor shall provide the Department with a copy of the TCAC Regulatory Agreement if the Affordable Housing Development budget includes tax credits and any other regulatory agreements pertaining to the Affordable Housing Development.

55. **Property Tax Exemption**

Unless expressly waived in writing by the Department, Sponsor shall provide evidence of eligibility for property tax exemption for the Affordable Housing Development and a copy of the tax exemption application to the local tax assessor(s).

56. **Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Sponsor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Affordable Housing Development, the Sponsor, its Contractors or Subcontractors, and any loan activity.

57. **Change of Conditions**

The Department reserves the right to re-underwrite the Affordable Housing Development based on new information or funding sources. Particular attention will be paid to the continued feasibility of the Affordable Housing Development and the maintenance of the security position of the AHSC Loan. If the new information demonstrates a reduction or elimination of financing gap being addressed by the AHSC Loan, the Department will reduce the amount of the Loan Request stated in the Application and the amount of the Award accordingly. If the Department has underwritten the AHSC Loan using CalHFA or HUD requirements and the Affordable Housing Development subsequently does not utilize the CalHFA or HUD financing, the AHSC Loan will be re-underwritten by the Department using AHSC requirements. In the event the Department

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determines the Affordable Housing Development is no longer financially feasible, the Award and any loan commitment issued by the Department may be revoked.

58. **Investor Commitments**

If the Affordable Housing Development will be receiving an allocation of tax credits from TCAC, the Sponsor shall provide the Department with a copy of all tax credit investor commitments, including referenced financial projections and any amendments.

59. **Restricted Units**

All units designated in the Application approved by the Department as restricted units that are not also assisted units, shall be restricted on a long-term basis by a public agency at the income and rent levels shown in the Application. Similarly, all units designated in the Application as restricted units and that are not also assisted units, shall be restricted on a long-term basis by a public agency to the designated target population.

60. **Asset Management Fees**

Asset management including partnership management and similar fees shall be a maximum of \$32,136 annually or as otherwise provided for in accordance with UMR Section 8314(a)(1)(B).

61. **Reduction of AHSC Loan Amount**

Notwithstanding any development agreement, in the event that development costs are less than predicted in the development budget, the Department shall reduce its AHSC Loan for the amount of the cost savings prorated with other residual receipt lenders.

62. **Sponsor Representations**

- A. Sponsor represents and warrants that as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and bind the Sponsor in accordance with the terms of this Agreement.
- B. Sponsor represents and warrants that as of the date of the AHSC Loan closing, the Sponsor may be a duly organized and validly existing limited partnership under California law and that such limited partnership will have the authority to enter into the AHSC Loan and related loan documents.
- C. Sponsor further represents and warrants that as of the date of the AHSC Loan closing, the person(s) executing the AHSC Loan documents will have full authority to act on behalf of and bind the Sponsor in accordance with the terms of those documents.

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63. **Survival of Obligations**

The obligations of the Sponsor as set forth in this Agreement shall survive the AHSC Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

64. **Litigation**

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable. The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

65. **Obligations of Sponsor with Respect to Certain Third Party Relationships**

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Affordable Housing Development with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Affordable Housing Development in accordance with this Agreement.

66. **Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

67. **Audit/Retention and Inspection**

- A. The Department, its representatives or employees, or its delegatee shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Sponsor shall provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material. Sponsor further

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agrees to maintain such records for a minimum period of four years after final payment under the Agreement, unless a longer period of records retention is stipulated.

- B. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Affordable Housing Development. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- C. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- D. If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Sponsor in writing. If the Department is not in agreement, the Sponsor will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.
- E. If so directed by the Department upon termination of this Agreement, the Sponsor shall cause all records, accounts, documentation and all other materials relevant to this Agreement to be delivered to the Department as depository.

68. **Reporting Requirements**

Upon Department's request, the Sponsor shall provide to the Department any and all necessary data that is required to be reported pursuant to the most recently adopted guidelines for California Climate Investments by the California Air Resources Board.

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SPECIAL TERMS AND CONDITIONS

AHSC Program

Loan for Rental Affordable Housing Development

The following Special Terms and Conditions are applicable to this Standard Agreement:

1. **1. Exhibit A, Paragraph 2A –Definition of Sponsor:** This provision is amended to add the following:

Vision 17, L.P. ("LP") is controlled by Visionary Home Builders of California, Inc. ("Corp") as the sole manager of the General Partner Vision 17 GP LLC. Corp and the City of Stockton ("City") were jointly awarded the AHSC Loan funds pursuant to the Award Letter, dated November 21, 2016. The Department acknowledges that the LP will be considered the ultimate borrower of the AHSC Loan funds and as such will execute the AHSC Loan Documents. For the purposes of this Standard Agreement, LP, City, and Corp will be collectively referred to herein as "Sponsor". As such, the LP, City, and Corp shall be jointly and severally liable for all the obligations of a Sponsor as set forth herein. Performance satisfactory to the Department by the LP of any duties and obligations under this Standard Agreement, and any other agreements as required by the Department, by either the LP, City, or Corp will be deemed as performance by the Sponsor.

2. **Cross-Default Provision.**

- A. As noted above, Corp and City were awarded the AHSC Program Grant and Loan funds pursuant to an Award Letter, dated November 21, 2016. This award was based on the total points awarded their joint application during a highly competitive process. That joint application related to a Project comprised of several integrated components: Affordable Housing Development (AHD); Sustainable Transportation Infrastructure (STI); Transportation-Related Amenities (TRA); and Programs. The joint application's total points were based, in part, on the entire Project's total projected reduction of greenhouse gas (GHG) emissions. The AHD, STI, TRA, and Programs components must be completed in order to achieve this projected reduction of GHG emissions.
- B. By executing this Standard Agreement, Sponsor acknowledges and agrees that if the STI, TRA, or Programs component are not timely completed pursuant to Program requirements, then Sponsor will no longer qualify for the AHSC Loan award. In the event the AHSC Loan has not yet been disbursed, the AHSC Loan award will be disencumbered. In the event the AHSC Loan has been disbursed, the Department will avail itself of any and all remedies available to it as set forth in the AHSC Loan documents in order to recapture the amount of the AHSC Loan disbursement, subject to the limitations set forth in subparagraph c. below.
- C. The Department and Sponsor further acknowledge that the AHSC Loan funds provided pursuant to this Agreement constitute a non-recourse loan (NR-Loan) secured against the

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AHD real property as required by the AHSC Program (and as may be required in order to comply with tax credit requirements). Any proceeds from the foreclosure of the NR-Loan may only be used to satisfy financial obligations owed under the NR-Loan's promissory note; additionally, a foreclosure may also be appropriate and necessary to remedy a substantial breach under the associated regulatory agreement. The Department hereby represents and warrants that, in the absence of the foregoing, the Department shall not foreclose upon the NR-Loan to obtain proceeds to satisfy any liability related to or arising out of the failure of the timely completion of the STI, TRA, or Programs components.

- D. The Department recognizes that the Sponsor may enter into a separate side agreement to address each individual Sponsor entity's responsibilities with respect to each other and with regard to the AHSC Loan and Grant funds.