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OMNIBUS ASSIGNMENT AND ASSUMPTION AND AMENDMENT AGREEMENT

This Omnibus Assignment and Assumption and Amendment Agreement (this "Amendment") is made and entered into as of the _____ day of _____, 2018, by and between the City of San Pablo, a California municipal corporation (the "City"), as successor-in-interest to the Redevelopment Agency of the City of San Pablo, a public body corporate and politic (the "Agency"), San Pablo Housing Investors, L.P. (the "Assignor"), and Montevista San Pablo AR, L.P. (the "Assignee").

RECITALS

WHEREAS, in connection with the development of an affordable senior housing complex containing eighty-two (82) rental dwelling units (the "Project") on certain real property located in the City of San Pablo, County of Contra Costa, State of California, the legal description of which is attached hereto as Exhibit A (the "Site"), the Agency and Assignor entered into that certain Owner Participation Agreement executed on January 6, 2003 (the "Owner Participation Agreement").

WHEREAS, as contemplated in the Owner Participation Agreement, the Agency made (i) a loan to the Assignor in the amount of \$99,690 (the "City Fees Loan"), which was evidenced by that certain Promissory Note dated as of September 25, 2003 in the face amount of \$99,690 (the "City Fees Note") and secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of September 25, 2003 and recorded in the land records of Contra Costa County as Series No. 2003-601814 (the "City Fees Note Deed of Trust") and (ii) a loan to Assignor in the amount of \$1,100,000 (the "Project Loan" and collectively with the City Fees Loan, the "Loans"), which was evidenced by that certain Promissory Note dated as of September 25, 2003 in the face amount of \$1,100,000 (the "Project Note") and secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of September 25, 2003 and recorded in the loan records of Contra Costa County as Series No. 2003-601815 (the "Project Note Deed of Trust" and, collectively with the Project Note, the "Project Loan Documents").

WHEREAS, in connection with the Agency's agreement to make the Loans, the Assignor agreed to enter into that certain Affordable Housing Covenant Agreement [Senior Housing]

executed on January 6, 2003 and recorded in the Contra Costa County Recorder's Office as Doc-2003-0049431-00, which was subsequently amended and restated by that certain Amended and Restated Affordable Housing Covenant Agreement [Senior Housing] executed on September 25, 2003 and recorded in the land records of Contra Costa County as Series No. 2003-601813 (as amended, the "Affordable Housing Covenant" and collectively with the Owner Participation Agreement and the Project Loan Documents, the "Loan Documents").

WHEREAS, on February 1, 2012, the Agency was dissolved by operation of law pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*; the "Dissolution Act") and the San Pablo Local Successor Agency (the "San Pablo LSA") succeeded to all assets, properties, contracts, leases books and records, buildings and equipment (the "redevelopment assets") of the former Agency.

WHEREAS, the redevelopment assets included assets associated with the former Agency's obligations under the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "CRL") to increase, improve or preserve the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low and moderate income (the "housing assets").

WHEREAS, Section 34176 of the Dissolution Act authorized the City to elect to retain the housing assets and functions previously performed by the Agency, and the Agency's interests in the Site and Project are housing assets now owned by the City.

WHEREAS, on or about the date hereof, (i) the Assignor will sell and convey to the Assignee the Site and the Project (the "Transfer") and (ii) the Assignor will assign to the Assignee, and the Assignee will assume, the Project Loan and the Loan Documents (the "Assignment").

WHEREAS, in connection with the Transfer and the Assignment, the parties hereto desire that the Loan Documents be amended as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereby agree as follows:

1. Recitals. The foregoing Recitals are incorporated herein as if set forth in full.

2. Assignment of Loan Documents. Assignor hereby assigns to Assignee, and Assignee hereby assumes, all of Assignor's obligations, rights, and interest in and under the Loan Documents, effective as of the date hereof.

3. City Approval. As required under the Loan Documents, the City hereby approves the Transfer and the Assignment.

4. Repayment of City Fees Loan. The City confirms that, as of the date hereof, the City Fees Loan has been fully repaid, the City Fees Note is cancelled, and the City Fees Note Deed of Trust has been released and reconveyed. Accordingly, all references in the Loan Documents to the City Fees Loan, City Fees Note, or City Fees Note Deed of Trust are hereby deleted.

5. Modification of Project Loan. The Loan Documents are hereby amended to reflect the following modifications to the Project Loan and Project Loan Documents:

- (a) As of the date hereof, the outstanding balance of the Project Loan is [\$1,736,757]. In connection with the Transfer, the Assignor shall pay to the City that portion of the Project Loan exceeding \$1,450,000, such that the principal amount of the Project Loan assumed by and to be repaid by the Assignee is \$1,450,000.
- (b) From and after the date hereof, the Project Loan shall bear simple interest at the rate of 3%.
- (c) Section 3 of the Project Loan Note is hereby deleted in its entirety and replaced with the following:

“3. Payment. This Project Note, including the principal and all accrued interest, shall be due and payable no later than thirty-five years after the date that amortization of principal and interest commences on the Bond Loan (as such term is defined below) (the “Conversion Date”). Payments of principal and interest shall be made annually; the first payment shall be due and payable on the January 31st next following the Conversion Date and subsequent payments shall be made each January 31st thereafter until fully paid. Payments shall be made in an amount equal to 37.5% of Residual Receipts (defined below). Payments shall be credited first to accrued interest and then to principal.

““Residual Receipts” means, in a particular calendar year, the amount by which Gross Revenue (defined below) exceeds Annual Operating Expenses (defined below).

““Gross Revenue,” with respect to a particular calendar year, shall mean all revenue, income, receipts, and other consideration actually received from ownership or operation of the Project. “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 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 Project; condemnation awards for a taking of part or all of the Project for a temporary period; and any revenue derived from a refinancing of the Project. “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 Project. “Gross Revenue” shall not include tenants’ security deposits, loan proceeds other than revenue derived from a refinancing of the Project, capital contributions or similar advances.

““Annual Operating Expenses,” with respect to a particular calendar year, shall mean the following costs reasonably and actually incurred in connection with the Project 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 Project; 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, and supplies; any annual license or certificate of occupancy fees required for operation of the Project; general administrative expenses including but not limited to advertising and marketing, security services and systems, professional fees for legal, audit, accounting and tax returns for the limited partnership; 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 Lender; partnership management and partnership administration fees in amounts approved by the tax credit investor not to exceed an aggregate amount of ten thousand dollars (\$10,000.00) in the first year and increased thereafter at a reasonable rate and upon a reasonable basis, with Lender to approve any increase in excess of 5%; asset management or asset administration fees in an amount not to exceed five thousand dollars (\$5,000) in the first year and increased thereafter at a reasonable rate and upon a reasonable basis, with Lender to approve any increase in excess of 5%; cash deposited into a reserve for capital replacements of Project improvements and an operating reserve in such reasonable amounts as are required by Project lenders, the California Tax Credit Allocation Committee, and the tax credit investor, and approved by the Lender as of the Conversion Date; repayment of any amounts owed to the Project general contractor or subcontractors; debt service payments on loans associated with the Project and approved by the Lender, exclusive of debt service due from Residual Receipts or other surplus cash of the Project. "Annual Operating Expenses" shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account."

6. Owner Participation Agreement. The Loan Documents are hereby amended to reflect the following modifications to the Owner Participation Agreement:

(a) The City confirms that construction of the Project as originally required by the Owner Participation Agreement was completed in 2004. Accordingly, Section II [§200] DEVELOPMENT OF THE SITE of the Owner Participation Agreement is no longer applicable and is hereby deleted in its entirety.

7. Affordable Housing Covenant. The Affordable Housing Covenant is hereby amended to require that all of the rental dwelling units on the Site shall be rented to households, age 55 or older, with incomes at or below 80% of Median Income adjusted by actual household size at rents that do not exceed 30% of 80% of the Median Income adjusted by actual household size, less a utility allowance, and the mix of unit types and corresponding income/rent restrictions shall be as indicated in Exhibit B attached hereto. Notwithstanding the foregoing, the parties hereto acknowledge and agree that as of the date hereof, one dwelling unit on the Site is occupied by a tenant with income in excess of the limit described above. The parties agree that such tenant may remain in place without violating the preceding requirement, but that such unit shall be rented to a household with income at or below 80% of Median Income upon vacancy.

8. Additional Financing. References in the Loan Documents to the Union Bank Loan and the Fannie Mae Loan are hereby deleted. In connection with the Transfer, the Assignee will enter into the following loans, which are hereby approved by the City:

- (a) Construction-to-permanent Loan to the Assignee from the Golden State Finance Authority, funded by the proceeds of tax-exempt bonds (the "Bond Loan"); and
- (b) Acquisition loan to the Assignee from the Assignor, which shall be payable solely from Residual Receipts as defined in Section 5(c) of this Amendment and only after full and complete payment of the Project Loan to the City.

The Project Note Deed of Trust shall be subordinate to the deed of trust securing the Bond Loan and, upon request of the lender of the Bond Loan, the City shall enter into a subordination agreement with respect to the Bond Loan with terms reasonably acceptable to the City.

9. Transfers in Assignee. Notwithstanding anything in the Loan Documents to the contrary, the City's consent shall not be required for transfers of limited partnership interests in Assignee or transfers of interests within Assignee's limited partner.

10. Limited Partner Notice and Cure Rights. The City shall send a concurrent copy of any notice sent to the Assignee to the Assignee's limited partner at the address provided by the Assignee or its limited partner to the City from time to time. The Assignee's limited partner shall have the right, but not the obligation, to cure any default under the Loan Documents, which cure shall be accepted by the City as if tendered by the Assignee.

11. Tax Credit Investor. The City agrees to negotiate in good faith to make further changes to the Loan Documents as may be reasonably requested by any future tax credit investor in Assignee.

12. Notices. For purposes of notices under the Loan Documents, the address of the Assignee shall be as follows:

Montevista San Pablo AR, L.P.
330 West Victoria Street
Gardena, California 90248
Attention: Michael Costa

with copies to:

Telacu Homes, Inc.
604 N. Eckhoff Street
Orange, CA 92868
Attention: Mr. John Clem

and

Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street, N.W.

Washington, DC 20036
Attention: Thomas Morton, Esq.

13. Loan Documents. The Loan Documents, as amended by this Amendment, remain in full force and effect. In the event of any conflict between the terms of the Loan Documents and the terms of this Amendment, the terms of this Amendment shall control.

14. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart. This Amendment may be delivered by facsimile machine copy of an original signature, or by scanned copy of an original signature in pdf format, and such copy shall constitute an original for all purposes.

IN WITNESS WHEREOF, the parties have entered into this Amendment effective as of the date first written above.

CITY:

By: _____

Name: _____

Title: _____

ASSIGNOR:

SAN PABLO HOUSING INVESTORS, L.P.
a California limited partnership

By: TELACU Homes, Inc.,
a California nonprofit corporation,
its general partner

By: _____

Name: _____

Title: _____

[Signatures continue on next page]

ASSIGNEE:

MONTEVISTA SAN PABLO AR, L.P.
a California limited partnership

By: HCHP Affordable Multi-Family, LLC,
a California limited liability company,
its administrative general partner

By: _____

Name: _____

Title: _____

By: TELACU Homes, Inc.,
a California nonprofit corporation,
its managing general partner

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN PABLO IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel One:

Portion of Lots 161 and 162, as designated on the Map entitled "Map of the San Pablo Rancho, accompanying and forming a part of the Final Report of the Referees in Partition", which Map was filed, in the Office of the Recorder of the County of Contra Costa, State of California, on March 1, 1894, described as follows:

Beginning on the North line of San Pablo Avenue, formerly Alvarado Street, at the line between Lots 161 and 162 of said Rancho; thence from said point of beginning, South 48° East, along said North line, 27 feet to the West line of the parcel of land described in the Deed from Mary H. Luiz to Joe Souza Alameda, dated January 25, 1943 and recorded February 11, 1943 in Book 725, Page 133, Official Records; thence North 42° East, along said line, 199.98 feet to the North line of said Lot 1611; thence North 48° West, along said line, 27 feet to the line between said Lots 161 and 162; thence North 47° 30' West, along the North line of said Lot 162, 182 feet to the most Northerly corner of the parcel of land described in the Deed from Mintzer Estate Company to A.M. Luiz, dated December 24, 1918 and recorded September 8, 1924 in Book 478 of Deeds, Page 141; thence South 42° West, along the West line of said Luiz Parcel (478 D 141), 201.56 feet to said North line of San Pablo Avenue; thence South 48° East, along said line 182 feet to the point of beginning.

Excepting from Parcel One:

That portion thereof conveyed in the Deed from Vera Corporation, a California Corporation, to the Redevelopment Agency of The City of San Pablo, dated October 3, 1985 and recorded October 10, 1985 in Book 12557, Page 381, Official Records, being the parcel of land described as "Parcel Five" in said Deed (12557 OR 381).

Parcel Two:

Portion of Lot 162, as designated on the Map entitled "Map of the San Pablo Rancho, accompanying and forming a part of the Final Report of the Referees in Partition", which Map was filed, in the Office of the Recorder of the County of Contra Costa, State of California, on March 1, 1894, described as follows:

Beginning on the Northeast line of San Pablo Avenue, formerly Alvarado Street, at the most Westerly corner of the 0.839 of an acre parcel of land described in the Deed to A.M. Luiz, recorded September 8, 1924 in Book 478 of Deeds, Page 141; thence from said point of beginning, North 48° West, along said Northeast line of San Pablo Avenue, 50 feet to the Southeast line of the parcel of land described in the Deed to Frank M. Silva, recorded September 2, 1897 in Book 76 of Deeds, Page 236; thence North 42° East, along said line, and the Northeasterly extension thereof, to the Northeast line of said Lot 162; thence South 47° 30' East, along said line, to the Northwest line of said Luiz Parcel (478 D 141); thence South 42° West, along said line, 201.56 feet to the point of beginning.

Parcel Three:

An Non-Exclusive Storm Drainage Easement as created in that certain Drainage Agreement recorded April 30, 2001, as Instrument No. 2001-0110487, Official Records.

Assessor's Parcel Number 417-120-025

EXHIBIT B

UNIT MIX AND INCOME/RENT RESTRICTIONS