



HOUSING COMMISSION AGENDA
Regular Meeting: February 9, 2011

Time: 8:00 a.m.

HACA Board Room, 22941 Atherton Street, Hayward, CA 94541-6633

The public is welcome at all Housing Commission meetings. If you wish to speak on a matter NOT on the Agenda, please file a Public Comment card with the Commission Clerk. Upon recognition by the Chairperson during Public Comment, state your name, comments and/or questions. Anyone wishing to address the Commission on an agenda item or on business introduced by the Housing Commission may do so when the Chairperson calls for comments on the agenda item. Please be brief and limit your comments to the specific subject under discussion. NOTE: Only matters within the Housing Commission's jurisdiction may be addressed.

To allow the opportunity for all to speak, a time limit of 3 minutes has been set for public speakers wishing to address the Housing Commission.

The Housing Commission Secretary of the Housing Authority of the County of Alameda has, on Thursday, February 3, 2011, duly distributed this Agenda to the Clerk of the Board of Supervisors for posting in the office of the Alameda County Administration Building and has posted it on the bulletin board of the Housing Authority of the County of Alameda.

AMERICANS WITH DISABILITIES: *In compliance with the Americans with Disabilities Act, if special assistance to participate in this meeting is needed, please contact the Housing Authority office at (510)727-8511. Notification at least 48 hours prior to the meeting will enable the Housing Authority to make reasonable arrangements.*

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On matters not on the Agenda		
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MINUTES
January 12, 2011



**HOUSING COMMISSION MINUTES
REGULAR MEETING: JANUARY 12, 2011, 8:00 A.M.
HACA BOARD ROOM**

SUMMARY ACTION MINUTES

1. CALL TO ORDER/ROLL CALL

Call to Order

Chairperson Steiner called the meeting to order at 8:04 a.m.

Roll Call

Present: Cmr. Atkin, Cashmere, Dutra-Vernaci,
Gerry, Haddock, Lockhart, Medina, Reed, and
Steiner

Excused: Cmr. Natarajan and Peixoto

Absent: Cmr. Iosefa

2. APPROVAL OF MINUTES OF THE NOVEMBER 10, 2010 AND DECEMBER 8, 2010 MEETINGS

Recommendation: Approve the minutes of the November 10, 2010 and December 8, 2010 meetings as presented.

Motion/Second: Lockhart/Reed

Ayes: All Motion passed.

APPROVED AS RECOMMENDED.

3. PUBLIC COMMENT – On matters not on the agenda
None.

4. NEW BUSINESS

4-1. PRESENTATION: RECOGNIZE CATHY LEONCIO AS EMPLOYEE OF THE QUARTER

Christine Gouig, Executive Director, announced that Cathy Leoncio, HACA's Finance Director, was selected as the Employee of the Quarter. She read some of the comments submitted by the staff who nominated Ms. Leoncio. Several of Ms. Leoncio's staff were present at the meeting and also shared some complimentary comments about her. Chairperson Steiner presented Ms. Leoncio with a certificate and Ms. Leoncio expressed her appreciation for the award.

Commission Discussion:

Cmr. Atkin thanked Ms. Leoncio for helping the Commissioners understand the budget and other financial reports. Cmr. Dutra-Vernaci commended Ms. Leoncio for her work with the Commission's Budget/Audit Committee.

4-2. ACTION: EMPHASYS HOUSING SOFTWARE COST UPDATE

Recommendation: Approve an increase of \$35,000 to the contingency line item in the housing software contract with Emphasys Software to allow for the possibility of more customization and training should it be required.

Motion/Second: Reed/Atkin

Commission Discussion:

Cmr. Gerry asked if the additional funds will cover on-site training. Jim McRoberts, IT Manager, indicated Emphasys staff will conduct on-site training and will also be on-site to assist with the conversion. Ms. Gouig explained that the conversion process is a massive undertaking that involves a major restructuring of HACA's work processes. Cmr. Lockhart asked if the additional amount is enough to complete the conversion. Mr. McRoberts indicated that the amount should be enough to complete the conversion and described some of the unexpected expenses incurred during the installation phase. Cmr. Atkin asked if Emphasys will be able to update the software and keep it current particularly since there are so few vendors who provide software to housing authorities. Mr. McRoberts indicated that Emphasys has a number of resources that will enable it to update the systems to meet current HUD regulations and requirements.

Ayes: All Motion passed

APPROVED AS RECOMMENDED.

4-3. PRESENTATION: WHOM DO WE HOUSE AND HOW DO WE HOUSE THEM?

Ms. Gouig presented the segment that provides an overview of the Section 8 Housing Choice Voucher program participants that are served by HACA. Ron Dion, Deputy Director for Programs, presented the section that describes the relationships and responsibilities of landlords, tenants, and HACA in the Section 8 Housing Choice Voucher Program.

Commission Discussion:

Cmr. Dutra-Vernaci commented on the rental subsidy for participants who have no income. Cmr. Cashmere asked if tenants who are evicted are terminated from the program. Mary Rizzo-Shuman, HAHM Program Manager, commented that tenants are entitled to due process and are not necessarily terminated for being evicted. Cmr. Reed commented on income limits.

4-4. INFORMATION: QUARTERLY INVESTMENT PORTFOLIO REPORT

Report received.

4-5. INFORMATION: BUDGET STATUS REPORT – NOVEMBER 2010

Report received.

4-6. PROGRAM ACTIVITY REPORT

Report received.

Commission Discussion:

Chairperson Steiner commented on the event that was held in November at the San Leandro Library to honor FSS participants and their accomplishments. She encouraged the Commissioners

to attend events like this in the future. Linda Evans, FSS Leadworker, thanked Cmr. Reed for her help with the event and thanked Commissioners for their donations to the holiday gift giving activity. Chairperson Steiner suggested that staff put together a list of the items they may need for this year. She also encouraged staff to contact the local media to highlight the accomplishments of the participants.

5. COMMITTEE REPORTS

None.

6. COMMISSIONER REPORTS

None.

7. COMMUNICATIONS

Ms. Gouig introduced Beverly Brewer, HACA's new Procurement Analyst. Ms. Brewer briefly described her background with the State of California and stated that she was looking forward to working at the Housing Authority.

Ms. Gouig reported that there was a fire at one of HACA's public housing units. Mary Rizzo-Shuman, HAHM Program Manager, provided some details about the incident. No one was hurt.

Commissioner Lockhart introduced City of Dublin Councilmember Don Biddle. She stated that Mr. Biddle will be replacing her on the Commission. Mr. Biddle stated he has an interest in housing and was looking forward to serving on the Commission.

8. ADJOURNMENT

There being no further business, Chairperson Steiner adjourned the meeting at 9:08 a.m.

Respectfully submitted,

Melissa Taesali
Executive Assistant

Christine Gouig
Executive Director/Secretary

Approved:

Christine Steiner
Commission Chairperson

NEW BUSINESS

February 9, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Resolution Recognizing Carol Dutra-Vernaci

Exhibits Attached: Resolution No. 04-11

Recommendation: Adopt Resolution

BACKGROUND

The City of Union City appointed Carol Dutra-Vernaci to your Commission in 1998.

Throughout her years on the Commission, Carol has provided insight and valuable input on matters that have been brought forward to the Commission. Her participation on the Personnel Committee and Budget/Audit Sub-committee demonstrates her genuine concern for the Housing Authority's staff, clients, operations and goals.

The City of Union City has reappointed Carol to another term on the Housing Commission; however, her term on Union City's City Council has ended. Carol has indicated that this is an appropriate time for her to depart the Commission to create an opportunity for a Union City City Council member to serve on the Commission and learn more about HACA's Section 8 and Public Housing programs. The February Housing Commission meeting will be her last meeting.

Carol will be greatly missed. In addition to a resolution to recognize Carol, HACA will make a donation to the Washington Hospital Healthcare Foundation in her name. The Commission and staff wish Carol all the best in her future endeavors.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 04-11

**RECOGNIZING CAROL DUTRA-VERNACI FOR HER YEARS OF SERVICE ON THE
HOUSING COMMISSION OF THE HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

WHEREAS, the Housing Authority of the County of Alameda ("HACA") provides rental housing assistance and other related services to families in need; and

WHEREAS, in 1998, Carol Dutra-Vernaci was appointed by the City of Union City to serve on the Housing Commission, the twelve-member body that governs HACA; and

WHEREAS, throughout her service on the Commission, Carol Dutra-Vernaci has provided insight and valuable input on matters that have been brought forward to the Commission; and

WHEREAS, Carol Dutra-Vernaci has demonstrated, through her active participation on the Commission and its Committees, a sincere interest in the Housing Authority's staff, clients, operations and goals; and

WHEREAS, Carol Dutra-Vernaci will be greatly missed by the Commissioners and staff of the Housing Authority;

NOW THEREFORE BE IT RESOLVED, that the Housing Commissioners and staff of the Housing Authority of the County of Alameda extend their appreciation to Carol Dutra-Vernaci for her years of dedicated service on the Housing Commission and wish her the best in her future endeavors.

PASSED, APPROVED, AND ADOPTED, by the Housing Commissioners of the Housing Authority of the County of Alameda on this 9th day of February, 2011 by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Housing Commission Chairperson

Attest:

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: February 9, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Resolution Recognizing Janet Lockhart

Exhibits Attached: Resolution No. 05-11

Recommendation: Adopt Resolution

BACKGROUND

The City of Dublin appointed Janet Lockhart to your Commission in 2005.

In her role as Housing Commissioner, Janet has demonstrated a sincere interest in the Housing Authority's staff, clients, operations, and goals by actively engaging in the matters that have been brought forward to the Commission. She has also effectively directed staff through many issues and challenges as the Personnel Committee Chairperson. While serving on the Commission and in her former capacity as Mayor of Dublin, Janet led the effort to redevelop the Arroyo Vista public housing project and create 180 affordable units to replace the 150 deteriorating units on the property.

Janet's term on the Housing Commission is ending in February, with HACA's approval of the final documents to merge HACA with the Dublin Housing Authority and transfer the Arroyo Vista site to the developers. She has indicated that this is an appropriate time for her to depart the Commission and for a Dublin City Council member to serve on the Commission. The February Housing Commission meeting will be her last meeting.

Janet will be greatly missed. In addition to a resolution to recognize Janet, HACA will make a donation to the School of Imagination and Happy Talkers in her name. The Commission and staff wish Janet all the best in her future endeavors.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 05-11

**RECOGNIZING JANET LOCKHART FOR HER YEARS OF SERVICE ON THE
HOUSING COMMISSION OF THE HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

WHEREAS, the Housing Authority of the County of Alameda ("HACA") provides rental housing assistance and other related services to families in need; and

WHEREAS, in 2005, Janet Lockhart was appointed by the City of Dublin to serve on the Housing Commission, the twelve-member body that governs HACA; and

WHEREAS, in her role as Housing Commissioner, Janet has demonstrated a sincere interest in the Housing Authority's staff, clients, operations, and goals by actively engaging in the matters that have been brought forward to the Commission; and

WHEREAS, Janet Lockhart has effectively directed staff through issues and challenges in her role as chairperson of the Personnel Committee; and

WHEREAS, Janet's leadership was instrumental in the redevelopment of the Arroyo Vista project, creating 180 affordable units to replace 150 deteriorating public housing units; and

WHEREAS, Janet Lockhart will be greatly missed by the Commissioners and staff of the Housing Authority;

NOW THEREFORE BE IT RESOLVED, that the Housing Commissioners and staff of the Housing Authority of the County of Alameda extend their appreciation to Janet Lockhart for her years of dedicated service on the Housing Commission and wish her the best in her future endeavors.

PASSED, APPROVED, AND ADOPTED, by the Housing Commissioners of the Housing Authority of the County of Alameda on this 9th day of February, 2011 by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Housing Commission Chairperson

Attest:

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: February 9, 2011

HOUSING AUTHORITY OF ALAMEDA COUNTY

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Office Remodeling Update

Exhibits Attached: None; Powerpoint Presentation by K2A

Recommendation: Receive Report

BACKGROUND

Staff has been working on either upgrading or relocating the Housing Authority office, on and off now, for over eight years. This included: 1) in 2002, issuing an RFP for development options and negotiating with the six respondents, 2) planning a new office building with an affordable housing component on our existing site, and 3) negotiating with a property owner of a site located at C and Grand Streets in Hayward. Funding shortfalls on the federal level and the retirement of the previous Executive Director sidelined the process for about two years. In January 2008 the project got back on track and your Commission approved remodeling the current office.

The remodeling effort was next delayed when our architectural firm, Edward Gee and Associates, went bankrupt in early 2009 and we had to terminate their contract. In November 2009 your Commission awarded a contract for architectural services to K2A Architects and Interiors (K2A). The firm has been working with staff on the office remodeling project since early 2010.

Our internal Remodeling Committee, comprised of staff from the various departments, met with K2A numerous times over several months. The result of these efforts is an interior design that is comfortable, allows for growth and arranges work areas in a more logical pattern. Service to the public was particularly addressed by providing adequate, secure and logical space as well as additional parking.

The design presented today is different from the previous design that was presented to your Commission. The current design maintains the structural integrity of the building by not demolishing the courtyard walls and by not extending the building towards the rear, both of which were proposed by the Edward Gee firm. The current design allows for access to the rear of the building, making the recycling and trash collection and vendor deliveries less obtrusive. A second floor and a slight pop-out on one side of the building are added to accommodate the additional space required.

At your January 2008 meeting you also supported the concept of a “green” building design. The proposed design achieves a LEED Silver certification. Staff has received a grant approval from StopWaste.Org in the amount of \$40,000 and an additional grant from StopWaste’s Bay Friendly program in the amount of \$20,000. Staff has also applied for a grant with PG&E’s Savings By Design program. The amount of that grant will not be final until the plans are at 100% completion, but it is anticipated to be \$20,000. Staff is also pursuing the potential for a photovoltaic array on the roof of the building through a third party leasing arrangement.

K2A submitted the plans to the City of Hayward for plan check and is currently responding to the comments raised by the building department. Once the plans are approved and complete, staff will return to your Commission for authorization to go out to bid. We expect this to be in March or April.

K2A will present the current design plans and be available to answer any questions.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Resolution Approving Documents to Consolidate the Alameda County and Dublin Housing Authorities

Exhibits Attached: - Resolution No. 01-11
- Attachment A: Documents to Consolidate the Alameda County and Dublin Housing Authorities

Recommendation: Adopt Resolution

Background

The redevelopment of the Dublin Housing Authority's Arroyo Vista public housing project has, from inception, included the plan for the Dublin Housing Authority (DHA) to merge with the Housing Authority of the County of Alameda (HACA), since once the redeveloped Arroyo Vista is owned by Eden Housing and Citation Homes, the developers selected by DHA to redevelop the property, there would be no need for DHA to exist.

The U.S. Department of Housing and Urban Development (HUD) approved this plan in May 2009 as part of its approval of DHA's Arroyo Vista disposition application. At your December 8, 2010 meeting you adopted Resolution 19-10 authorizing consolidation with DHA; DHA and the City of Dublin likewise adopted such resolutions.

At your December 8th meeting staff informed you that there would be a number of documents required by HUD to implement the merger and that staff would return to you in January or February with these. The documents attached to this staff report constitute the required documents. They were prepared by our real estate counsel, Bob Mills, from Goldfarb & Lipman. The City of Dublin and DHA will take action on them at their meetings of February 15.

Discussion and Analysis

HACA, DHA and the City of Dublin all adopted resolutions in December 2010 stating their intent to consolidate HACA and DHA and requesting HUD approval. These resolutions were transmitted to HUD on December 8, 2010. The documents before you today implement the resolutions and were sent to HUD on January 18, 2011. We requested that HUD complete its review in time to consolidate the two housing authorities and transfer the property on March 1. HUD is working with us to comply with this deadline.

The documents are:

1. Master Agreement (City of Dublin, DHA, and HACA)
2. Grant Deed from DHA to HACA
3. Assignment of Cooperation Agreement (DHA to HACA)
4. Assignment of Professional and Service Contracts (DHA to HACA)
5. Grant Deed from HACA to Citation
6. Grant Deed from HACA to Eden
7. Release of Declaration of Trust for Eden portion of property
8. Release of Declaration of Trust for Citation portion of property
9. Use Agreement (HACA and Eden)

The Master Agreement governs the merger and contains the responsibilities of the two housing authorities; lists the assets to be transferred; assigns multifamily housing revenue bonds issued by DHA to HACA; contains the City of Dublin's consent to the merger; transfers and assigns the existing Cooperation Agreement between the City and DHA to HACA and the City; assigns contracts to which DHA is a party to HACA; and terminates the existing management contract between DHA and HACA.

The Grant Deed transfers the Arroyo Vista property from DHA to HACA. It will be recorded in Alameda County records.

The Assignment of Cooperation Agreement assigns the cooperation agreement that exists between the City of Dublin and DHA to HACA. Cooperation agreements are required in order for a housing authority to operate within a city.

The Assignment of Professional and Services Contracts assigns DHA's existing relocation, legal and security fence contracts to HACA.

The Grant Deeds from HACA to Citation and from HACA to Eden transfer the respective portions of the Arroyo Vista property to Citation and Eden. The Grant Deed to Eden contains reverter language required by HUD. In the event Eden ever refuses to use the property in conformance with HUD's affordability requirements the property will revert to HACA. The Grant Deeds will be recorded in Alameda County records.

The two Releases of Declaration of Trust for the Eden and Citation portions of the property lift the HUD Declaration of Trust recorded against every public housing property in the country so Eden can purchase its half of the property and Citation its half free of public housing encumbrances. The Releases will be recorded in Alameda County records.

The Use Agreement between HACA and Eden is required by HUD and contains the affordability provisions mandated by HUD in its approval of DHA's disposition application. It will be recorded in Alameda County records.

These documents are presented in substantially final form but may require changes. The resolution before you authorizes the Executive Director to execute these and any and all documents on behalf of HACA and to approve any changes that may be required in order to close the transaction.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 01-11

**APPROVING DOCUMENTS TO CONSOLIDATE THE ALAMEDA COUNTY
AND DUBLIN HOUSING AUTHORITIES, CONVEYANCE OF PROJECT
AND RELEASE OF DECLARATIONS OF TRUST**

WHEREAS, the Housing Authority of the County of Alameda (the "Authority") is a public body, corporate and politic of the State of California (the "State") incorporated pursuant to the provisions of Chapter 1 of Part 2 of Division 24 (commencing with Section 34200) of the California Health and Safety Code), as amended (the "Act"); and

WHEREAS, the Dublin Housing Authority ("DHA") has determined that, given the administrative and legal requirements necessary to operate low-income public housing and the limited amount of funds available to DHA to administer the program, it would be more efficient to transfer responsibility for operating the low income public housing program in the City of Dublin (the "City") to the Authority; and

WHEREAS, the Authority is willing to accept responsibility for operation of DHA's low income public housing program in the City; and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept from DHA all of DHA's rights, title and interest in the real property commonly known as Arroyo Vista (the "Project"), as well as any other real property owned by DHA; and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to enter into a master agreement with the City and DHA (the "Master Agreement"), which will (i) govern the merger and the respective responsibilities of the Authority and DHA, (ii) provide for the transfer and assignment of DHA assets and property to the Authority, (iii) provide for the assignment of the cooperation agreement executed between the City and DHA to the Authority (the "Assignment of Cooperation Agreement"), (iv) provide for the assignment of professional and service contracts to which DHA is a party, including existing relocation, legal and security fence contracts to the Authority (the "Assignment of Professional and Service Agreements"), (v) provide for the assignment of multifamily housing revenue bonds issued by DHA to the Authority, and (vi) provide for the termination of the existing management contract between DHA and the Authority; and

WHEREAS, to effect the transfer of the Project to the Authority, the Authority desires to accept a grant deed from DHA (the "Project Grant Deed") and record it in the Official Records of Alameda County; and

WHEREAS, the Commissioners of DHA previously approved a resolution to dispose of the Project for redevelopment pursuant to a Disposition and Development Agreement dated as of July 25, 2007, as amended by the First Amendment to Disposition and Development Agreement entered into as of January 26, 2010 (collectively, the "DDA"); and

WHEREAS, the U. S. Department of Housing and Urban Development ("HUD") approved DHA's Arroyo Vista disposition application in May, 2009 (the "HUD Disposition Approval"); and

WHEREAS, pursuant to the terms of the DDA and the HUD Disposition Approval, the Authority desires to sell approximately one-half of the Project site (the "Citation Parcel") to SCS Development Co. dba Citation Homes Central, a California corporation ("Citation"), for a purchase price of Twelve Million Dollars (\$12,000,000) for the purpose of developing 198 for-sale homes, 14 of which would be sold at below-market prices to moderate-income households (the "Citation Project"); and

WHEREAS, pursuant to the terms of the DDA and the HUD Disposition Approval, the Authority desires to sell approximately one-half of the Project site (the "Eden Parcel") to Eden Housing, Inc., a California nonprofit public benefit corporation ("Eden"), for a purchase price of One Dollar (\$1.00) for the purpose of developing 50 units of affordable senior rental housing and 130 units of affordable family rental housing (the "Eden Project"); and

WHEREAS, pursuant to the terms of the HUD Disposition Approval, the Authority desires to enter into a use agreement with Eden (the "Use Agreement") for a period of 20 years commencing upon issuance of certificates of occupancy, or their equivalent, to ensure compliance with the affordability restrictions imposed by HUD as a condition of the HUD Disposition Approval; and

WHEREAS, in connection with the sale of the Eden Parcel and pursuant to the terms of the HUD Disposition Approval, the Authority desires to obtain from HUD and record a release of declaration of trust to remove HUD's recorded Declaration of Trust from the Eden Parcel; and

WHEREAS, in connection with the sale of the Citation Parcel and pursuant to the terms of the HUD Disposition Approval, the Authority desires to obtain from HUD and record a release of declaration of trust to remove HUD's recorded Declaration of Trust from the Citation Parcel.

NOW, THEREFORE BE IT RESOLVED, that the Authority finds and determines as follows:

1. The Master Agreement presented at this meeting in substantially final form is hereby approved.
2. The transfer of the Project to the Authority is approved and the Project Grant Deed presented at this meeting in substantially final form is hereby approved.
3. The Assignment of Cooperation Agreement presented at this meeting in substantially final form is hereby approved.
4. The Assignment of Professional and Service Agreements presented at this meeting in substantially final form is hereby approved.
5. The Use Agreement presented at this meeting in substantially final form is hereby approved.
6. The Release of Declaration of Trust for the Eden Parcel presented at this meeting in substantially final form is hereby approved.

7. The Release of Declaration of Trust for the Citation Parcel presented at this meeting in substantially final form is hereby approved.
8. The Executive Director or her designee is authorized to make and approve any changes to said documents on behalf of the Authority.
9. The Executive Director or her designee is authorized to execute these and any and all documents required by any party to close the transaction.

PASSED, APPROVED AND ADOPTED by the Commissioners of the Housing Authority of the County of Alameda this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Chairperson

ATTEST:

Christine Gouig
Executive Director/Secretary

Adopted: _____

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Resolution Approving Loan Documents with Eden Housing for Arroyo Vista Redevelopment

Exhibits Attached: - Resolution No. 02-11
- Attachment B: Loan Documents

Recommendation: Adopt Resolution

Background

The Dublin Housing Authority (DHA) solicited proposals for the redevelopment of its 150-unit Arroyo Vista public housing property in January 2006. After analyzing the eight responses received and interviewing a short list, DHA selected the proposal submitted by the development team of Eden Housing, a Hayward-based nonprofit, and SCS Development Company (dba Citation Homes), a Pleasanton-based for-profit, in July 2006.

The development team's proposal contemplated that Citation would purchase approximately one-half the site and develop 198 for-sale homes, 14 of which would be sold at below-market prices to moderate-income households. Citation would pay \$12 million for its half of the property. Eden would purchase the other half of the site for \$1 and develop 180 units of affordable housing (50 for seniors and 130 for families). DHA would then loan \$11 million of the sale proceeds it received from Citation to Eden; the remaining \$1 million was to be used to relocate the tenants. Eden would use the loan, along with a bank loan and City of Dublin loan, to construct the project.

The U.S. Department of Housing and Urban Development (HUD) approved this plan in May 2009 as part of its approval of DHA's Arroyo Vista disposition application. HUD also included the merger (HUD calls it "consolidation") of DHA and the Alameda County Housing Authority (HACA) in its approval. DHA had requested the merger, since once Arroyo Vista was redeveloped it would no longer own any public housing and would have no reason to exist. HACA agreed with DHA's request. At your December 8, 2010 meeting you adopted Resolution 19-10 authorizing consolidation with DHA; DHA and the City of Dublin likewise adopted such resolutions.

Discussion and Analysis

HUD required that the merger occur *prior* to the transfer of the property. Thus, Citation will make its \$11 million payment to HACA, not DHA. HACA will, therefore, need to make the loan to Eden Housing.

Bob Mills, attorney with Goldfarb & Lipman and our legal counsel on this project, has prepared four standard documents required to make the loan. They are:

- Construction/Permanent Loan Agreement
- Regulatory Agreement and Declaration of Restrictive Covenants
- Promissory Note
- Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing

Commissioners in cities with redevelopment agencies are probably familiar with these types of documents as they are routinely used to make loans to developers of affordable housing.

The Construction/Permanent Loan Agreement contains the loan terms; provisions governing the construction of the project such as permits, bonds, budget changes, progress reports and marketing; loan compliance requirements such as accounting, record keeping and audits; default provisions and remedies; and general provisions such as indemnification, conflict of interest, notices, severability and amendments. The Rehousing Policy that governs the rights and procedures for the former tenants to return to the new project is an attachment.

The City of Dublin has also made a loan to Eden and will be repaid first; only after the City's loan is repaid will payments to HACA begin. It is likely that the City's loan will require 30 or more years to repay.

The Regulatory Agreement and Declaration of Restrictive Covenants contains the affordability restrictions (e.g. income limits, rent limits, number of affordable units, 55-year affordability term). It will be recorded against the property in Alameda County records so that it runs with the land, regardless of who the owner may be.

The Promissory Note evidences Eden's obligation to repay the loan on the agreed upon terms.

The Deed of Trust secures the loan, and all of Eden's obligations under the various loan documents, and will also be recorded in Alameda County records.

These documents will continue to be refined in minor ways until the closing and property sale, currently targeted for March 1. The resolution before you approves the documents as presented in substantially final form and authorizes the Executive Director to make any additional changes that may be necessary. It also authorizes the Executive Director to execute these and any other documents on behalf of HACA that may be required.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 02-11

**APPROVING LOAN AGREEMENT, REGULATORY AGREEMENT AND ANCILLARY DOCUMENTS
WITH EDEN HOUSING, INC.**

WHEREAS, the Housing Authority of the County of Alameda (the "Authority") is a public body, corporate and politic of the State of California (the "State") incorporated pursuant to the provisions of Chapter 1 of Part 2 of Division 24 (commencing with Section 34200) of the California Health and Safety Code), as amended (the "Act"); and

WHEREAS, the Dublin Housing Authority ("DHA") has determined that, given the administrative and legal requirements necessary to operate low-income public housing and the limited amount of funds available to DHA to administer the program, it would be more efficient to transfer responsibility for operating the low income public housing program in the City of Dublin to the Authority; and

WHEREAS, the Authority is willing to accept responsibility for operation of DHA's low income public housing program in the City of Dublin; and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept from DHA all of DHA's rights, title and interest in the real property commonly known as Arroyo Vista (the "Project"), as well as any other real property owned by DHA; and

WHEREAS, the Commissioners of DHA previously approved a resolution to dispose of the Project for redevelopment pursuant to a Disposition and Development Agreement dated as of July 25, 2007, as amended by the First Amendment to Disposition and Development Agreement entered into as of January 26, 2010 (collectively, the "DDA"); and

WHEREAS, the Authority desires to accept all the rights, title and interest of DHA under the DDA, and desires to undertake all the duties and obligations of DHA under the DDA, including, but not limited to, the obligation to use Eleven Million Dollars (\$11,000,000) in net sales proceeds from the disposition of the Project to provide loans and/or grants to Eden Housing, Inc., or its affiliate, to assist in the development and construction of an affordable senior housing rental project and an affordable family housing rental project, such loans and/or grants to be evidenced by, among other things, a promissory note, loan agreement, deed of trust and regulatory agreement;

NOW, THEREFORE BE IT RESOLVED, that the Authority finds and determines as follows:

1. The Construction/Permanent Loan Agreement, Regulatory Agreement and Declaration of Restrictive Covenants, Promissory Note and Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing presented at this meeting in substantially final form are hereby approved.
2. The Executive Director or her designee is authorized to make and approve any changes to said documents on behalf of the Authority.
3. The Executive Director or her designee is authorized to execute these and any and all documents required by any party to close the transaction.

PASSED, APPROVED AND ADOPTED by the Commissioners of the Housing Authority of the County of Alameda this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Chairperson

ATTEST:

Christine Gouig
Executive Director/Secretary

Adopted: _____

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Executive Director Evaluation and Compensation

Exhibits Attached: None

Recommendation: Adjust vacation benefit and deferred compensation match

Background

Chris Gouig, HACA's Executive Director, began her tenure at the Housing Authority on March 26, 2006. The Commission appointed its Personnel Committee to oversee Ms. Gouig's first performance evaluation process in November 2008. In January 2009, after meeting with Ms. Gouig and reviewing a written report describing her accomplishments, the Committee recommended to the Housing Commission an increase in salary and certain benefits. This was the first salary increase Ms. Gouig had received since beginning work at the Housing Authority almost three years earlier.

Although the Commission had planned to perform an evaluation annually after the close of the Housing Authority's fiscal year, time elapsed and the Commission didn't designate its Personnel Committee to undertake Ms. Gouig's second evaluation until October 2010. The Committee met with Ms. Gouig in January 2011, after reviewing a written summary of goals, accomplishments and issues prepared by Ms. Gouig.

The Personnel Committee found the Executive Director's performance to be excellent and thanked her for her good work. However, due to fiscal constraints and the gloomy funding outlook, particularly since President Obama has proposed a 5-year freeze on federal programs such as HUD's, the Committee cannot recommend a salary increase at this time. However, the Committee does recommend that the Housing Commission approve a one-time, immediate addition of two weeks of vacation to Ms. Gouig's vacation balance and a regular increase in the match provided for a deferred compensation account (\$7,500 from HACA matched to a \$5,000 contribution from Ms. Gouig. The current match is \$5,000 each.)

The Committee recognized the importance of regular evaluations and urges the Commission to schedule Ms. Gouig's future evaluations for every September, after the close of the Housing Authority's fiscal year and HUD reporting period.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Resolution Approving Organizational Documents for HACA Non-profit, Preserving Alameda County Housing (PACH), Inc., and Appointment of Board of Directors

Exhibits Attached: Resolution No. 06-11

Recommendation: 1. Adopt a resolution approving the organizational documents.
2. Appoint five directors to serve on the board of directors.

Background

In 2001, HACA created a non-profit corporation known as Northern California Community Housing Services, Inc. (NCCHS). Its purpose was to serve as contract administrator for Section 8 contracts between HUD and private owners in northern California. However, HUD awarded the contract administrator contract to the Oakland Housing Authority so NCCHS remained on the books as a non-profit organization but dormant.

At your September 2010 meeting, you heard a report on the conversion of HACA Public Housing units to Section 8 project-based contracts. That report described the role of NCCHS in the conversion. Essentially, HACA will “dispose” of the units from the Public Housing program and transfer them to NCCHS ownership. NCCHS will contract with HACA to operate the units. Residents will receive Section 8 vouchers and will notice little difference in operations. HACA will begin with its 58 scattered site units, which have received HUD disposition approval, followed by its 100 elderly units for which a disposition application has been submitted.

At your October 2010 meeting you approved certain changes to the NCCHS Articles of Incorporation and By-laws to facilitate the conversion plan. Bob Mills, our legal counsel with Goldfarb & Lipman, filed the changes with the Secretary of State; the changes were approved.

Discussion and Analysis

As legal counsel and staff began readying the transfer (pending the award of 58 Section 8 vouchers from HUD), Mr. Mills reviewed the letter from the IRS that originally approved NCCHS. He found that the IRS had designated NCCHS a 501(c)(3) private foundation rather than a 501(c)(3) charitable organization. Although a private foundation is able to own property, and thus could assume the transfer of our Public Housing units, the IRS reporting requirements are onerous, tracking provisions will be cumbersome and taxes, such as excise taxes, will be due. Mr. Mills explained that HACA has two options: 1) per the IRS, operate as a private foundation for five years and then convert to a charitable organization or 2) create a new nonprofit as a charitable organization from the start.

Staff recommends the second option. NCCHS would continue its dormant existence and at the end of five years we would convert it to a charitable organization. As it won't own property during those five years, the reporting requirements will be manageable and no taxes will be due.

The organizational documents before you have been prepared by Mr. Mills. They are essentially the same as those you approved for NCCHS with a few minor exceptions, including the name. The new organization is called Preserving Alameda County Housing (PACH), Inc.

NCCHS has a five member board of directors comprised of the chairperson and vice-chairperson of the Housing Commission (Christine Steiner and Carol Dutra-Vernaci), a third member of the Housing Commission appointed by the Commission (Mark Gerry), and HACA's Executive Director and Deputy Director for Programs (Chris Gouig and Ron Dion). Staff recommends that you appoint these same five persons as the PACH Inc. board of directors.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 06-11

**APPROVING THE FORMATION OF NONPROFIT SUPPORT CORPORATION FOR THE PURPOSE OF
ACQUIRING AND OPERATING LOW-INCOME HOUSING
(Preserving Alameda County Housing, Inc.)**

WHEREAS, the Housing Authority of the County of Alameda (the "Authority") is a public body, corporate and politic of the State of California, incorporated pursuant to the provisions of Chapter 1 of Part 2 of Division 24 (commencing with Section 34200) of the California Health and Safety Code, as amended; and

WHEREAS, the Authority is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 343310-34334) and Article 5 (Sections 34350-34379) of the California Health and Safety Code, which includes providing affordable housing and administering housing programs within its jurisdiction; and

WHEREAS, the Authority owns and operates two hundred thirty low-income housing units as part of its Low Income Public Housing program, and certain other low-income housing units which are not part of its Public Housing program, all of which units are located in various locations throughout the County of Alameda (the "Properties"); and

WHEREAS, the Authority desires to form a nonprofit public benefit support corporation to acquire, own, lease, rehabilitate and operate the Properties, which corporation shall be known as Preserving Alameda County Housing, Inc., a California nonprofit public benefit corporation (the "Corporation"); and

WHEREAS, the purpose of the Corporation will be to support the activities of the Authority, through its ownership and operation of the Properties as low-income housing; and

WHEREAS, the Authority intends to transfer ownership of the Properties that are currently Public Housing program units to the Corporation for operation as low-income housing units, subsidized pursuant to Section 8 of the U.S. Housing Act of 1937, as amended, and subject to such other conditions as may be approved by the U. S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the Authority further intends to transfer ownership of the Properties that are not Public Housing units to the Corporation for operation as low-income housing units; and

WHEREAS, in order to form the Corporation, the Authority approves of the Articles of Incorporation, substantially in the form set forth in Exhibit A attached hereto (the "Articles"), and will assist the Corporation in filing the Articles with the California Secretary of State; and

WHEREAS, in order to form the Corporation, the Authority approves of the Bylaws, substantially in the form set forth in Exhibit B attached hereto (the "Bylaws") and will assist the Corporation in adopting these Bylaws; and

WHEREAS, in order to form the Corporation, the Authority intends to assist the Corporation to complete a Form SS-4 Application for Employer Identification Number (the "Form SS-4") and assist the Corporation in submitting the SS-4 to the IRS for the purpose of obtaining a federal tax identification number for the Corporation ; and

WHEREAS, in order to form the Corporation, the Authority intends to assist the Corporation to complete and submit a Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (the "Form 1023") to the Internal Revenue Service (the "IRS") for the purpose of obtaining a federal income tax exemption for the Corporation ; and

WHEREAS, in order to form the Corporation, the Authority intends to assist the Corporation to complete and submit a Form 3500 Exemption Application (the "Form 3500") to the California Franchise Tax Board (the "FTB") for the purpose of obtaining a state income tax exemption for the Corporation ; and

WHEREAS, the Authority determines that the following actions would be in the best interests of the Authority;

NOW, THEREFORE BE IT RESOLVED, that the Authority finds and determines as follows:

1. The Authority shall form the Corporation for the purpose of acquiring, owning, leasing, rehabilitating and operating the Properties and the Corporation shall serve as a support corporation for the Authority.

2. The Authority's Executive Director, or in the absence or unavailability of the aforementioned, the deputy director of the Authority, acting alone on behalf of the Authority, is authorized and directed to assist the Corporation in adopting and executing any and all necessary documents, including, but not limited to, the Articles and the Bylaws.

3. The Authority's Executive Director, or in the absence or unavailability of the aforementioned, the deputy director of the Authority, acting alone on behalf of the Authority, is hereby authorized and directed to assist the Corporation in filing the Articles with the California Secretary of State and assist the Corporation in completing and executing such documents as may be necessary to implement this resolution, including but not limited to, a Form SS-4, a Form 1023, a Form 2848 Power of Attorney and Declaration of Representative, and a Form 3500.

PASSED, APPROVED AND ADOPTED by the Commissioners of the Housing Authority of the County of Alameda this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner, Chairperson

ATTEST:

Christine Gouig, Executive Director/Secretary

Adopted: _____

EXHIBIT A

**ARTICLES OF INCORPORATION
OF
PRESERVING ALAMEDA COUNTY HOUSING, INC.**

ARTICLES OF INCORPORATION
OF
PRESERVING ALAMEDA COUNTY HOUSING, INC.

I. NAME

The name for the Corporation is Preserving Alameda County Housing, Inc.

II. PURPOSES

A. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The general purpose of the Corporation is to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California, provided that this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this Corporation.

B. The specific charitable and public purposes for which the Corporation is organized are to benefit and support the Housing Authority of the County of Alameda, a public body, corporate and politic ("HACA"), and its purposes in accordance with Section 509(a)(3)(A) of the Internal Revenue Code of 1986, as amended, by (i) providing affordable housing for low-income persons and households where no adequate housing exists for such groups; (ii) providing decent, safe and sanitary housing for and assist low-income persons and households by enabling them to secure the basic human need of decent shelter; (iii) combating blight and deterioration in communities and contribute to their physical improvement; (iv) lessening the burden of government by acquiring leasehold or fee interests in housing for low-income persons and households that was previously owned by HACA as Low Income Public Housing and continuing

to operate it as housing for low-income households; (v) promoting social welfare through community based housing activities; (vi) buying, owning, selling, assigning, mortgaging, or leasing any interest in real estate and personal property and constructing, maintaining, and operating improvements thereon necessary or incident to the provision of affordable housing; (vii) borrowing money and issuing evidence of indebtedness in furtherance of any of all of the objects of its business, and to secure the same by mortgage, pledge or other lien on the Corporation's property; and (viii) by carrying out such other activities as the board of directors of the Corporation determines will benefit and support HACA.

III. MEMBERS

The Corporation shall not have any members.

IV. AGENT FOR SERVICE OF PROCESS

The name and address in California of the Corporation's initial agent for service of process is Christine Gouig, 22941 Atherton Street, Hayward, California 94541-6633.

V. DEDICATION AND DISPOSITION

A. The property of this Corporation is irrevocably dedicated to charitable purposes and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes.

B. Upon the winding-up and dissolution of the Corporation, its assets remaining after payment or provision for payment of all its debts and liabilities shall be transferred to HACA, or an entity designated by the HACA which is a nonprofit fund, foundation or corporation which is

organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the United States Internal Revenue Code.

VI. LIMITATION ON CORPORATE ACTIVITIES

A. The Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these Articles, the Corporation shall not carry out any other activities not permitted to be carried out by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue Law; or (ii) by a corporation, contributions to which are deductible under Section 170 of the Internal Revenue Code or the corresponding provisions of any other United States Internal Revenue Law.

B. No substantial part of the activities of the Corporation shall consist of carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

VII. DIRECTORS

The Corporation shall have five (5) Directors, the composition of which shall be as described in the Bylaws.

Adopted: _____, 2011

Robert C. Mills, Incorporator

DECLARATION

I declare that I am the person who executed the foregoing Articles of Incorporation which execution is my act and my deed.

Date: _____, 2011.

Robert C. Mills

EXHIBIT B

**BYLAWS
OF
PRESERVING ALAMEDA COUNTY HOUSING, INC.**

BYLAWS
OF
PRESERVING ALAMEDA COUNTY HOUSING, INC.

A California Nonprofit Public Benefit Corporation

ARTICLE I
NAME

The name of this corporation is Preserving Alameda County Housing, Inc. (the "Corporation").

ARTICLE II
PRINCIPAL OFFICE

The principal office for the transaction of the business of the Corporation is fixed and located at 22941 Atherton Street, Hayward, CA 94541-6633. The Board of Directors (the "Board") is hereby granted full power and authority to change said principal office from one location to another.

ARTICLE III
MEMBERS

The Corporation shall not have any members.

ARTICLE IV
DIRECTORS

Section 1. Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the Corporation's activities and affairs shall be managed by, and all corporate powers shall be exercised under the direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers, to wit:

A. Appoint and remove, at the pleasure of the Board, all the Corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with applicable law, the Corporation's Articles of Incorporation, and these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

B. Change the principal office or the principal business office in California from one location to another; and designate any place within the State of California for the holding of any meeting or meetings.

C. Adopt, make, and use a corporate seal and to alter the form of such seal from time to time as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of law.

D. Borrow money and incur indebtedness on behalf of the Corporation, and to cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debts and securities.

E. Construct, operate, maintain and improve, and to buy, sell, convey, assign, mortgage or lease any real estate and personal property necessary and incident to the provision of housing for low income persons.

Section 2. Number and Qualifications of Directors. The authorized number of Directors shall be five (5) until changed by amendment of the Articles of Incorporation or by a by-law duly adopted by the members of the Corporation amending this Section 2.

Said five (5) Directors shall be the persons holding the following offices: One (1) Director shall be the Chair of the Housing Authority of the County of Alameda; one (1) Director shall be the Vice-Chair of the Housing Authority of the County of Alameda; one (1) Director shall be a member of the Commission of the Housing Authority of the County of Alameda; one (1) Director shall be the Secretary of the Housing Authority of the County of Alameda; and one (1) Director shall be a deputy director of the Housing Authority of the County of Alameda.

Section 3. Vacancies. In the event an amendment to the bylaws to increase the number of Directors occurs, resulting vacancies shall be filled by a majority of the remaining Directors. A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased.

Section 4. Meetings.

A. Annual Meeting

The Annual Meeting of the Board shall be held on the regular meeting date in January, at which time the election of officers shall take place.

B. Regular Meetings

Regular Meetings shall be held quarterly with time and place and date set by resolution of the Board.

C. Special Meetings

Special meetings may be called by the President or at the request of a majority of the members of the Board, stating the purpose, time and place of the meeting.

1. The only business transacted shall be limited to items and subjects set forth in the Notice of Special Meeting.
2. Written notice shall be given twenty four (24) hours in advance of the meeting to each member of the Board, local newspapers of general circulation and radio or television station requesting such notice and to anyone filing a written request for notice. Notice of meetings shall comply in all respects with Section 54950 et seq., of the Government Code, known commonly as the Ralph M. Brown Act.

D. Executive Sessions

Executive sessions may be held only for those purposes permitted by the Ralph M. Brown Act.

E. Rules

Revised. All meetings shall be conducted in accordance with Robert's Rules of Order

F. Conduct of Business

All meetings shall be public and shall follow an agenda prepared by the Secretary.

G. Meetings and Rules

1. Written notices of meetings shall be sent at least 72 hours in advance of a regular meeting to all members of the Board.
2. Written notice of the meeting shall be posted at the principal office in a location accessible to the public.
3. Opportunity for discussion of all material mailed in advance shall be included in the agenda as shall opportunities for public comment.
4. The agenda of the regular meetings shall include minutes of the previous regular meeting. Minutes of all meetings shall be kept and filed with the Secretary.

H. Quorum

Fifty percent (50%) plus one (1) of those currently appointed shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

1. Actions shall be by formal motion or resolution.
2. Actions may be adopted by a simple majority of the Board.
3. Each member of the Board shall have one (1) vote.
4. Proxy votes shall not be permitted.

Section 5. Standard of Care- General. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- A. One (1) or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;
- B. Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- C. A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as in any such case, the Director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing Director, as described in Article IV, Section 7 of these Bylaws, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

Section 6. Standard of Care—Investments. Except with respect to assets held for use or used directly in carrying out this Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital. The provisions of Article IV, Section 5 of these Bylaws shall apply to this Section.

Section 7. Self-Dealing Transactions. Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is one in which the Corporation is a party and in which one or more of the Directors has a material financial interest or a transaction between the Corporation and any entity in which one or more of its Directors has a material financial interest. The Board may approve a self-dealing transaction if a majority of the Board, not including the self-interested Director, determines that the transaction is fair and reasonable to the Corporation and, after reasonable investigation under the circumstances, determines that it could not have secured a more advantageous arrangement with reasonable effort under the circumstances.

ARTICLE V OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. The Corporation may also have, at the Board's discretion, one (1) or more vice presidents, one (1) or more assistant secretaries, one (1) or more assistant treasurers, an executive director, or other officers as it sees fit. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

Section 2. Election. The Board shall elect all officers of the Corporation for terms of one year or until their successors are elected and qualified.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board.

Section 4. Removal of Officers. Any officer may be removed with or without cause by the Board of Directors at any time.

Section 5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective.

Section 6. President. The President shall have general supervision, direction, and control of the business and affairs of the Corporation. The President shall have those powers authorized by the Board and shall be responsible for managing the business of the Corporation, executing agreements and legal documents authorized by the Board or authorized by the Bylaws, supervising staff and consultants, and carrying out other activities necessary or beneficial to the Corporation. He or she shall preside at all meetings of the members and Directors and shall have such other powers and duties as may be prescribed from time to time by the Board.

Section 7. Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President and in so acting shall have all the powers of the President. The Vice-President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 8. Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board, shall keep the Seal of the Corporation and affix it to such papers and instruments as may be required in the regular course of business; shall give or cause to be given notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given; shall supervise the keeping of the records of the Corporation, and shall perform such other duties of the office as prescribed by the Board.

Section 9. Treasurer. The Treasurer shall receive and safely keep all funds of the Corporation and deposit them in the bank or banks that may be designated by the Board. Those funds shall be paid out only on checks of the Corporation signed by such officers as may be designated by the Board as authorized to sign them. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Corporation shall end each year on December 31.

Section 2. Contracts. The Board, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contracts or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. Voting Security. The President, or the Vice-President and the Secretary, or such other officers as the Board may select of the Corporation, shall have all rights incident to any and all voting securities of any other corporation. The authority granted in these Bylaws to the officers to vote or represent the Corporation arising from any voting securities held by the Corporation in any other corporation or corporations may be exercised either by the officers in person or by any person authorized so to do by proxy or power of attorney duly executed by the officers.

Section 4. Construction and Definition. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California General Nonprofit Corporation law shall govern the construction of these Bylaws.

Section 5. Indemnification. The Corporation shall indemnify its Directors, officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law, against all expenses, judgments, fines and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether it is civil, criminal, administrative or investigative.

In all cases where indemnification is sought, the Corporation shall be subject to the following restrictions and requirements:

A. Where the action or proceeding is brought on behalf of the Corporation or involves self-dealing transactions, as defined in Article IV, Section 7 of these Bylaws, the Corporation shall not indemnify against amounts paid in settlement or judgment amounts, but shall, upon the express authorization of the Board, indemnify the Director, officer, employee or agent against expenses incurred in defense of an action arising from his or her relation to the Corporation. To indemnify in such cases the Board must find the person met the statutorily prescribed standard of care by acting (1) in good faith, (2) in the best interests of the Corporation, and (3) with the care of an ordinarily prudent person.

B. Where the person seeking indemnification under this section has been held liable to the Corporation, or has settled his or her liability to the Corporation, the Corporation shall not indemnify against expenses without the approval of the court or the Attorney General.

C. The Board shall determine whether the person seeking indemnification has acted in accordance with the standard of care set forth in subsection A. of this section by a majority vote of a quorum consisting of disinterested Directors. The termination of any proceeding in a manner adverse to the defendant seeking indemnification shall not create a presumption that such person failed to meet the standard of care.

D. Where the person seeking indemnification has been successful on the merits in defense of any action or proceeding brought on behalf of the Corporation or in defense of any claim or issue involved in such action or proceeding, the Corporation shall indemnify against all expenses actually or reasonably incurred.

E. The Corporation shall not advance any money to the person seeking indemnification for the purpose of defending against any action or proceeding without the receipt of an undertaking by such person to repay all advances unless it is ultimately determined that he or she is entitled to indemnification.

Section 6. Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any Director, officer, employee or agent of the Corporation against any liability asserted against or incurred by the Director, officer, employee or agent in such capacity or arising out of the Director's, officer's, employee's or agent's status as such, whether or not this Corporation would have the power to indemnify the Director, officer, employee, or agent against that liability under law; except, the Corporation may not purchase insurance to protect self-dealing Directors (as defined in Article IV, Section 7 of these Bylaws) from liability.

Section 7. Reports to Directors. The President shall furnish a written report at the first regular meeting of the fiscal year to all Directors of the Corporation containing the following information:

A. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;

B. The principal changes in assets and liabilities, including trust funds, during the fiscal year;

C. The revenue or receipts of the Corporation both unrestricted and restricted for particular purposes, for the fiscal year;

D. The expenses or disbursements of the Corporation, for both general and restricted purposes during the fiscal year.

The President must furnish a written report to all Directors that lists any transaction during the prior fiscal year involving One Thousand Dollars (\$1,000) or more between the Corporation or a subsidiary and any Director or officer of the Corporation or a subsidiary. The report must disclose the name of the Director or officer and the person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest. The President must also furnish an annual written report to all Directors disclosing the amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the prior fiscal year to any officer or Director of the Corporation.

Section 8. Amendment of Bylaws and Articles. The Bylaws or Articles may be amended or repealed and new Bylaws or Articles adopted by the vote of a majority of all the Directors of the Board. Amended or newly adopted Bylaws shall take effect immediately.

Preserving Alameda County Housing, Inc.

Certification by Incorporator Regarding Adoption of
Bylaws and Appointment of Initial Directors

I, Robert C. Mills, am the Incorporator of Preserving Alameda County Housing, Inc. (the "Corporation"). Pursuant to the Articles of Incorporation filed on _____, 2011. I hereby adopt the Bylaws for the Corporation in the form attached to this certification.

I hereby appoint the following persons as initial directors of the Corporation, as provided below:

1. _____
2. _____
3. _____
4. _____
5. _____

Executed this _____ day of _____, 2011.

Robert C. Mills

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Preserving Alameda County Housing, Inc.
2. That the foregoing bylaws constitute the bylaws of said Corporation as duly adopted at a meeting of the Board of Directors thereof duly held on _____, 2011.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed the Seal of said Corporation this ____ day of _____ 2011.

_____, Secretary

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Utility Allowance Schedule

Exhibits Attached: - Resolution No. 03-11
- Proposed 04/01/2011 Utility Allowance Schedule

Recommendation: Adopt the attached Resolution

Financial Statement: Estimated \$182,640 increase in Section 8 program costs for FY 2011; estimated \$730,560 decrease in Section 8 program costs for FY 2012 and subsequent fiscal years.

Estimated \$0 change for the Public Housing Program for FY 2010, FY 2011 and subsequent fiscal years.

BACKGROUND

HACA's Section 8 Program and Public Housing Program subsidies are applied against the family's rent and any utilities paid for by the family. The amount of the HACA utility subsidy is determined by our utility allowance schedule. The utility allowance schedule is based on the typical cost of essential utilities and services paid for by energy-conserving households that occupy housing of similar size and type in HACA's jurisdiction.

HUD requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed, either up or down, by 10% or more. As certain rates have changed by more than this amount, staff has developed a revised utility allowance schedule for your approval.

DISCUSSION AND ANALYSIS

The utility allowances for gas and electric service are based on the PG&E *California Alternate Rates for Energy* (CARE) program. Targeted to very low income families, the CARE program reduces typical PG&E rates by almost 20%. In order to obtain the CARE rates, families must submit a simple one-page form to PG&E. HACA is a Community Outreach Contractor for PG&E, providing information, applications and assistance to Section 8 households and the public wishing to apply for the CARE program. In 2009, HACA surveyed its Section 8 participants to determine if they were participating in the CARE program. Seventy-percent (70%) of participants responded and we found that nearly 90% of those were participating. (Another 10% indicated the gas and electric bill

for their unit was paid by the landlord or someone else so they weren't eligible for the CARE program.)

The underlying methodology for analyzing gas and electric rates follows that of an outside consultant retained by HACA in 2001, 2002 and 2004 except as otherwise noted.

Gas: In the past, a snapshot of the gas rates at a fixed point in time was used to set the annual utility allowance schedule. However, since rates fluctuate from month-to-month and year-to-year, HACA began incorporating a floating 12-month rate average in 2006 and continues this method for 2011. This year, gas rates increased by 5%. The current HACA allowances for gas are not changed on the schedule as the rate changes were less than 10%.

Electricity: Rates decreased in November 2004 and have not changed since. Consequently, the current HACA allowances for electricity are not changed on the schedule.

Water: Water rates increased by 6% this year. The current HACA allowances for water are not changed on the schedule as the rate changes were less than 10%.

Sewer: This year, HACA has separated sewer rates from water rates. Consequently, the current HACA allowance of \$20.00 for sewer is added to the schedule.

Garbage: Garbage rates increased by 5-6% this year. The current HACA allowances for garbage are not changed on the schedule as the rate changes were less than 10%.

Tenant-Supplied Stove or Refrigerator: No increase is proposed over the current \$2 per month allowance.

Housing Authority of Alameda County
Section 8 Utility Allowance Schedule
Effective 04/01/2011 for Re-examinations
Effective 04/01/2011 or Later

	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Single Family Homes						
Electric Heating	10	10	18	23	41	44
Gas Heating	12	15	20	24	27	33
Electric Cooking	1	2	2	3	3	3
Gas Cooking	2	2	2	2	2	2
Electric Hot Water	10	11	19	25	26	26
Gas Hot Water	6	8	11	14	17	19
Refrigerator (If tenant-supplied)	2	2	2	2	2	2
Stove (If tenant-supplied)	2	2	2	2	2	2
Water	20	26	33	41	52	59
Sewer	20	20	20	20	20	20
Trash	22	22	22	38	38	59
Other Electric	11	14	20	24	28	31
Attached Homes						
Electric Heating	8	8	11	14	17	25
Gas Heating	9	12	14	16	18	19
Electric Cooking	1	2	2	3	3	3
Gas Cooking	2	2	2	2	2	2
Electric Hot Water	10	11	20	25	26	26
Gas Hot Water	6	8	11	14	17	19
Refrigerator (If tenant-supplied)	2	2	2	2	2	2
Stove (If tenant-supplied)	2	2	2	2	2	2
Water	19	27	35	43	54	62
Sewer	20	20	20	20	20	20
Trash	22	22	22	38	38	59
Other Electric	11	14	20	24	28	31

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 03-11

APPROVING UPDATE TO THE UTILITY ALLOWANCE SCHEDULE

WHEREAS, the U. S. Department of Housing and Urban Development (HUD) requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed by 10% or more; and

WHEREAS, rates for some utilities have changed by at least 10%;

NOW, THEREFORE BE IT RESOLVED, that the Housing Commission does hereby adopt a utility allowance schedule with an effective date of April 1, 2011 for annual and interim re-examinations with an effective date of April 1, 2011 or later.

PASSED, APPROVED AND ADOPTED by the Commissioners of the Housing Authority of the County of Alameda on this 9th day of February, 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Housing Commission Chairperson

ATTEST:

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: February 9, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Committee Assignments

Exhibits Attached: None

Recommendation: Discuss and, if Practical, Make Appointments

BACKGROUND

Your Housing Commission has established the Personnel Committee and the Budget/Audit and Negotiations Sub-Committees to assist the Commission in various matters related to the Housing Authority's operations. The overall purpose and current membership of these committees are as follows:

Committee	Purpose	Members
Personnel	Considers personnel actions designated within the scope of the Housing Authority's Personnel Rules	Ruth Atkin, Carol Dutra-Vernaci, Janet Lockhart, Christine Steiner
Budget/Audit	Assists the Commission in fulfilling its fiscal oversight responsibilities	Carol Dutra-Vernaci, Mark Gerry, Maxine Haddock
Negotiations	Meets and consults with staff during the labor negotiating process as it relates to the memorandum of understanding (MOU) between HACA and SEIU 1021	<u>In 2008:</u> Allan Maris, Surlene Grant, Christine Steiner

DISCUSSION AND ANALYSIS

With the departure of Commissioners Lockhart and Dutra-Vernaci, the impending audit of Fiscal Year 2010-2011, the upcoming budget for Fiscal Year 2011-2012, and the June expiration of the current MOU between HACA and SEIU, your Commission will need to appoint members to these committees. Additionally, Commissioner Dutra-Vernaci is the current Vice Chairperson of the Commission. Consequently, your Commission must elect a new Vice Chairperson to fill the vacancy created by Commissioner Dutra-Vernaci's departure.

The Commission may appoint a nominating committee to recommend candidates for these committees, make appointments at your February meeting, or some combination of the two.

QUARTERLY
BUDGET STATUS REPORT
Quarter Ending: December 31, 2010

HOUSING AUTHORITY OF ALAMEDA COUNTY
Financial Status Report for the Quarter Ending December 31, 2010

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Park Terrace	Ocean Avenue	Totals
<u>Operating revenues</u>						
Rental revenue - tenants	\$ 506,529	\$	\$ 71,500	\$ 56,270	\$ 25,302	\$ 659,601
Other revenue	11,522			9	2,604	14,135
Total operating revenues	<u>518,051</u>		<u>71,500</u>	<u>56,279</u>	<u>27,906</u>	<u>673,736</u>
<u>Operating expenses</u>						
Administration	265,321	3,848,859	18,329	16,686	12,044	4,161,239
Tenant service	3,482		0	0	0	3,482
Utilities	79,968		26,609	21	2,906	109,504
Ordinary maintenance and operations	358,206		107,962	22,370	19,546	508,084
General expenses	83,380	78,269	3,867	852	767	167,135
Capital Eqpt Purchase	0	0	0	0	0	0
Transfer of Equity to PH	0		0			0
Total operating expenses	<u>790,357</u>	<u>3,927,128</u>	<u>156,767</u>	<u>39,929</u>	<u>35,263</u>	<u>4,949,444</u>
Operating (loss)	<u>(272,306)</u>	<u>(3,927,128)</u>	<u>(85,267)</u>	<u>16,350</u>	<u>(7,357)</u>	<u>(4,275,708)</u>
<u>Non-operating revenues</u>						
HUD PHA grants	204,030	3,834,003		0	0	4,038,033
Capital grants	57,794			0	0	57,794
Other revenue	33,651	163,403	5,000	0	0	202,054
Investment income	753	2,145	19,525	1,310	1,004	24,737
Total non-operating revenues	<u>296,228</u>	<u>3,999,551</u>	<u>24,525</u>	<u>1,310</u>	<u>1,004</u>	<u>4,322,618</u>
Income/(loss)	\$ <u>23,922</u>	\$ <u>72,423</u>	\$ <u>(60,742)</u>	\$ <u>17,660</u>	\$ <u>(6,353)</u>	\$ <u>46,910</u>
Unrestricted Net Assets balance 7/1/10	\$ 117,061	\$ 2,918,420	\$ 9,083,922	\$ 878,810	\$ 666,755	\$ 13,664,968

PROGRAM

ACTIVITY REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: February 9, 2011

Subject: Programs Activity Report

Exhibits Attached: Section 8 Contract Report; Fraud Payments Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

Financial Statement: None

SECTION 8 HOUSING CHOICE VOUCHERS

- **Lease-Up:** As of February 1, 2011 the Section 8 Housing Choice Voucher program had 5,502 units under contract. The fiscal year-to-date lease-up average is 97.45% units. The budget authority use average through December 2010 is 98.84%.
- **Program Utilization:** As of February 1, 2011 the average HAP subsidy is \$1,085 and the average tenant-paid rent portion is \$355 for an average Contract Rent of \$1,440.
 - ❖ As of February 1, 2011 HACA had 38 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
 - ❖ As of February 1, 2011 HACA billed other housing authorities, primarily the Oakland Housing Authority, for 1,618 incoming portability contracts. HACA receives only 80% of the HUD-authorized Administrative Fee for billed incoming portability contracts.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Fraud / Debt Recovery:** HACA retained \$7,252.44 in fraud and debt recovery payments for the month of January 2011. A total of \$42,125.52 was retained over the last six months.

HACA retained \$884.00 in Housing Assistance Payment (HAP) overpayments for the month of January 2011. A total of \$5,458.50 was retained over the last six months.

- **Landlord Rental Listings:** As of February 1, 2011 there were 1,443 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There were 0 new landlords to the Section 8 program this month. There were 110 active properties listed.

FAMILY SELF SUFFICIENCY (FSS)

The month of January was a month of review and analysis for FSS. The outcomes from 2010 were compiled and compared with goals, and new goals were set for the coming year. Due to the severe impact of the economic downturn on our participants, FSS concentrated on activities and referrals that would support participants in job search and financial management. We ended 2010 with 206 participants. Of these, 83 had full time employment and 60 had part-time employment during the year. Eighty-six families increased their incomes over the previous year by an average of \$4,429. It is clear that participants are dedicated to self sufficiency and willing to use referrals and support from the FSS program to achieve their goals.

PUBLIC HOUSING

- **Occupancy:** As of February 1, 2011 the Public Housing program had 224 of 230 units leased and has a 98.97% fiscal year-to-date lease up rate.

Housing Authority of the County of Alameda

Section 8 Contract and HAP Report for the Month of: January 2011

	CERTIFICATES		VOUCHERS		January 2011 Total			
City	Number	HAP*	Number	HAP**	Number	HAP	January 2010	January 2009
Albany	-	\$ -	46	\$ 49,956	46	\$ 49,956	45	43
Castro Valley	14	\$ 12,334	235	\$ 255,210	249	\$ 267,544	251	248
Dublin	2	\$ 1,762	279	\$ 302,994	281	\$ 304,756	234	198
Emeryville	6	\$ 5,286	86	\$ 93,396	92	\$ 98,682	98	99
Fremont	31	\$ 27,311	1,383	\$ 1,501,938	1,414	\$ 1,529,249	1435	1359
Hayward	105	\$ 92,505	2,348	\$ 2,549,928	2,453	\$ 2,642,433	2394	2407
Newark	2	\$ 1,762	295	\$ 320,370	297	\$ 322,132	297	292
Pleasanton	4	\$ 3,524	161	\$ 174,846	165	\$ 178,370	148	149
San Leandro	16	\$ 14,096	1,350	\$ 1,466,100	1,366	\$ 1,480,196	1344	1293
San Lorenzo	1	\$ 881	196	\$ 212,856	197	\$ 213,737	194	181
Union City	3	\$ 2,643	707	\$ 767,802	710	\$ 770,445	701	702
TOTALS	184	\$ 162,104.00	7,086	\$7,695,396.00	7,270	\$7,857,500.00	7141	6971

*Based on an average January Housing Assistance Payment (HAP) of \$881 per Certificate contract

**Based on an average January Housing Assistance Payment (HAP) of \$1086 per Voucher contract

10-11

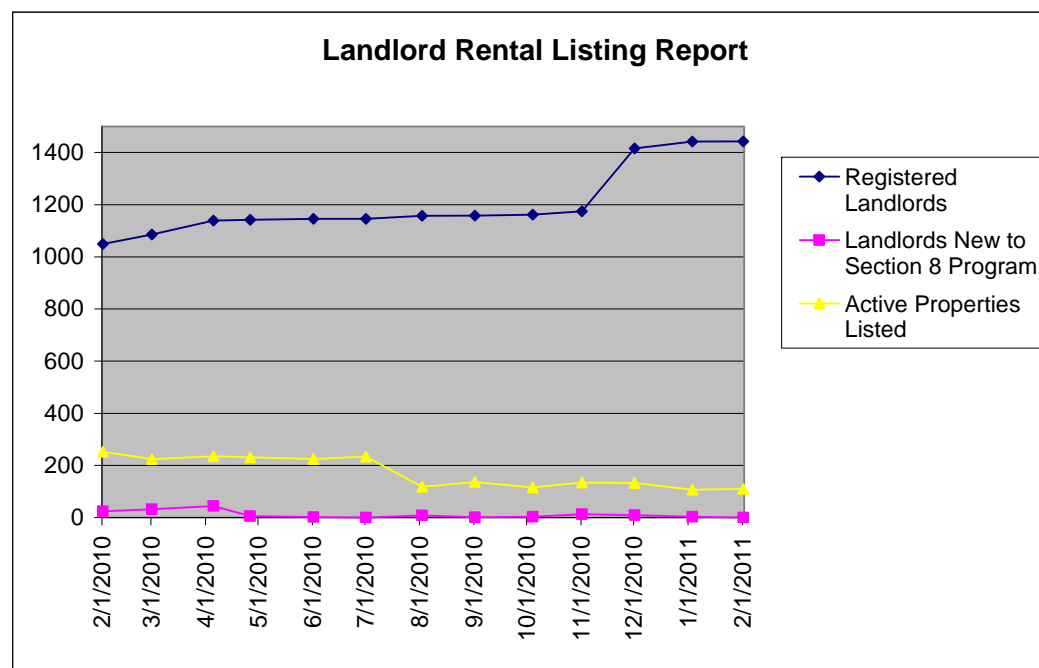
DEBT COLLECTIONS
FYE 06/30/11

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND
	TOTALS												
<i>DAMAGE CLAIMS</i>	\$85.64	\$0.00	\$0.00	\$1,280.00	\$0.00	\$49.84	\$0.00						\$1,415.48
<i>FRAUD REPAYMENTS</i>	\$8,469.51	\$5,201.58	\$7,358.33	\$3,688.29	\$5,537.88	\$4,617.49	\$7,252.44						\$42,125.52
<i>HAP OVERPAYMENTS</i>	\$339.50	\$383.00	\$1,155.00	\$665.00	\$768.00	\$1,264.00	\$884.00						\$5,458.50
TOTALS	\$8,894.65	\$5,584.58	\$8,513.33	\$5,633.29	\$6,305.88	\$5,931.33	\$8,136.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,999.50

Landlord Rental Listing Report

Monthly

	2/1/2010	3/1/2010	4/5/2010	4/26/2010	6/1/2010	7/1/2010	8/2/2010	9/1/2010	10/4/2010	11/1/2010	12/1/2010	1/3/2011	2/1/2011
Registered Landlords	1050	1086	1139	1142	1146	1146	1157	1158	1162	1175	1416	1442	1443
Landlords New to Section 8 Program	24	32	44	5	2	0	8	1	3	13	9	3	0
Active Properties Listed	252	224	235	231	225	234	118	136	115	134	132	107	110





To: Christine Gouig, Executive Director
From: Sharon DeCray, HAFS Manager
Re: FSS Program Summary

CC: Ron Dion, Phyllis Harrison, Linda Evans, Mary Sturges
Date: February 1, 2011

Program Summary

January 2011

Total Clients Under Contract:	207
Graduates:	0
Escrow Disbursed:	\$0
Ports In:	1
Ports Out:	0
Terminations:	5
New Contracts:	4

FSS PROGRAM NEWS:

2010 HUD Reporting

FSS staff audited 270 participant files in preparation for our annual report to HUD. Some of the highlights are:

- 169 households received employment counseling and job referrals.
- 86 families increased their household annual income with an average dollar increase of \$4,429.
- 83 individuals were employed full-time.
- 60 individuals were employed part-time.
- 59 individuals enrolled and completed credit repair education workshops.
- 59 individuals enrolled and completed financial management education workshops.
- 14 participants successfully graduated from the FSS program.
- 206 active FSS participants at 2010 year end.
- 83 positive escrow balances.
- 1 home purchaser (who relinquished her Section 8 Voucher).

Orientation

We conducted two FSS orientations in January. Fifty-five (55) enrolled and 33 attended. We will have two additional orientations in February.

Workshops

On Thursday, February 10, Life Coach, Gloria Brown, will present *Turning Dreams into Reality!* Participants will engage in learning how to set obtainable goals and take calculated risk.

On Saturday, February 26, Consumer Credit Counselors will conduct a credit repair workshop. Topics will include:

- How to get a free copy of your credit report.
- Monitoring your credit report for “free.”
- How to solve identity theft issues.
- Your rights when dealing with collection agencies.
- Disputing items on a credit report.

Referrals= 66 Case Management

1 mass mailing to all participants

- Free Family Counseling
- Safeway-Hiring
- City of San Leandro-Hiring

ATTACHMENT A

Attachment A

List of Documents

- A-1. Master Agreement (City of Dublin, DHA, and HACA)
- A-2. Grant Deed from DHA to HACA
- A-3. Assignment of Cooperation Agreement (DHA to HACA)
- A-4. Assignment of Professional and Service Contracts (DHA to HACA)
- A-5. Grant Deed from HACA to Citation
- A-6. Grant Deed from HACA to Eden
- A-7. Release of Declaration of Trust for Eden portion of property
- A-8. Release of Declaration of Trust for Citation portion of property
- A-9. Use Agreement (HACA and Eden)

Attachment A

A-1.

MASTER AGREEMENT (CITY OF DUBLIN, DHA, AND HACA)

Master Agreement

RE TRANSFER OF ASSETS AND OBLIGATIONS OF THE DUBLIN HOUSING AUTHORITY TO THE HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

This Master Agreement Re Transfer of Assets and Obligations ("Master Agreement") is entered into by and between the Housing Authority of the County of Alameda ("HACA"), the Dublin Housing Authority ("DHA"), and the City of Dublin (the "City").

RECITALS

A. DHA and HACA are public bodies, created under the Housing Authorities Law (California Health and Safety Code section 34200 et seq.). DHA's area of operation is the City of Dublin, California. HACA's general area of operation is all of Alameda County, California, except area within the territorial boundaries of any city in which a city housing authority has been authorized to transact business and consent has not otherwise been granted to HACA to transact business. The City is a municipal corporation formed under the laws of the State of California.

B. DHA was established on September 9, 1985 by resolution of the City Council of the City of Dublin, California. DHA is governed by a seven member Board of Commissioners. Commissioners are appointed by the Dublin City Council. Since September 9, 1985, DHA has administered a Public Housing Program subsidized by the United States Department of Housing and Urban Development ("HUD") through annual contributions contract(s) ("ACC"). The program has 150 residential units and one community building under management. DHA also administers the Capital Fund (CF) grants provided by HUD for modernization of the existing Public Housing Program units. DHA does not operate a Section 8 Rental Assistance Program, Moderate Rehabilitation Program or any other housing program.

C. DHA has determined that, given the administrative and legal requirements necessary to operate the Public Housing Program and the limited amount of funds available to DHA to administer the program, it would be more efficient to transfer responsibility for operating the Public Housing Program in the City of Dublin from DHA to HACA.

D. Pursuant to Resolution 10-10, DHA requested that HACA take control of all DHA's property and assets, and assume responsibility for all of DHA's obligations, including its responsibility to comply with HUD program requirements. Pursuant to Resolution 19-10, HACA agreed to take control of DHA's property and assets, and assume responsibility for all of DHA's obligations, including the responsibility to comply with HUD program requirements.

E. DHA is the owner of certain real property in the City of Dublin and the improvements constructed on the real property, which is commonly called Arroyo Vista (hereinafter collectively referred to as the "Property"). The Property is comprised of one parcel,

described on the Grant Deed attached hereto as Exhibit A, and incorporated herein by reference ("Grant Deed"), and further identified as follows:

Assessor's Parcel No: 941-0007-001-07

F. DHA is the owner of certain other assets and obligations identified on Exhibits B, C and D, attached hereto and incorporated herein by reference.

G. DHA is a party to certain contracts identified on Exhibit E attached hereto and incorporated herein by reference.

H. The purpose of this Master Agreement is:

(1) To provide for the transfer to HACA of all of the assets DHA has identified in Section 4 of this Master Agreement and in Exhibits A, B and C; to provide for the assignment to HACA of DHA's rights and obligations with respect to the Dublin Housing Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Park Sierra at Iron Horse Trail) Series 1998 A (the "Housing Authority Bonds") and the assumption by HACA of such rights and obligations as described in Section 5 of this Master Agreement; and to provide for the assignment of contracts identified on Exhibit E from DHA to HACA, pursuant to Health and Safety Code section 34315, under the terms and conditions specified herein;

(2) To provide for the assignment to HACA of the Cooperation Agreement between DHA and the City in the form attached hereto as Exhibit F and incorporated herein by reference;

(3) To provide for the City's consent for HACA to operate and exercise its powers within the City of Dublin pursuant to Health and Safety Code sections 34209 and 34312.5;

(4) To terminate any preexisting agreements between HACA and DHA, including but not limited to the Management Agreement delegating to HACA administrative and financial administration of DHA, approved by DHA pursuant to Resolution No. 10-86.

NOW THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Effective Date. Subject to Section 7 of this Master Agreement ["HUD Authority"], as set forth below, this Master Agreement is effective on the date of approval by HUD ("Effective Date"), _____, 2011. This Master Agreement will be submitted to the City and DHA first for approval, thereafter to HACA, and finally to HUD.

Section 2. Transfer of Real Property. DHA shall convey title to the Property to HACA in fee simple absolute by Grant Deed in the form attached hereto as Exhibit A, and including any

appurtenant easements, interests or rights. HACA agrees to accept the transfer of said property, subject to all existing recorded liens, encumbrances, covenants, conditions, assessments, easements, equitable servitudes, leases and Declarations of Trust executed by DHA in favor of HUD whether recorded or unrecorded, and taxes ("Approved Exceptions"). DHA represents and warrants to HACA that there have been no changes affecting the title of the Property since the date the preliminary title report from North American Title Insurance Company dated September 10, 2010 Order No. 54605-713125 ("Preliminary Title Report") was issued.

Deposit into Escrow. HACA and DHA will establish an escrow ("Escrow") with North American Title Insurance Company, 21060 Redwood Road, Suite 110, Castro Valley, CA 94546, their Order No. 54605-713125. DHA hereby authorizes HACA to prepare and file escrow instructions with said Title Company, on behalf of DHA, in accordance with this Master Agreement. Immediately following the Effective Date of this Master Agreement, DHA shall deposit into Escrow the following documents:

- (1) The Grant Deed, executed and acknowledged by DHA conveying to HACA good and marketable fee simple title to the Property subject only to the Approved Exceptions.
- (2) Any other documents or instruments necessary to effectuate this transfer.

Section 3. Assignment of Leases. Effective on the date of transfer of title of the foregoing Property to HACA, DHA hereby assigns all leases on the subject Property to HACA and HACA will succeed to DHA's position in relation to such leases, if any.

Section 4. Transfer of Other Assets. DHA hereby transfers and HACA agrees to accept all monetary assets of DHA. A summary of those monetary assets for the year ended June 30, 2010 is attached as Exhibit B; however the transfer of monetary assets shall include all of the assets of DHA to HACA, through and including the date of transfer. DHA further transfers and HACA agrees to accept the following fixtures, improvements and personal property of DHA (a) those fixtures, improvements and personal property owned by DHA in connection with the Property; (b) all telephone equipment of DHA; and (c) any software owned by DHA, all as further described on attached Exhibit C. DHA represents and warrants to HACA that the assets described in this Section and shown on Exhibits A, B and C, comprise all of the assets of DHA.

Section 5. Assignment Related to Housing Authority Bonds. DHA hereby assigns and HACA agrees to assume all rights and obligations of DHA with respect to the Housing Authority Bonds, as described in the opinion of DHA's bond counsel, Quint & Thimmig, attached hereto and incorporated herein as Exhibit D. DHA has verified the identity of the trustee and shall provide written notification of the foregoing assignment and assumption to the trustee, to EMMA and to such other parties as may be entitled to such notification under the various bond documents. HACA has agreed to assume all rights and obligations of DHA with respect to the Housing Authority Bonds based on the information provided in Exhibit D and on the understanding that the source of revenues for the repayment of the Housing Authority Bonds is payment by the owner of the project that was financed and draws on a letter of credit, as identified in the Indenture of Trust for the Housing Authority Bonds, and neither DHA nor

HACA is in any way obligated to use its own general funds to repay the Housing Authority Bonds.

Section 6. Assignment of Contracts. DHA is currently a party to the contracts listed on Exhibit E, attached hereto and incorporated herein by reference. DHA has entered into amendments with the contracting parties allowing transfer of DHA's contractual rights and obligations to HACA, effective as of the date of approval of the amendments by HACA. Subject to the consent of all contracting parties, HACA agrees to accept the assignment of the contracts described on Exhibit E. DHA and HACA agree to execute any documents necessary to transfer the contracts described on Exhibit E to HACA.

Section 7. HUD Authority. Approval of this Master Agreement by HUD is a condition precedent to the transfer of assets and obligations to HACA under the terms and conditions of this Master Agreement. DHA and HACA have requested HUD's consent to this transfer of assets and will fully cooperate with one another and with HUD to obtain such consent and any other necessary HUD approvals. DHA is a party to one or more Annual Contribution Contracts (hereinafter the "ACC") with HUD. Upon request by HUD, DHA and HACA will execute amendments to the ACC and other documents necessary to provide for the transfer of HUD assistance from DHA to HACA.

Section 8. Consolidation Plan. Upon the Effective Date of this Master Agreement, the activities of DHA and HACA shall be consolidated. Upon such date, HACA will be responsible for all PIC and financial reporting requirements to HUD. The parties recognize that HUD, in its letter to DHA dated May 22, 2009, as amended, approved of the disposition of the Property to Eden Housing, Inc. and SCS Development Company, dba Citation Homes Central ("HUD Disposition Approval Letter"). Pursuant to the Master Agreement, DHA and HACA intend to consolidate their activities first, and then to proceed with the disposition of the Property, as provided in the HUD Disposition Approval Letter. As a result, following the Effective Date of this Master Agreement and the consolidation of the activities of DHA and HACA, HACA hereby assumes, and will be responsible for complying with all of DHA's responsibilities under the HUD Disposition Approval Letter, including, but not limited to, relocation of Arroyo Vista residents pursuant to 24 CFR 970, monitoring the use of net sales proceeds from the sale of the Property and the future use of the Property, and operation of the Property as low-income housing if the Property reverts back to HACA under the reversion clause in the grant deed. In addition, HACA shall be eligible for an asset repositioning fee, Replacement Housing Factor ("RHF") funds, and demolition/disposition vouchers, from HUD, as provided under HUD guidelines and regulations. Prior to disposition of the Property to the Developer, HACA shall obtain HUD approval of, and so advise City, the form of release of the Declaration of Trust on the Property, as well as the grant deed with right of reverter, and Use Agreement, to be recorded against the Property.

Section 9. No Default. DHA warrants and represents to HACA that it is in compliance with all requirements of any grant or loan of which it is a recipient and that it is not in default under any other contract or agreement to which it is a party, including but not limited to the ACC. HACA shall not have any liability for or be obligated to cure any default of DHA which existed prior to the effective date of this Master Agreement.

Section 10. Cooperation Agreement. Pursuant to Health and Safety Code section 34401, housing authorities are exempt from all taxes and special assessments of the State or any city, county, or political subdivision of the State. In lieu of such taxes or special assessments, a housing authority may agree to make payments to any city, county or political subdivision of the State for services, improvements, or facilities furnished by such city, county or political subdivision for the benefit of a housing project owned by the authority ("PILOT"); but in no event shall such payments exceed the estimated cost to such city, county or political subdivision of the services, improvements or facilities. City, DHA and HACA have agreed that City shall at no time require and HACA shall not pay any PILOT payments or other taxes or assessments to City. However, as part of the consideration to HACA for entering into this Master Agreement, City agrees that City shall continue to provide full services, improvements and facilities to HACA in no less kind, manner and degree as such services were provided to DHA and in accordance with the Cooperation Agreement. City shall consent to the assignment of the Cooperation Agreement simultaneously with this Master Agreement. Under the terms of the assignment of the Cooperation Agreement attached hereto as Exhibit F, the City agrees that, for so long as the Property is owned by HACA and used for Public Housing Program purposes, it will not levy or impose any real or personal property taxes or special assessments upon the Property described in this Master Agreement or upon HACA.

Section 11. City Consent to HACA Operations. Pursuant to Health and Safety Code sections 34209 and 34312.5 the City hereby authorizes HACA to operate leased housing on the Property within the City of Dublin until such time as a Declaration of Trust in favor of HUD is released as an encumbrance against the Property and to otherwise operate and transact business within the City of Dublin, as may be necessary and appropriate in connection with DHA's role as issuer of the Housing Authority Bonds, until such time as the Housing Authority Bonds have been paid in full. Until that time, HACA shall have all rights and privileges of a housing authority within the City of Dublin, consistent with the Housing Authorities Law, including but not limited to making applications or contracting or administering any housing program. It is the intent of the parties that, from and after the effective date of this Master Agreement, DHA shall not exercise any powers as a housing authority other than: (a) with regard to DHA's existence as a public agency; (b) to enforce and implement the provisions of this Master Agreement and (c) to conduct meetings for the purposes set forth in this Master Agreement or as otherwise required by law. If DHA desires to take any action not set forth in this Section, DHA will obtain the written approval of HACA prior to such action.

Section 12. Disclosures. DHA represents that, to the best of its knowledge, as of the date of this Master Agreement, there is no outstanding claim, or potential or pending litigation against DHA, nor are there presently any actions, suits, or proceedings pending or threatened against or affecting the Property or that would otherwise affect DHA's ability to consummate the transaction contemplated by this Master Agreement. DHA further represents that there are not any outstanding and unpaid arbitration awards or judgments affecting DHA or the title to any portion of the Property. DHA represents that DHA currently has insurance sufficient to cover any liabilities, whether known or unknown, which occurred prior to the date of transfer of the Property to HACA. The City and DHA represent that, to the best of their knowledge, they have disclosed to HACA any knowledge or information they have regarding any condition of, on, under or affecting the Property, including but not limited to the presence of hazardous substances and underground storage tanks. The parties agree that HACA shall have no liability for any

claims or liabilities arising before the effective date of this Master Agreement or, with regard to the Property, prior to the date title to the Property is vested in HACA.

Section 13. Other Documents. The parties agree to cooperate with one another to execute any documents necessary to fulfill the purpose of this Master Agreement.

Section 14. Termination. The parties shall have the right to terminate this Master Agreement immediately if HUD fails to approve the proposed transfer. Either DHA or HACA shall have the right to terminate this Master Agreement prior to the transfer of assets and obligations to HACA upon thirty (30) days prior written notice to the other party.

Section 15. Entire Agreement; Termination of Previous Agreements; Survival. This Master Agreement contains the entire agreement between the parties to this Master Agreement and shall not be modified in any manner except by an instrument in writing executed by the appropriate parties or their respective successors in interest. All previous agreements between HACA and any of the other parties named herein relating to operations of DHA are terminated as of the effective date of this Master Agreement. The representations, warranties, rights and obligations of the parties to this Master Agreement shall survive the transfer of assets and obligations to HACA and shall not merge with the delivery to HACA of the Grant Deed.

Section 16. Construction. The section headings and captions of this Master Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Master Agreement. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this Master Agreement. This Master Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. The parties to this Master Agreement and their counsel have read and reviewed this Master Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Master Agreement.

Section 17. No Third-Party Beneficiaries. It is not the intention of the City, DHA or HACA that any person or entity occupy the position of intended third-party beneficiary of the obligations assumed by any party to this Master Agreement.

Section 18. Venue. The venue for any legal action concerning this Master Agreement is Alameda County, California.

(Remainder of Page Left Intentionally Blank)

**HOUSING AUTHORITY OF THE COUNTY
OF ALAMEDA, HOUSING COMMISSION**

**DUBLIN HOUSING AUTHORITY, BOARD
OF COMMISSIONERS**

By: _____
Chair/Designee

By: _____
Chair/Designee

Recommended:

CITY OF DUBLIN

By: _____
Executive Director

By: _____
Joni Pattillo, City Manager

Approved as to Form: County Counsel

Alameda County Counsel

By: _____
Assistant County Counsel

Approved as to Form:

APPROVE :

**UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT**

By: _____
John Bakker, City Attorney

By: _____

EXHIBITS

Exhibit A	Grant Deed and Property Description
Exhibit B	Monetary Assets of DHA
Exhibit C	Fixtures, Improvements and Personal Property Owned by DHA
Exhibit D	Quint & Thimmig LLP, 2011 Opinion of Counsel re Housing Authority Bonds
Exhibit E	Contracts to be Assigned from DHA to HACA
Exhibit F	Assignment of Cooperation Agreement

**NO OTHER OBLIGATION OTHER THAN THOSE REFERENCED HEREIN WILL BE
RECOGNIZED**

EXHIBIT A

GRANT DEED AND PROPERTY DESCRIPTION

RECORDING REQUESTED BY:
North American Title Insurance Company

**When Recorded Mail Document
and Tax Statement To:**
Housing Authority of the County of
Alameda
22941 Atherton Street
Hayward, CA 94541-6633

Order No. 54605-713125

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED

The undersigned grantor declares:
Documentary transfer tax is \$ None (Exempt)

County of Alameda

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Dublin Housing Authority, a public body, corporate and politic

hereby GRANT(S) to the Housing Authority of the County of Alameda, a public body, corporate and politic

the following described real property in the City of Dublin, County of Alameda, State of California:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

[SIGNATURE PAGE FOLLOWS]

GRANTOR:

DUBLIN HOUSING AUTHORITY, a public body,
corporate and politic

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

Legal Description

Real property in the City of Dublin, County of Alameda, State of California, described as follows:

COMMENCING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF DOUGHERTY ROAD (ALSO KNOWN AS COUNTY ROAD NO. 4038) AND THE NORTHEASTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT-OF-WAY (300 FEET WIDE), SAID POINT OF COMMENCEMENT ALSO BEING AT THE SOUTHWESTERLY CORNER OF CAMP PARKS, A 3636.1212 ACRE PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA; THENCE RUNNING NORTH 01° 13' 02" EAST, ALONG THE CENTER LINE OF DOUGHERTY ROAD 69.47 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING, NORTHWESTERLY ALONG THE ARC OF AN 11,259.19 FOOT RADIUS CURVE, CONCAVE NORTHERLY (RADIALLY DISTANT 50 FEET NORTHEASTERLY FROM THE NORTHEASTERLY CURVED RIGHT-OF-WAY LINE OF SAID SOUTHERN PACIFIC RAILROAD COMPANY), WHOSE CENTER BEARS NORTH 45° 18' 12.2" EAST THROUGH A CENTRAL ANGLE OF 8° 11' 34.6" AN ARC DISTANCE OF 1609.99 FEET TO A POINT ON THE NORTHERLY BANK OF ALAMO CREEK; THENCE ALONG SAID NORTHERLY, WESTERLY AND EASTERLY BANKS OF ALAMO CREEK, THE FOLLOWING COURSES AND DISTANCES: NORTH 64° 32' 46" EAST, 41.20 FEET; SOUTH 88° 57' 14" EAST, 198.00 FEET; NORTH 81° 32' 46" EAST, 174.90 FEET; NORTH 19° 57' 14" WEST 66.00 FEET; NORTH 57° 57' 14" WEST, 122.10 FEET; NORTH 17° 02' 46" EAST, CROSSING SAID ALAMO CREEK, A DISTANCE OF 455.40 FEET TO A POINT ON THE EASTERLY BANK OF SAID ALAMO CREEK THENCE SOUTH 88° 27' 14" EAST, 33.00 FEET; THENCE NORTH 45° 02' 46" EAST, ALONG THE EASTERLY BANK OF ALAMO CREEK, 112.20 FEET; THENCE NORTH 22° 32' 46" EAST 158.40 FEET; THENCE NORTH 8° 47' 46" EAST, 244.20 FEET; THENCE NORTH 49° 27' 14" WEST 155.10 FEET; THENCE NORTH 19° 27' 14" WEST, 56.89 FEET; THENCE SOUTH 89° 16' 58" EAST, 609.36 FEET TO A POINT IN THE CENTER LINE OF SAID DOUGHERTY ROAD; THENCE FROM SAID POINT SOUTH 01° 13' 02" WEST, ALONG THE SAID CENTER LINE 2436.80 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DEEDED TO THE COUNTY OF ALAMEDA BY DEED DATED MARCH 12, 1981 AND RECORDED APRIL 15, 1981, SERIES NO. 81-60663, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DEEDED TO THE CITY OF DUBLIN BY DEED DATED OCTOBER 24, 1982 AND RECORDED DECEMBER 19, 1983, SERIES NO. 83-237916, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM ALL URANIUM, THORIUM, AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS AS RESERVED IN THE DEED BY

UNITED STATES OF AMERICA RECORDED APRIL 28, 1954, SERIES NO. AJ 35346,
BOOK 7307 OR, PAGE 437, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO PARK SIERRA LLC, A
CALIFORNIA LIMITED LIABILITY COMPANY, BY DEED DATED JUNE 15, 1998 AND
RECORDED JUNE 16, 1998, INSTRUMENT NO. 98202956, ALAMEDA COUNTY
RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO ALAMEDA COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT, BY DEED DATED
OCTOBER 24, 2003 AND RECORDED NOVEMBER 26, 2003, SERIES NO. 2003698997,
ALAMEDA COUNTY RECORDS.

APN: 941-0007-001-07

CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed, dated as of March 1, 2011, from the Dublin Housing Authority, a public body, corporate and politic ("DHA"), to the Housing Authority of the County of Alameda, a public body, corporate and politic ("HACA"), is hereby accepted on March 1, 2011, by the undersigned officer or agent on behalf of HACA pursuant to authority conferred by resolution of the Commissioners of HACA adopted on December ____, 2010, and the Commissioners of HACA consent to the recordation of said document in the Office of the Recorder of Alameda County, State of California.

Dated: _____

HOUSING AUTHORITY OF THE
COUNTY OF ALAMEDA, a public body,
corporate and politic

By: _____

Name: _____

Title: _____

EXHIBIT B

MONETARY ASSETS OF DUBLIN HOUSING AUTHORITY

Dublin Housing Authority Reserves	\$780,607. **
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** Amount as of the end of fiscal year, June 30, 2010.

EXHIBIT C

**FIXTURES, IMPROVEMENTS AND PERSONAL PROPERTY
OF DUBLIN HOUSING AUTHORITY**

EXHIBIT D

**QUINT & THIMMIG LLP, 2011 OPINION OF COUNSEL
RE: HOUSING AUTHORITY BONDS**

FORM OF OPINION OF BOND COUNSEL

_____, 2011

Dublin Housing Authority
22941 Atherton Street
Hayward, California 94541

The Bank of New York Mellon
Trust Company, N.A., as trustee
700 S. Flower Street, Suite 500
Los Angeles, California 90017

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, California 94541

OPINION: Master Agreement among the Dublin Housing Authority, the Housing Authority of the County of Alameda and the City of Dublin – Dublin Housing Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Park Sierra at Iron Horse Trail) Series 1998A

Ladies and Gentlemen:

We acted as bond counsel to the Dublin Housing Authority (the "DHA") in connection with the issuance of its Dublin Housing Authority Variable Rate Demand Multifamily Housing Revenue Bonds (Park Sierra at Iron Horse Trail) Series 1998A (the "Bonds") pursuant to an Indenture of Trust between the DHA and The Bank of New York Mellon Trust Company, N.A. (successor to BNY Western Trust Company), as trustee (the "Trustee"), dated as of June 1, 1998 (as amended by the First Amendment to Indenture of Trust, dated as of May 1, 2008, between the DHA and the Trustee, the "Indenture"). The proceeds of the Bonds were loaned (the "Loan") by the Issuer to Park Sierra, LLC (the "Borrower") pursuant to a Loan Agreement among the DHA, the Borrower and the Trustee, dated as of June 1, 1998 (as amended by the First Amendment to Loan Agreement, dated as of May 1, 2008, among the DHA, the Borrower and the Trustee, the "Loan Agreement"), to finance a multifamily rental housing facility located in the City of Dublin, California (the "Project"). The operation of the Project is subject to a Regulatory Agreement and Declaration of Restrictive Covenants among the DHA, the Borrower and the Trustee, dated as of June 1, 1998 (as amended by the First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2008, among the DHA, the Borrower and the Trustee, the "Regulatory Agreement"). Concurrently with the execution and delivery by the DHA of the amendments referred to in the preceding parentheticals, the DHA executed an Intercreditor Agreement, dated as of May 1, 2008 (the "Intercreditor Agreement"), among the DHA, the Trustee and the Federal Home Loan Mortgage Corporation ("Freddie Mac").

We understand that the DHA, the City of Dublin and the Housing Authority of the County of Alameda (the "HACA") are entering into a Master Agreement re Transfer of Assets and Obligations of the Dublin Housing Authority to the Housing Authority of the County of Alameda (the "Master Agreement"), pursuant to which, among other matters, the DHA will assign all of its rights and obligations under the Indenture, the Loan Agreement, the Regulatory

04002.02;J11110

Agreement and the Intercreditor Agreement, as well as with respect to the Bonds issued under (and a such term is defined in) the Indenture (collectively, the Bond Documents), to the HACA, and the HACA will assume all of such rights and obligations. This opinion is being rendered in satisfaction of Section 5 of the Master Agreement.

In connection with this opinion, we have examined the law, the Master Agreement and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the DHA, the HACA and others furnished, without undertaking to verify the same by independent investigation. We have assumed that the DHA, the Borrower, the Trustee and Freddie Mac have fully complied with all of their respective obligations under the Bond Documents, and we have conducted no review or investigation with respect to such compliance. In addition, we have assumed, without investigation, that the Master Agreement has been duly entered into by the DHA, the City of Dublin and the HACA, and is a valid and binding agreement of the parties thereto pursuant to which the HACA has duly assumed all of the rights and obligations of the DHA under the Bond Documents.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The assignment and assumption of the Bond Documents between the DHA and the HACA as contemplated by the Master Agreement will not adversely affect (a) any exclusion of interest on the Bonds from the gross incomes of the owners of the Bonds for federal income tax purposes in effect on the date hereof, or (b) any exemption of interest on the Bonds from personal income taxation imposed by the State of California in effect on the date hereof.
2. The Master Agreement will not materially adversely affect the interests of the holders of the Bonds or result in any impairment of the security given by the Indenture for the payment of the Bonds.

We express no opinion herein as to any matter governed by laws other than the laws of the State of California and the laws of the United States of America. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion is being rendered to the addressees hereof solely for their benefit in connection with the execution and delivery by the DHA and the HACA of the Master Agreement, and is not to be relied on by anyone else or used for any other purpose.

Respectfully submitted,

EXHIBIT E

CONTRACTS TO BE ASSIGNED FROM DUBLIN HOUSING AUTHORITY TO HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

1. Overland, Pacific and Cutler, dated March 7, 2007, for Relocation Services.
2. Goldfarb & Lipman LLP, dated December 22, 2005, as amended October 6, 2009 and December 20, 2010, for Legal Services.
3. SCS Contractor Services, dated July 27, 2010, for the installation of a security fence surrounding the Property.

EXHIBIT F

ASSIGNMENT OF COOPERATION AGREEMENT

**ASSIGNMENT AND ASSUMPTION OF
COOPERATION AGREEMENT**
(Arroyo Vista)

This Assignment and Assumption of Cooperation Agreement (the "Assignment") is entered into as of March 1, 2011 (the "Effective Date"), by and between the Dublin Housing Authority, a public body, corporate and politic ("Assignor") and the Housing Authority of the County of Alameda, a public body, corporate and politic ("Assignee"), with reference to the following facts:

RECITALS

A. Assignor and the City of Dublin, a municipal corporation (the "City"), entered into a Cooperation Agreement dated as of October 31, 1986 ("the Agreement"), pursuant to which Assignor and the City agreed to the conditions under which Assignor would acquire and administer low-income housing, including that certain low-income housing project commonly known as Arroyo Vista, HUD No. CA142000001 (the "Property") from the Housing Authority of the City of Pleasanton, a public body, corporate and politic ("PHA").

B. Assignor has adopted a resolution to dispose of the Property for redevelopment pursuant to a Disposition and Development Agreement dated as of July 25, 2007, as amended by the First Amendment to Disposition and Development Agreement entered into as of January 26, 2010 (collectively, the "DDA"), and anticipates transferring the Property to Assignee immediately prior to disposition.

C. Assignor desires to be released by the Assignee from all obligations in connection with the Agreement and related obligations and rights.

D. Assignor desires to assign to the Assignee, and the Assignee desires to accept from Assignor, the assignment of the Agreement and any related obligations incurred by Assignor, as such pertain to the Property.

E. The consent to such assignment by the City is required.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. Assignment by Assignor. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and obligations under the Agreement.

2. Acceptance of Assignment. Assignee hereby accepts the above assignment and hereby assumes, agrees, and undertakes to be bound by, observe and perform all of the obligations, covenants, and agreements of Assignor pursuant to the Agreement, to the same extent as if the Assignee had originally been named as a party thereto in the place and stead of the Assignor.

Following the Effective Date of this Assignment, as defined below, any reference to Assignor in the Agreement shall be deemed a reference to Assignee.

3. Release of Assignor. Assignee releases Assignor from all obligations imposed under the Agreement. However, nothing herein contained shall be construed as a release of Assignor from any obligations or liability which may have accrued prior to the Effective Date, and which obligations or liability are not expressly assumed herein by the Assignee.

4. Reimbursement and Payment of Obligations. Assignee shall reimburse Assignor for any amounts paid in advance by Assignor for services rendered after the date of this Agreement. Assignee agrees that any remaining amounts due from Assignor pursuant to the Agreement shall be paid directly by Assignee.

5. Representations and Warranties. Assignor represents and warrants to Assignee that the execution and delivery of this Assignment has been duly authorized, that this Assignment is a valid and legal agreement binding on the Assignor and that Assignor has not previously assigned, pledged, hypothecated or otherwise transferred to a third party any of its rights under the Agreement. Assignee represents and warrants to Assignor that the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on the Assignee.

6. Governing Law. This Assignment shall be governed by the laws of the State of California.

7. Effective Date. This Assignment shall be effective as of the Effective Date.

8. Counterparts. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one (1) agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have entered into this Agreement as of the date first set forth above.

ASSIGNOR:

DUBLIN HOUSING AUTHORITY, a public
body, corporate and politic

By: _____

Name: _____

Title: _____

ASSIGNEE:

HOUSING AUTHORITY OF THE COUNTY
OF ALAMEDA, a public body, corporate and
politic

By: _____

Name: _____

Title: _____

CONSENT TO ASSIGNMENT:

CITY:

CITY OF DUBLIN, a municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____

_____, City Attorney

Attachment A

A-2.

GRANT DEED FROM DHA TO HACA

RECORDING REQUESTED BY:

North American Title Insurance Company

**When Recorded Mail Document
and Tax Statement To:**

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633

Order No. 54605-713125

APN: 941-0007-001-07

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED

The undersigned grantor declares:

Documentary transfer tax is \$ None (Exempt)

County of Alameda

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Dublin Housing Authority, a public body, corporate and politic

hereby GRANT(S) to the Housing Authority of the County of Alameda, a public body, corporate and politic

the following described real property in the City of **Dublin**, County of **Alameda**, State of **California**:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

[SIGNATURE PAGE FOLLOWS]

DUBLIN HOUSING AUTHORITY, a public body, corporate and politic

Title: _____

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

1460\02\919377.1

EXHIBIT A

Legal Description

Real property in the City of Dublin, County of Alameda, State of California, described as follows:

COMMENCING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF DOUGHERTY ROAD (ALSO KNOWN AS COUNTY ROAD NO. 4038) AND THE NORTHEASTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT-OF-WAY (300 FEET WIDE), SAID POINT OF COMMENCEMENT ALSO BEING AT THE SOUTHWESTERLY CORNER OF CAMP PARKS, A 3636.1212 ACRE PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA; THENCE RUNNING NORTH 01° 13' 02" EAST, ALONG THE CENTER LINE OF DOUGHERTY ROAD 69.47 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING, NORTHWESTERLY ALONG THE ARC OF AN 11,259.19 FOOT RADIUS CURVE, CONCAVE NORTHERLY (RADIALY DISTANT 50 FEET NORTHEASTERLY FROM THE NORTHEASTERLY CURVED RIGHT-OF-WAY LINE OF SAID SOUTHERN PACIFIC RAILROAD COMPANY), WHOSE CENTER BEARS NORTH 45° 18' 12.2" EAST THROUGH A CENTRAL ANGLE OF 8° 11' 34.6" AN ARC DISTANCE OF 1609.99 FEET TO A POINT ON THE NORTHERLY BANK OF ALAMO CREEK; THENCE ALONG SAID NORTHERLY, WESTERLY AND EASTERLY BANKS OF ALAMO CREEK, THE FOLLOWING COURSES AND DISTANCES: NORTH 64° 32' 46" EAST, 41.20 FEET; SOUTH 88° 57' 14" EAST, 198.00 FEET; NORTH 81° 32' 46" EAST, 174.90 FEET; NORTH 19° 57' 14" WEST 66.00 FEET; NORTH 57° 57' 14" WEST, 122.10 FEET; NORTH 17° 02' 46" EAST, CROSSING SAID ALAMO CREEK, A DISTANCE OF 455.40 FEET TO A POINT ON THE EASTERLY BANK OF SAID ALAMO CREEK THENCE SOUTH 88° 27' 14" EAST, 33.00 FEET; THENCE NORTH 45° 02' 46" EAST, ALONG THE EASTERLY BANK OF ALAMO CREEK, 112.20 FEET; THENCE NORTH 22° 32' 46" EAST 158.40 FEET; THENCE NORTH 8° 47' 46" EAST, 244.20 FEET; THENCE NORTH 49° 27' 14" WEST 155.10 FEET; THENCE NORTH 19° 27' 14" WEST, 56.89 FEET; THENCE SOUTH 89° 16' 58" EAST, 609.36 FEET TO A POINT IN THE CENTER LINE OF SAID DOUGHERTY ROAD; THENCE FROM SAID POINT SOUTH 01° 13' 02" WEST, ALONG THE SAID CENTER LINE 2436.80 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DEEDED TO THE COUNTY OF ALAMEDA BY DEED DATED MARCH 12, 1981 AND RECORDED APRIL 15, 1981, SERIES NO. 81-60663, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DEEDED TO THE CITY OF DUBLIN BY DEED DATED OCTOBER 24, 1982 AND RECORDED DECEMBER 19, 1983, SERIES NO. 83-237916, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM ALL URANIUM, THORIUM, AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS AS RESERVED IN THE DEED BY UNITED STATES OF AMERICA RECORDED APRIL 28, 1954, SERIES NO. AJ 35346, BOOK 7307 OR, PAGE 437, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO PARK SIERRA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, BY DEED DATED JUNE 15, 1998 AND RECORDED JUNE 16, 1998, INSTRUMENT NO. 98202956, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, BY DEED DATED OCTOBER 24, 2003 AND RECORDED NOVEMBER 26, 2003, SERIES NO. 2003698997, ALAMEDA COUNTY RECORDS.

APN: 941-0007-001-07

CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed, dated as of March 1, 2011, from the Dublin Housing Authority, a public body, corporate and politic ("DHA"), to the Housing Authority of the County of Alameda, a public body, corporate and politic ("HACA"), is hereby accepted on March 1, 2011, by the undersigned officer or agent on behalf of HACA pursuant to authority conferred by resolution of the Commissioners of HACA adopted on December ____, 2010, and the Commissioners of HACA consent to the recordation of said document in the Office of the Recorder of Alameda County, State of California.

Dated: _____

HOUSING AUTHORITY OF THE
COUNTY OF ALAMEDA, a public body,
corporate and politic

By: _____

Name: _____

Title: _____

Attachment A

A-3.

ASSIGNMENT OF COOPERATION AGREEMENT (DHA TO HACA)

**ASSIGNMENT AND ASSUMPTION OF
COOPERATION AGREEMENT**
(Arroyo Vista)

This Assignment and Assumption of Cooperation Agreement (the "Assignment") is entered into as of March 1, 2011 (the "Effective Date"), by and between the Dublin Housing Authority, a public body, corporate and politic ("Assignor") and the Housing Authority of the County of Alameda, a public body, corporate and politic ("Assignee"), with reference to the following facts:

RECITALS

A. Assignor and the City of Dublin, a municipal corporation (the "City"), entered into a Cooperation Agreement dated as of October 31, 1986 ("the Agreement"), pursuant to which Assignor and the City agreed to the conditions under which Assignor would acquire and administer low-income housing, including that certain low-income housing project commonly known as Arroyo Vista, HUD No. CA142000001 (the "Property") from the Housing Authority of the City of Pleasanton, a public body, corporate and politic ("PHA").

B. Assignor has adopted a resolution to dispose of the Property for redevelopment pursuant to a Disposition and Development Agreement dated as of July 25, 2007, as amended by the First Amendment to Disposition and Development Agreement entered into as of January 26, 2010 (collectively, the "DDA"), and anticipates transferring the Property to Assignee immediately prior to disposition.

C. Assignor desires to be released by the Assignee from all obligations in connection with the Agreement and related obligations and rights.

D. Assignor desires to assign to the Assignee, and the Assignee desires to accept from Assignor, the assignment of the Agreement and any related obligations incurred by Assignor, as such pertain to the Property.

E. The consent to such assignment by the City is required.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. Assignment by Assignor. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and obligations under the Agreement.

2. Acceptance of Assignment. Assignee hereby accepts the above assignment and hereby assumes, agrees, and undertakes to be bound by, observe and perform all of the obligations, covenants, and agreements of Assignor pursuant to the Agreement, to the same extent as if the Assignee had originally been named as a party thereto in the place and stead of the Assignor.

Following the Effective Date of this Assignment, as defined below, any reference to Assignor in the Agreement shall be deemed a reference to Assignee.

3. Release of Assignor. Assignee releases Assignor from all obligations imposed under the Agreement. However, nothing herein contained shall be construed as a release of Assignor from any obligations or liability which may have accrued prior to the Effective Date, and which obligations or liability are not expressly assumed herein by the Assignee.

4. Reimbursement and Payment of Obligations. Assignee shall reimburse Assignor for any amounts paid in advance by Assignor for services rendered after the date of this Agreement. Assignee agrees that any remaining amounts due from Assignor pursuant to the Agreement shall be paid directly by Assignee.

5. Representations and Warranties. Assignor represents and warrants to Assignee that the execution and delivery of this Assignment has been duly authorized, that this Assignment is a valid and legal agreement binding on the Assignor and that Assignor has not previously assigned, pledged, hypothecated or otherwise transferred to a third party any of its rights under the Agreement. Assignee represents and warrants to Assignor that the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on the Assignee.

6. Governing Law. This Assignment shall be governed by the laws of the State of California.

7. Effective Date. This Assignment shall be effective as of the Effective Date.

8. Counterparts. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one (1) agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have entered into this Agreement as of the date first set forth above.

ASSIGNOR:

DUBLIN HOUSING AUTHORITY, a public
body, corporate and politic

By: _____

Name: _____

Title: _____

ASSIGNEE:

HOUSING AUTHORITY OF THE COUNTY
OF ALAMEDA, a public body, corporate and
politic

By: _____

Name: _____

Title: _____

CONSENT TO ASSIGNMENT:

CITY:

CITY OF DUBLIN, a municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____

_____, City Attorney

Attachment A

A-4.

ASSIGNMENT OF PROFESSIONAL AND SERVICE CONTRACTS (DHA TO HACA)

ASSIGNMENT AGREEMENT
Professional and Service Agreements
(Arroyo Vista)

This Assignment Agreement (the "Agreement") is entered into as of this 1st day of March, 2011, by and between the Dublin Housing Authority, a public body, corporate and politic (the "Assignor"), and the Housing Authority of the County of Alameda, a public body, corporate and politic (the "Assignee"), with reference to the following facts:

RECITALS

A. Assignor is the owner of that certain real property located in the City of Dublin, California, as more particularly described in Exhibit A attached hereto (the "Property"), upon which has been developed a low income housing project commonly known as Arroyo Vista (the "Project").

B. Assignor will transfer responsibility for owning and operating the Project to the Assignee.

C. Assignee will own and operate the Project.

D. Assignor has entered into certain third party professional and service agreements related to the ownership and operation of the Project.

E. The Assignor desires to be released by the Assignee from all obligations in connection with such agreements and related rights and responsibilities.

F. Assignor desires to assign to the Assignee, and the Assignee desires to accept from Assignor, the assignment of the agreements, contracts, proposals and related obligations incurred by Assignor and work product produced under certain service agreements entered into by Assignor, as more fully described in Section 1 below.

G. The consent to such assignments by various third parties is desirable or required.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. Assignment by Assignor. Assignor hereby assigns and delegates to the Assignee, and the Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and obligations under the following agreements:

i. Agreement with Overland, Pacific and Cutler, dated as of March 7, 2007, for relocation services (the "Relocation Services Agreement");

ii. Agreement with Goldfarb & Lipman LLP, dated December 22, 2005, and as amended October 6, 2009 and December 20, 2010, for legal services (the "Legal Services Agreement");

iii. Agreement with SCS Contractor Services, dated July 27, 2010, to provide a security fence around the Property (the "Security Fencing Services Agreement"); and

iv. Any and all other agreements related to the Project entered into by or on behalf of the Assignor, and any and all other rights and obligations of the Assignor associated with the Project.

2. Acceptance of Assignment. The Assignee hereby accepts the above assignments and hereby assumes, agrees, and undertakes to perform all of the obligations, covenants, and agreements of Assignor pursuant to the above described agreements. Any reference to Assignor in the agreements described above shall be deemed a reference to the Assignee.

3. Release of Assignor. The Assignee releases Assignor from all obligations imposed under any of the agreements described above in Section 1.

4. Reimbursement and Payment of Obligations. The Assignee shall reimburse Assignor for any amounts paid in advance by Assignor for services rendered after the date of this Agreement under any of the agreements described above in Section 1. The Assignee agrees that any remaining amounts due from Assignor pursuant to the agreements described above in Section 1 shall be paid directly by the Assignee.

5. Representations. Assignor hereby represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its rights under the agreements described above in Section 1.

6. Effective Date. The assignments set forth above in Section 1 shall be effective as of the date of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ASSIGNOR:

DUBLIN HOUSING AUTHORITY, a public body,
corporate and politic

By: _____

Name: _____

Title: _____

ASSIGNEE:

HOUSING AUTHORITY OF THE COUNTY OF
ALAMEDA, a public body, corporate and politic

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Dublin, County of Alameda, State of California, described as follows:

COMMENCING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF DOUGHERTY ROAD (ALSO KNOWN AS COUNTY ROAD NO. 4038) AND THE NORTHEASTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY RIGHT-OF-WAY (300 FEET WIDE), SAID POINT OF COMMENCEMENT ALSO BEING AT THE SOUTHWESTERLY CORNER OF CAMP PARKS, A 3636.1212 ACRE PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA; THENCE RUNNING NORTH 01° 13' 02" EAST, ALONG THE CENTER LINE OF DOUGHERTY ROAD 69.47 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING, NORTHWESTERLY ALONG THE ARC OF AN 11,259.19 FOOT RADIUS CURVE, CONCAVE NORTHERLY (RADIALLY DISTANT 50 FEET NORTHEASTERLY FROM THE NORTHEASTERLY CURVED RIGHT-OF-WAY LINE OF SAID SOUTHERN PACIFIC RAILROAD COMPANY), WHOSE CENTER BEARS NORTH 45° 18' 12.2" EAST THROUGH A CENTRAL ANGLE OF 8° 11' 34.6" AN ARC DISTANCE OF 1609.99 FEET TO A POINT ON THE NORTHERLY BANK OF ALAMO CREEK; THENCE ALONG SAID NORTHERLY, WESTERLY AND EASTERLY BANKS OF ALAMO CREEK, THE FOLLOWING COURSES AND DISTANCES: NORTH 64° 32' 46" EAST, 41.20 FEET; SOUTH 88° 57' 14" EAST, 198.00 FEET; NORTH 81° 32' 46" EAST, 174.90 FEET; NORTH 19° 57' 14" WEST 66.00 FEET; NORTH 57° 57' 14" WEST, 122.10 FEET; NORTH 17° 02' 46" EAST, CROSSING SAID ALAMO CREEK, A DISTANCE OF 455.40 FEET TO A POINT ON THE EASTERLY BANK OF SAID ALAMO CREEK THENCE SOUTH 88° 27' 14" EAST, 33.00 FEET; THENCE NORTH 45° 02' 46" EAST, ALONG THE EASTERLY BANK OF ALAMO CREEK, 112.20 FEET; THENCE NORTH 22° 32' 46" EAST 158.40 FEET; THENCE NORTH 8° 47' 46" EAST, 244.20 FEET; THENCE NORTH 49° 27' 14" WEST 155.10 FEET; THENCE NORTH 19° 27' 14" WEST, 56.89 FEET; THENCE SOUTH 89° 16' 58" EAST, 609.36 FEET TO A POINT IN THE CENTER LINE OF SAID DOUGHERTY ROAD; THENCE FROM SAID POINT SOUTH 01° 13' 02" WEST, ALONG THE SAID CENTER LINE 2436.80 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DEEDED TO THE COUNTY OF ALAMEDA BY DEED DATED MARCH 12, 1981 AND RECORDED APRIL 15, 1981, SERIES NO. 81-60663, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DEEDED TO THE CITY OF DUBLIN BY DEED DATED OCTOBER 24, 1982 AND RECORDED DECEMBER 19, 1983, SERIES NO. 83-237916, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM ALL URANIUM, THORIUM, AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC

ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS AS RESERVED IN THE DEED BY UNITED STATES OF AMERICA RECORDED APRIL 28, 1954, SERIES NO. AJ 35346, BOOK 7307 OR, PAGE 437, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO PARK SIERRA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, BY DEED DATED JUNE 15, 1998 AND RECORDED JUNE 16, 1998, INSTRUMENT NO. 98202956, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM, THAT PORTION DEEDED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, BY DEED DATED OCTOBER 24, 2003 AND RECORDED NOVEMBER 26, 2003, SERIES NO. 2003698997, ALAMEDA COUNTY RECORDS.

APN: 941-0007-001-07

EXHIBIT B-1

CONSENT TO ASSIGNMENT

Overland, Pacific and Cutler consents to the assignment from the Dublin Housing Authority, a public body, corporate and politic (the "Assignor"), to the Housing Authority of the County of Alameda, a public body, corporate and politic, of the Relocation Services Agreement as set forth above in Section 1, and to the release of Assignor from all obligations in connection with such agreement.

Overland, Pacific and Cutler

By: _____

Its: _____

EXHIBIT B-2

CONSENT TO ASSIGNMENT

Goldfarb & Lipman LLP consents to the assignment from the Dublin Housing Authority, a public body, corporate and politic (the "Assignor"), to the Housing Authority of the County of Alameda, a public body, corporate and politic, of the Legal Services Agreement as set forth above in Section 1, and to the release of Assignor from all obligations in connection with such agreement.

Goldfarb & Lipman LLP

By: _____

Its: _____

EXHIBIT B-3

CONSENT TO ASSIGNMENT

SCS Contracting Services consents to the assignment from the Dublin Housing Authority, a public body, corporate and politic (the "Assignor"), to the Housing Authority of the County of Alameda, a public body, corporate and politic, of the Security Fencing Services Agreement as set forth above in Section 1, and to the release of Assignor from all obligations in connection with such agreements.

SCS Contracting Services

By: _____

Its: _____

Attachment A

A-5.

GRANT DEED FROM HACA TO CITATION

RECORDING REQUESTED BY:
North American Title Insurance Company

**When Recorded Mail Document
and Tax Statement To:**
SCS Development Co./Citation Homes
404 Saratoga Avenue, Suite 100
Santa Clara, CA 95050

Order No. 54605-713125
APN:

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED

The undersigned grantor declares:
Documentary transfer tax is \$ None (Exempt)

County of Alameda

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Housing Authority of the County of Alameda, a public body, corporate and politic

hereby GRANT(S) to SCS Development Co. dba Citation Homes Central, a California corporation

the following described real property in the City of Dublin, County of Alameda, State of California:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

[SIGNATURE PAGE FOLLOWS]

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA, a public
body, corporate and politic

Title: _____

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

Legal Description

Real property in the City of Dublin, County of Alameda, State of California, described as follows:

Attachment A

A-6.

GRANT DEED FROM HACA TO EDEN

RECORDING REQUESTED BY:
North American Title Insurance Company

**When Recorded Mail Document
and Tax Statement To:**

Eden Housing, Inc.
22645 Grand Street
Hayward, CA 94541-5031

Order No. 54605-713125
APN:

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

GRANT DEED

The undersigned grantor declares:
Documentary transfer tax is \$ None (Exempt)

County of Alameda

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Housing Authority of the County of Alameda, a public body, corporate and politic ("HACA")

hereby GRANT(S) to Eden Housing, Inc., a California nonprofit public benefit corporation ("Grantee")

the following described real property in the City of Dublin, County of Alameda, State of California:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

The Property is conveyed subject to the conditions set forth by the United States Department of Housing and Urban Development ("HUD") in the the May 22, 2009 letter from Ainars Rodins, P.E., Director of the HUD Special Applications Center to Mr. Tim Sbranti, Chairperson of the Board of Commissioners of the Dublin Housing Authority ("Authority"), and Ms. Christine Gouig, Executive Director of the Authority and HACA, attached as Exhibit B (the "Disposition Approval Letter"), the May 22, 2009 Memorandum from Ainars Rodins, P.E. to Stephen Schneller, Director of HUD's Office of Public Housing, (9PH), attached as Exhibit C, and the May 29, 2009 letter from Ainars Rodins, P.E., Director of the HUD Special Applications Center to Mr. Tim Sbranti, Chairperson of the Authority's Board of Commissioners, and Ms. Christine Gouig, Executive Director of the Authority and HACA, amending certain provisions of the Disposition Approval Letter, attached as Exhibit D (collectively, the "HUD Disposition Approval").

Pursuant to the HUD Disposition Approval, Grantee shall commence utilizing the Property in accordance with the HUD Disposition Approval following conveyance. If Grantee fails to use and operate eighty-one (81) units of the one hundred seventy-eight (178) units to be constructed on the Property as low income housing through the Section 8 Project Based Voucher Program or a successor or replacement program for a period of twenty (20) years from the date of issuance of certifications of occupancy, or their equivalent, all of Grantee's interest in the Property shall revert to HACA.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed as of this ____ day of March, 2011.

GRANTOR:

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA, a public
body, corporate and politic

By: _____

Name: _____

Title: _____

GRANTEE:

EDEN HOUSING, INC., a California nonprofit public benefit
corporation

By: _____

Name: _____

Title: _____

[ALL SIGNATURES MUST BE NOTARIZED]

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

Legal Description

EXHIBIT B

**May 22, 2009 letter from Ainars Rodins, P.E.,
Director of the HUD Special Applications Center
to Tim Sbranti and Christine Gouig**

EXHIBIT C

**May 22, 2009 Memorandum from Ainars Rodins, P.E.,
to Stephen Schneller, Director of HUD's Office of Public Housing, (9PH)**

EXHIBIT D

**May 29, 2009 letter from Ainars Rodins, P.E.,
to Tim Sbranti and Christine Gouig**

Attachment A

A-7.

RELEASE OF DECLARATION OF TRUST FOR EDEN PORTION OF PROPERTY

RECORDING REQUESTED BY:

Alameda County Housing Authority
22941 Atherton Street
Hayward, CA 94541-6633

WHEN RECORDED MAIL TO:

U.S. Department of Housing and
Urban Development
Attn: Office of Regional Counsel
600 Harrison Street, 3rd Floor
San Francisco, CA 94107

No fee for recording pursuant to
Government Code Section 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**RELEASE OF DECLARATION OF TRUST
(Dublin, California)**

This Release of Declaration of Trust ("Release") is made as of the 1st day of March, **2011**, by the **UNITED STATES OF AMERICA**, acting by and through the **SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** (the "Secretary" or "HUD") with respect to the property located in the City of Dublin, Alameda County, California, known as Project Number CA142000001 and more particularly described in Exhibit A (the "Property").

WHEREAS, the Dublin Housing Authority (the "Authority") previously executed and recorded a Declaration of Trust on November 6, 1986 in the Official Records of the County of Alameda (the "Official Records") under Recorder's Serial No. 86-277645, relating to the Property (the "Declaration of Trust"), which Declaration of Trust grants to the Secretary certain rights and imposes certain restrictions in favor of the Secretary with respect to the Property;

WHEREAS, the Secretary has approved the sale of the Property to Eden Housing, Inc., a California nonprofit public benefit corporation ("Eden"), and intends for the Declaration of Trust to be terminated and released at the time the Property is conveyed;

WHEREAS, the Authority has consolidated all of its operations with the Housing Authority of the County of Alameda ("HACA"), and has transferred its interest in the Property to HACA by that certain grant deed recorded concurrently herewith in the Official Records, and the Secretary has approved such consolidation and transfer; and

WHEREAS, HUD approved the release of the Declaration of Trust in connection with its approval of the disposition of the Property to Eden.

NOW, THEREFORE, upon recordation of this document, the property described in Exhibit A is hereby discharged and fully released from the Declaration of Trust.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officers, have caused this Release of Declaration of Trust to be executed as of the date and year first above written.

SECRETARY:

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

By: _____

Stephen Schneller

Its: Director and Authorized Agent
Office of Public Housing

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On _____, 2011 before me, _____,
Notary Public, personally appeared Stephen Schneller, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

Legal Description of the Property

Attachment A

A-8.

RELEASE OF DECLARATION OF TRUST FOR CITATION PORTION OF PROPERTY

RECORDING REQUESTED BY:

Alameda County Housing Authority
22941 Atherton Street
Hayward, CA 94541

WHEN RECORDED MAIL TO:

U.S. Department of Housing and
Urban Development
Attn: Office of Regional Counsel
600 Harrison Street, 3rd Floor
San Francisco, CA 94107

No fee for recording pursuant to
Government Code Section 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

RELEASE OF DECLARATION OF TRUST

This Release of Declaration of Trust ("Release") is made as of the _____ day of _____, 2011, by the **UNITED STATES OF AMERICA**, acting by and through the **SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** (the "Secretary") with respect to a portion of the property located in Dublin, Alameda County, California, known as Project Number CA142000001, and is more particularly described in Exhibit A (the "Property").

WHEREAS, the Dublin Housing Authority (the "Authority") previously executed and recorded a Declaration of Trust on November 6, 1986, under Instrument No. 86-277645, of the Official Records of the County of Alameda (the "Official Records"), relating to the Property (the "Declaration of Trust"), which Declaration of Trust grants to the Secretary certain rights and imposes certain restrictions in favor of the Secretary with respect to the Property;

WHEREAS, the Secretary has approved the sale of the Property at fair market value, and intends for the Declaration of Trust to be terminated and released at the time the Property is sold; and

WHEREAS, the Authority has consolidated all of its operations with the Housing Authority of the County of Alameda ("HACA"), and has transferred its interest in the Property to HACA by that certain grant deed recorded concurrently herewith in the Official Records, and the Secretary has approved such consolidation and transfer.

NOW, THEREFORE, this document will be recorded concurrently with the recordation of a Grant Deed from the Authority conveying the Property, and upon recordation of this document, the property described in Exhibit A is hereby discharged and fully released from the Declaration of Trust.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officer, have caused this Release of Declaration of Trust to be executed as of the date and year first above written.

SECRETARY:

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

By: _____

Stephen Schneller

Its: Director and Authorized Agent
Office of Public Housing

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On _____, 2011, before me, _____, Notary Public, personally appeared Stephen Schneller, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All that real property located in the City of Dublin, County of Alameda, State of California, described as follows:

Attachment A

A-9.

USE AGREEMENT (HACA AND EDEN)

NO FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Robert C. Mills, Esq.
Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612

(Space above this line for Recorder's use)

USE AGREEMENT
(Arroyo Vista Family and Senior Housing)

This Agreement (the "Use Agreement") entered into as of this 1st day of March, 2011 by and between the Housing Authority of the County of Alameda, a public body, corporate and politic ("HACA"), and Eden Housing, Inc., a California nonprofit public benefit corporation ("Eden"), with respect to the property located in the City of Dublin, Alameda County, California, more particularly described in Exhibit A (the "Property"), formerly known as Arroyo Vista (the "Project").

Witnesseth:

WHEREAS, construction of the Project was financed by the U. S. Department of Housing and Urban Development ("HUD");

WHEREAS, the Project was formerly owned and operated as low rent public housing by the Dublin Housing Authority, a public body, corporate and politic ("DHA");

WHEREAS, with the approval of the Secretary of HUD (the "Secretary"), DHA has consolidated all of its operations with those of HACA, and has transferred its interest in the Property to HACA;

WHEREAS, Eden desires to purchase the Project for the purpose of redeveloping the Property for the construction of up to one hundred seventy-eight (178) units of affordable family and senior rental housing and two (2) managers' units;

WHEREAS, the Secretary has approved the sale of the Property to Eden for the purchase price of one dollar (\$1.00);

WHEREAS, in consideration of HUD's approval of the sale of the Property to Eden, HACA and Eden have agreed to enter into this Use Agreement;

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

1. Eden, for itself, its successors and assigns, covenants with HACA that Eden will develop and construct no fewer than thirty-two (32) units on a portion of the Property that will be used exclusively as project-based Section 8 units and marketed to, reserved for, and occupied solely by eligible residents under the Section 8 program for a period not less than twenty (20) years (the "Family Project"). These thirty-two (32) units will be part of a one hundred twenty-nine (129) unit low income housing tax credit ("LIHTC") development.

2. Eden will develop forty-nine (49) units of elderly housing on a portion of the Property that will be used exclusively as project-based Section 8 units and marketed to, reserved for, and occupied solely by eligible residents under the Section 8 program for a period not less than twenty (20) years (the "Senior Project").

3. The term of this Use Agreement (the "Term") shall extend for twenty (20) years commencing upon issuance of certificates of occupancy, or their equivalent, for all one hundred seventy-eight (178) residential units on the Property.

4. Any net proceeds from the sale of a portion of the Property to SCS Development Company, dba Citation Homes Central, which are loaned by HACA to Eden, which are not used in a manner which complies with the requirements set forth herein, shall be repaid to HACA. If any proceeds are repaid to HACA, these proceeds shall be treated as net proceeds and are subject to all federal requirements.

5. In the event of a breach or threatened breach of any of the above covenants and agreements by Eden, HACA shall be entitled to institute legal action to enforce performance and observance of such covenants and agreements and to enjoin any act which are violative of such covenants and agreements.

6. Eden, for itself, its successors and assigns, hereby agrees and acknowledges that this Use Agreement shall be recorded in the appropriate land records and that HACA and any successors and assigns, and HUD and any successors and assigns may file suit against Eden or any of its successors or assigns for an order of the court demanding specific performance of any of these covenants and agreements, enjoining any acts which are violative of such covenants and agreements, for an award of whatever damages can be proven and/or for such other relief as may be appropriate.

7. Eden will accept all forms of Section 8 tenant based assistance for all units that do not have project-based assistance for the Term of the Use Agreement.

8. Eden will comply with the provisions of any Federal, State or local law prohibiting discrimination in housing on the grounds of race, color, religion or creed, sex, handicap, familial status or national origin, including the Fair Housing Act of 1968, as amended.

9. This Use Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors and assigns.

10. This Use Agreement shall be governed, construed and interpreted in accordance with the laws of the State of California, and the parties shall submit to the jurisdiction of and venue in the courts of the State of California in Alameda County in any legal proceeding necessary to interpret or enforce this Use Agreement or any part of this Use Agreement.

11. Should any of the above covenants be held invalid in whole or in part, it shall not affect or invalidate the balance of such covenant or any other covenants.

12. This Use Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

In witness whereof, the parties hereto have hereunto caused these presents to be executed on their behalf effective as of the date and year written above.

OWNER:

EDEN HOUSING, INC.,
a California nonprofit public benefit corporation

By: _____
Linda Mandolini, Executive Director

HACA:

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA, a
public body, corporate and politic

By: _____
Christine Gouig, Executive Director

SIGNATURES MUST BE NOTARIZED

State of California)

County of _____)

On _____, 2011, before me, _____,
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on
the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)

County of _____)

On _____, 2011, before me, _____,
Notary Public, personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on
the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Real property in the City of Dublin, County of Alameda, State of California,
described as follows:

ATTACHMENT B

Attachment B

List of Documents

- B-1. Construction/Permanent Loan Agreement
- B-2. Regulatory Agreement and Declaration of Restrictive Covenants
- B-3. Promissory Note
- B-4. Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing

Attachment B

B-1.

CONSTRUCTION/PERMANENT LOAN AGREEMENT

CONSTRUCTION/PERMANENT LOAN AGREEMENT

Between

Housing Authority of the County of Alameda

and

Eden Housing, Inc.

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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
CONSTRUCTION/PERMANENT LOAN AGREEMENT
(Family and Senior Housing Project)**

This Construction/Permanent Loan Agreement (the "Agreement") is entered into as of _____, 2011, by and between the HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA, a public body, corporate and politic ("Authority"), and EDEN HOUSING, INC., a California nonprofit public benefit corporation ("Borrower"), with reference to the following facts:

A. The Authority owns that certain real property and improvements located at 6700 Dougherty Road in the City of Dublin, County of Alameda, State of California, as more particularly described in Exhibit A attached hereto (the "Property"), on which site was formerly located the public housing complex commonly known as Arroyo Vista.

B. The Borrower intends to acquire the Property for the purpose of constructing a multifamily rental housing development consisting of (i) one hundred thirty (130) rental units of affordable family housing for low income households, including one (1) manager's unit (the "Family Project"), and (ii) fifty (50) rental units of affordable senior housing for low income senior households, including one (1) manager's unit (the "Senior Project"). The Family Project and the Senior Project may be referred to, collectively, hereinafter as the "Project".

C. The Borrower wishes to borrow from Authority and Authority wishes to extend to Borrower a loan in an amount not to exceed Eleven Million Dollars (\$11,000,000) to assist in the development of the Project (the "Loan"). The Loan will be evidenced by a promissory note executed by Borrower in favor of Authority (the "Note") and secured by a deed of trust (the "Deed of Trust"), and further evidenced by a regulatory agreement between the Authority and the Borrower (the "Regulatory Agreement"). The Regulatory Agreement and the Deed of Trust are both to be recorded against the Borrower's fee interest in the Property.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions

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

- (a) "Agreement" shall mean this Construction/Permanent Loan Agreement.
- (b) "Approved Project Budget" shall mean the proforma development budget, including sources and uses of funds, as approved by the Authority, and attached hereto and incorporated herein as Exhibit B.

(c) "Approved Financing" shall mean all of the following loans acquired by the Borrower and approved by the Authority for the purpose of financing the Project, in addition to the Loan:

(i) A construction loan from _____ (the "Bank") in the approximate amount of _____ Dollars (\$ _____), and/or a permanent loan from _____ (the "_____") in the approximate amount of _____ Dollars (\$ _____) (the "Senior Loan");

(ii) A construction and permanent loan from the City of Dublin (the "City") in the approximate amount of _____ Dollars (\$ _____) the "City Loan"); and

(iii) Low Income Housing Tax Credit ("LIHTC")/Investor equity funds in the approximate amount of _____ Dollars (\$ _____), approximately _____ Dollars (\$ _____) of which will be provided during construction (the "Tax Credit Equity").

(d) "Authority" shall mean the Housing Authority of the County of Alameda, a public body, corporate and politic.

(e) "Borrower" shall mean Eden Housing, Inc., a California nonprofit public benefit corporation.

(f) "CEQA" shall mean the California Environmental Quality Act (Public Resources Code Section 21000 et seq.).

(g) "City" shall mean the City of Dublin.

(h) "Closing" shall mean the date on which the Property is conveyed to the Borrower and the Regulatory Agreement and the Deed of Trust are recorded against the Property.

(i) "Deed of Trust" shall mean the subordinate deed of trust that will encumber the Project to secure repayment of the Loan in the form provided by the Authority.

(j) "Default" shall have the meaning set forth in Section 5.1 below.

(k) "Family Project" shall mean the approximately one hundred thirty (130) housing units and attendant site improvements to be rented to families.

(l) "Hazardous Materials" or "Hazardous Substance" shall mean any oil or any fraction thereof or petroleum products or "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42

U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property, but excluding any substances or materials used in the construction, development, maintenance or operation of the Project, so long as the same are used in accordance with all applicable laws.

(m) "Hazardous Materials Claim" shall have the meaning set forth in Section 4.7 below.

(n) "Hazardous Materials Law" shall have the meaning set forth in Section 4.7 below.

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

(p) "Investor" shall mean _____, the tax credit investor limited partner of Borrower.

(q) "Loan" shall mean the Authority loan to Borrower pursuant to this Agreement in the total principal amount not to exceed Eleven Million Dollars (\$11,000,000). The Loan shall be evidenced by the Note, secured by the Regulatory Agreement and the Deed of Trust.

(r) "Loan Documents" shall mean this Agreement, the Note, the Deed of Trust, and the Regulatory Agreement.

(s) "NEPA" shall mean the National Environmental Policy Act (42 U.S.C. Section 4321 et seq.).

(t) "Note" shall mean the promissory note executed by Borrower in favor of Authority in the amount not to exceed Eleven Million Dollars (\$11,000,000). The Note shall be secured by the Deed of Trust and the Regulatory Agreement.

(u) "Parties" shall mean the Authority and Borrower.

(v) "Project" shall mean the Family Project and the Senior Project.

(w) "Property" shall mean the real property located at 6700 Dougherty Road in the City of Dublin, County of Alameda, California, more particularly described in the attached Exhibit A.

(x) "Regulatory Agreement" shall mean the Regulatory Agreement of even date herewith by and between Authority and Borrower.

(y) "Residual Receipts" shall mean in a particular fiscal year Surplus Cash less the following payments: (i) a limited partner asset management fee of _____ Dollars (\$____), increasing _____ percent (____%) per year, (ii) a partnership management fee of _____

Dollars (\$____), increasing _____ percent (____%) per year (the "Partnership Management Fee"), payable to Borrower, subject to the approval of all lenders; and (iii) deferred developer fee payable in the amount and in the manner set forth in the Borrower's partnership agreement (not to exceed the maximum set forth in Section 3.16).

(z) "Senior Project" shall mean the approximately fifty (50) housing units and attendant site improvements to be rented to elderly households.

(aa) "Surplus Cash" shall mean the excess of annual Operating Revenues over annual Operating Expenses for the Project, in a particular fiscal year, as determined by an independent certified financial audit. "Operating Revenues" shall mean all cash income derived from all the Units in the Project, and shall include, without limitation: (1) rent (including rent on commercial or common space within the Project); (2) HUD Section 8 subsidy payments received on behalf of tenants, if any; (3) interest on contingency reserves or other reserves not designated as a sinking fund; (4) receipts from laundry, parking, or other services for which a fee is charged; and (5) rent insurance proceeds. "Operating Expenses" shall mean, and be limited to expenses of all the Units in the Project, including: (1) all direct costs and expenses (including tenant services and accounts payable due within 30 days) necessary to operate all of the Units as approved by the Authority, the City, and HUD, (2) debt service on the Senior Loan; (3) funding and replenishment of reserves, including a replacement reserve, and other reserves required by the Bank, the City, or the Investor and approved by the Authority; and (4) reasonable payments to reserves for contingencies, replacement of capital items, and other uses as approved by Authority.

(bb) "TCAC" shall mean the California Tax Credit Allocation Committee.

(cc) "Term" shall have the meaning set forth in Section 2.7(a).

(dd) "Transfer" shall have the meaning set forth in Section 4.13 below.

(ee) "Unit" means one of the approximately one hundred thirty (130) Family Project units and fifty (50) Senior Project units to be constructed on the Property.

Section 1.2 Exhibits.

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

EXHIBIT A: Legal Description of the Property

EXHIBIT B: Approved Project Budget

EXHIBIT C: Rehousing Policy

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

The Authority shall loan to the Borrower the Loan in the principal amount of up to Eleven Million Dollars (\$11,000,000), for the purposes set forth in Section 2.3 of this Agreement. The obligation to repay the Loan shall be evidenced by the Note in the form provided by the Authority.

Section 2.2 Interest.

(a) Subject to the provisions of Section 2.2(b) below, the Loan shall bear simple interest at ____ percent (____%) per annum.

(b) In the event of a Default, interest on the Loan shall begin to accrue, as of the date of Default and continuing until the earlier of such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

Section 2.3 Use of Loan Funds.

(a) Subject to Section 2.6(b) herein, the Borrower shall use the Loan funds to pay development costs of the Project during the construction phase, consistent with the Approved Project Budget, and as part of the permanent financing of the Project.

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

Section 2.4 Security.

(a) Borrower shall secure its obligation to repay the Loan, as evidenced by the Note, by executing the Deed of Trust and the Regulatory Agreement in the forms provided by the Authority, and recording them as liens against the Property. The Deed of Trust and the Regulatory Agreement shall be junior in lien priority to the deeds of trust securing the Senior Loan and the deed of trust securing the City Loan.

(b) The Authority agrees that the Deed of Trust and the Regulatory Agreement are and shall be at all times continue to be, subordinate, subject and inferior (in payment and priority) to the Senior Loan, and the liens, rights, payment interests, priority interests and security interests granted to the Authority in connection with the Loan and the Loan Documents, are, and hereby are expressly acknowledged to be in all respects and at all times, [subject to the terms and provisions of the Subordination and Intercreditor Agreement by and between the Authority and _____, of even date herewith.] The Authority further agrees to subordinate the Deed of Trust and the Regulatory Agreement to the lien of the deeds of trust and regulatory agreements securing the City Loan provided the Authority receives reasonably adequate notice and cure rights and pursuant to a subordination agreement in a form reasonably approved by the Authority.

Section 2.5 Conditions Precedent to Closing.

The Authority shall not be obligated to proceed with the Closing under the Loan Documents unless the following conditions precedent are satisfied:

- (a) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement.
- (b) Borrower has executed and delivered to Authority all documents, instruments, and policies required under the Loan Documents.
- (c) A title insurer reasonably acceptable to the Authority is unconditionally and irrevocably committed to issuing an ALTA Lender's Policy of insurance insuring the priority of the Deed of Trust in the amount of the Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the Authority, and containing such endorsements as the Authority may reasonably require.
- (d) The Deed of Trust and the Regulatory Agreement have been recorded against the Property in the Office of the Recorder of the County of Alameda.
- (e) Borrower has provided the Authority evidence of compliance with all approved NEPA and CEQA requirements and mitigation measures.
- (f) Borrower has furnished the Authority with evidence of the insurance coverage meeting the requirements of Section 4.14 below.
- (g) The Authority has received and approved the final plans and specifications for the Project, as required pursuant to Section 3.2 below.
- (h) The Authority has received and approved all contracts that the Borrower has entered or proposed to enter for construction of the Project as required pursuant to Section 3.3 below.
- (i) The Authority has received copies of labor and material (payment) bonds and performance bonds as required pursuant to Section 3.4 below.

Section 2.6 Conditions Precedent to Disbursement.

(a) Financing. The maximum amount of funds to be disbursed pursuant to this Section 2.6(a) shall not exceed Eleven Million Dollars (\$11,000,000), or such other amount as reasonably determined by the Parties is necessary for the construction of the Project. The Authority shall not be obligated to make any disbursements of such proceeds or to take any other action under the Loan Documents unless the following conditions are satisfied prior to each such disbursement of the Loan:

- (i) All requirements set forth in Section 2.5 have been and continue to be satisfied and there is no Default by the Borrower.

(ii) The undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Borrower has obtained in connection with the Project, are not less than the amount that the Authority reasonably determines is necessary to pay for development of the Project and to satisfy all of the covenants contained in this Agreement.

(iii) The Authority has received a written draw request from the Borrower setting forth the proposed use of funds consistent with the Approved Project Budget, and in a form containing sufficient detail and with sufficient supporting documentation to permit the Authority to confirm that the work to be funded by the draw request has been performed. The draw requests shall also contain a statement of the total costs incurred by the Borrower since the date of the Borrower's last draw request, and the amount of those costs paid by the Borrower.

(b) Family Project. Provided the Borrower satisfies the conditions of Section 2.6(a) above, Borrower may use up to Ten Million Dollars (\$10,000,000) in Loan funds to develop the Family Project, in which no less than thirty-two (32) units will be used as project-based Section 8 housing for a period of at least twenty (20) years.

(c) Senior Project. Provided the Borrower satisfies the conditions of Section 2.6(a) above, Borrower may use the balance of Loan funds, which are not expended on the Family Project, to develop the Senior Project, all of which will be used as project-based Section 8 housing for a period of at least twenty (20) years.

(d) Total Amount of Disbursements. Notwithstanding any other provision of this Agreement, in no event shall the Authority disburse to the Borrower an amount greater than Eleven Million Dollars (\$11,000,000).

Section 2.7 Repayment Schedule.

The Loan shall be repaid as follows:

(a) Term. The Loan and this Agreement shall have a term (the "Term") that expires on the date fifty-five (55) years from the date of completion, which shall be determined by the date of issuance of a certificate of occupancy, or substantial equivalent, for all Units in the Project.

(b) Annual Payments of Loan. Commencing on _____ of the year following completion of construction of the Project, and on _____ of each year thereafter for the Term of the Loan, Borrower shall use Residual Receipts to make payments, on a pro rata basis, to repay the City Loan. Upon payment in full of the City Loan, Borrower shall use Residual Receipts to make payments, on a pro rata basis, to repay the Loan. Payments made shall be credited first against accrued interest, if any, and then against outstanding principal.

(c) Payment in Full. All principal and accrued interest on the Loan shall be due in full on the earlier to occur of (i) the date of any Transfer not authorized by the Authority, (ii) the date of any Default, and (iii) the expiration of the Term.

(d) Prepayment. The Borrower shall have the right to prepay the Loan at any time.

Section 2.8 Reports and Accounting of Residual Receipts.

(a) Audited Financial Statement. In connection with the annual repayment of the Loan, the Borrower shall furnish to the Authority an audited statement duly certified by an independent firm of certified public accountants approved by the Authority, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding calendar year.

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

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

Section 2.9 Non-Recourse.

Except as provided below, neither the Borrower nor any partner of the Borrower shall have any direct or indirect personal liability for payment of the principal of, or interest on, the

Loan or the performance of the covenants of the Borrower under the Deed of Trust and the Regulatory Agreement. The sole recourse of the Authority with respect to the principal of, or interest on, the Note and defaults by Borrower in the performance of its covenants under the Deed of Trust and the Regulatory Agreement shall be to the property described in the Deed of Trust and the Regulatory Agreement; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Authority thereunder, or (b) be deemed in any way to impair the right of the Authority to assert the unpaid principal amount of the Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note and the performance of the Borrower's obligations under the Deed of Trust and the Regulatory Agreement, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of its obligation to indemnify the Authority under Sections 4.7 and 7.4 of this Agreement, for liability for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 CONSTRUCTION OF THE PROJECT

Section 3.1 Permits and Approvals.

All permits and approvals necessary for the development of all Units on the Property must be received no later than five (5) days following the Closing.

Section 3.2 Plans and Specifications.

(a) Simultaneously with submission to the City Building Department, Borrower shall submit to the Authority a copy of the Construction Plans for the Project. As used in this Agreement, "Construction Plans" shall mean all construction documentation upon which Borrower and Borrower's Contractor shall rely in building all the improvements on the Property (including the Units, landscaping, parking, and common areas) and shall include, but not necessarily be limited to, final architectural drawings, landscaping plans and specifications, final elevations, building plans and specifications (also known as "working drawings").

(b) The Authority shall, if the Construction Plans submitted conform to the provisions of this Agreement, approve in writing such Construction Plans. Unless rejected by the Authority for their failure to comply with the foregoing requirements within fourteen (14) days of submission by Borrower, said Construction Plans shall be deemed accepted; provided, however, that after the commencement of construction, any construction documentation submitted to the Authority for its approval shall be deemed approved if not reasonably disapproved within seven

(7) days following receipt by the Authority. Approval of the Construction Plans by the Authority shall not relieve Borrower's obligation to obtain any and all approvals required by the City Building Department.

(c) If rejected by the Authority in whole or in part, Borrower shall submit new or corrected Construction Plans. The Authority shall then have fourteen (14) days to review and approve Borrower's new or corrected Construction Plans; provided, however, that after the commencement of construction, any construction documentation submitted to the Authority for its approval shall be deemed approved if not reasonably disapproved within seven (7) days following receipt by the Authority. The provisions of this Section relating to time periods for approval, rejection, or resubmission of new or corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. Nothing in this section shall affect Borrower's obligation to obtain any and all approvals of the Construction Plans required by the City Building Department.

Section 3.3 Construction Contract.

(a) Not later than thirty (30) days prior to the proposed commencement of construction of the Units, the Borrower shall submit to the Authority for its approval the proposed construction contract for the Units. All construction work and professional services shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California. Each contract that the Borrower enters for construction of the Project shall provide that at least ten percent (10%) of the costs incurred, not including bond or other soft costs, shall be payable only upon completion of construction, subject to early release of retention for specified subcontractors upon approval by the Authority. The Authority's approval of the construction contract shall in no way be deemed to constitute approval of or concurrence with any term or condition of the construction contract except as such term or condition may be required by this Agreement.

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

Section 3.4 Construction Bonds.

Prior to commencement of construction of the Project, the Borrower shall deliver to the Authority copies of labor and material bonds and performance bonds for the construction of the Project in an amount equal to one hundred percent (100%) of the scheduled costs of the Project. Such bonds shall name the Authority as a co-obligee.

Section 3.5 Commencement of Construction.

Borrower shall cause the commencement of construction of the Project by no later than ten (10) days following the Closing.

Section 3.6 Completion of Construction.

Borrower shall diligently prosecute construction of the Project to completion, and shall cause the completion of the construction of the Project no later than _____.

Section 3.7 Construction Pursuant to Plans and Laws.

(a) Borrower shall construct the Project in substantial conformance with the plans and specifications approved by the City Building Department. Borrower shall notify the Authority in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by the Authority. A written change order authorized by the Authority must be obtained before any of the following changes, additions, or deletions in work for the Project may be performed: (1) any change in the work the cost of which exceeds Seventy-Five Thousand Dollars (\$75,000); or (2) any set of changes in the work the cost of which cumulatively exceeds One Hundred Thousand Dollars (\$100,000) or ten percent (10%) of the Loan amount, whichever is less; or (3) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the Project as provided for in the plans and specifications approved by the Authority. Any written change order submitted to the Authority for its approval shall be deemed approved if not reasonably disapproved within seven (7) days following receipt by the Authority; provided that approval of such change orders by the Authority shall not increase the Authority's liability or obligations under this Agreement. Consent to any additions, changes, or deletions to the work shall not relieve or release Borrower from any other obligations under this Agreement, or relieve or release Borrower or its surety from any surety bond.

(b) Borrower shall cause all work performed in connection with the Project to be performed in compliance with (i) all applicable laws, ordinances, rules and regulations of federal, state, Authority or municipal governments or agencies now in force or that may be enacted hereafter, including (without limitation and where applicable) prevailing wage provisions of the federal Davis-Bacon Act and/or State prevailing wage requirements and their respective implementing rules and regulations as further set forth in Section 4.6(b)(8) below, (ii) the HUD housing quality standards set out in 24 CFR 5.701 and the cost-effective and energy conservation and effectiveness standards in 24 CFR 39, and (iii) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and Borrower shall be responsible to the Authority for the procurement and maintenance thereof, as may be required of Borrower and all entities engaged in work on the Project.

Section 3.8 Marketing Plan.

(a) No later than six (6) months prior to the projected date of the completion of the Project, Borrower shall submit to the Authority for approval its plan for marketing the Project to income-eligible households, including information on affirmative marketing efforts and compliance with fair housing laws. The marketing plan should comply with the Rehousing Policy attached hereto as Exhibit C.

(b) Upon receipt of the marketing plan, the Authority shall promptly review the marketing plan and shall reasonably approve or disapprove it within thirty (30) days after submission. If the marketing plan is not approved, Borrower shall submit a revised marketing plan within thirty (30) days. If the Authority does not approve the revised marketing plan, Borrower shall be in default hereunder.

Section 3.9 Equal Opportunity.

The Borrower, for itself and its successors and assigns, and transferees agrees that in the construction of the Project:

(a) It will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, medical condition, age, marital status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, or retaliation for having filed a discrimination complaint (nondiscrimination factors). The Borrower will take affirmative action to ensure that applicants are considered for employment by the Borrower without regard to the nondiscrimination factors, and that Borrower's employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(b) It will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(c) It will cause the foregoing provisions to be inserted in all contracts for the construction of the Project entered into after the effective date of this Agreement; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

Section 3.10 Minority and Women-Owned Contractors.

Borrower will use its best efforts to afford minority-owned and women-owned business enterprises the maximum practicable opportunity to participate in the construction of the Project. Borrower shall, at a minimum, notify applicable minority-owned and women-owned business firms located in Alameda County of bid opportunities for the construction of Improvements. Documentation of such notifications shall be maintained by Borrower and available to the Authority as requested.

Section 3.11 Progress Reports.

Until such time as Borrower has completed the Project, Borrower shall provide the Authority with quarterly progress reports regarding the status of the construction of the Project, including a certification that the actual construction costs to date conform to the Approved Project Budget, as it may be amended from time to time pursuant to Section 3.15 below. This provision shall be satisfied by submission of the monthly draw request, or a copy thereof, to the Authority.

Section 3.12 Construction Responsibilities.

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

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

Section 3.13 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or a stop notice affecting the Loan is served on the Authority or any other lender or other third party in connection with the Project, then Borrower shall, within thirty (30) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the Authority a surety bond in sufficient form and amount, or provide the Authority with other assurance satisfactory to the Authority that the claim of lien or stop notice will be paid or discharged, provided that the Authority provides written notice of such claim of lien or stop notice to the Borrower promptly upon receipt by the Authority.

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

(c) Borrower shall file a valid notice of cessation or notice of completion upon cessation of construction on the Project for a continuous period of thirty (30) days or more,

except in the event such cessation of construction is caused by adverse weather conditions, and shall take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes the Authority, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the Authority deems necessary or desirable to protect its interest in the Project and Property.

Section 3.14 Inspections.

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

Section 3.15 Approved Project Budget; Revisions to Budget.

As of the date of this Agreement, the Authority has approved the Approved Project Budget set forth in Exhibit B. Borrower shall submit any required amendments to the Approved Project Budget to the Authority for approval monthly if actual costs of the Project vary or will vary from the costs shown on the Approved Project Budget. Written consent of the Authority shall be required to amend the Approved Project Budget.

Section 3.16 Developer Fee.

The Borrower shall pay a developer fee for the Project payable from available sources in the amounts and at times to be shown on the Approved Project Budget, and on draw schedules to be entered into between the Borrower and its lenders, including the Authority. The total amount of the developer fee shall not exceed _____Dollars (\$_____), a portion of which may be deferred net of any Borrower general partner capital contributions, or such lesser amount approved by the City, subject to any restrictions imposed by any other public agency.

Section 3.17 Capital Contributions.

The Borrower shall cause the Investor to make the capital contribution described in section 1.1(c), subsection (iv) above and shall utilize such funds to pay costs of the Project, consistent with the Approved Project Budget.

ARTICLE 4 LOAN REQUIREMENTS

Section 4.1 Compliance with the Regulatory Agreement.

Borrower shall comply with the terms of the Regulatory Agreement and any breach under the Regulatory Agreement, subject to the notice and cure periods set forth in Section 5.1(c) below, shall be considered a Default under this Agreement.

Section 4.2 Financial Accountings and Post-Completion Audits.

No later than sixty (60) days following full occupancy of the Project, Borrower shall provide to Authority a financial accounting of all sources and uses of funds for the Project. No later than twelve (12) months following the completion of construction of the Project, Borrower shall submit an audited financial report showing the sources and uses of all funds utilized for the Project.

Section 4.3 Information.

Borrower shall provide any information reasonably requested by the Authority in connection with the Project.

Section 4.4 Records.

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

(b) The Authority shall notify Borrower of any records it deems insufficient. Borrower shall have fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the Authority in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Borrower shall begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 4.5 Audits.

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

Section 4.6 Additional Requirements.

(a) Borrower shall comply with all applicable laws, regulations and administrative requirements governing the use of the Loan funds. In the event of any conflict between this Agreement and applicable laws, regulations and administrative requirements governing the use of the Loan funds, the applicable laws, regulations and administrative requirements shall govern.

(b) The laws, regulations and administrative requirements governing the use of the Loan funds include (but are not limited to) the following:

(i) Environmental and Historic Preservation. Section 104(f) of the Housing and Community Residence Act of 1974 and 24 CFR Part 58, which prescribe procedures for

compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4361), and the additional laws and authorities listed at 24 CFR 58.5.

(ii) **Applicability of OMB Circulars.** The applicable policies, guidelines, and requirements of OMB Circulars Nos. A-87, A-102, Revised, A-110, A-122, A-133, and A-128.

(iii) **Architectural Barriers.** The requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157).

(iv) **Lead-Based Paint.** The requirement of the Lead-Based Paint Poisoning Prevention Act, as amended (42 U.S.C. 4821 et seq.) and implementing regulations at 24 CFR Part 35.

(v) **Handicap Discrimination.** The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and federal regulations issued pursuant thereto, which prohibit discrimination against the handicapped in any federally assisted program, and the applicable requirements of Title II and/or Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.).

(vi) **Training Opportunities.** The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701(u) ("Section 3"), requiring that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the Project area and agreements for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the areas of the Project.

(vii) **Prevailing Wages.** All applicable labor standards, including the Davis-Bacon Act (40 U.S.C. 276a et seq.) and State prevailing wage laws, as applicable. Pursuant to 24 C.F.R. 965.101, if State prevailing wage rates (including basic hourly rate and any fringe benefits) determined under State law to be prevailing with respect to an employee in any trade exceed the applicable wage rate determined by the Secretary of Labor pursuant to the Davis Bacon Act, the Borrower shall cause the contractor to pay the higher of such State prevailing rates or the applicable the Davis-Bacon wage rates.

(viii) **Drug Free Workplace.** The requirements of the Drug Free Workplace Act of 1988 (P.L. 100-690) and implementing regulations at 24 CFR Part 24.

Section 4.7 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any Hazardous Materials except such of the foregoing as may be customarily used in construction or maintenance of projects like the Project or kept and used in and about residential property of this type.

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

(c) The Authority shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the Authority and its commission members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to: (1) the failure of the Borrower or any other person or entity, other than any indemnitee, to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Project; (2) the presence in, on or under the Project of any Hazardous Materials or any releases or discharges of any Hazardous Materials into, on, under or from the Project, except for any Hazardous Materials that existed in, on, or under those portions of the Property conveyed by the Authority to the Borrower prior to such conveyance; or (3) any activity carried on or undertaken on or off those portions of the Property conveyed by the Authority to the Borrower subsequent to such conveyance, and whether by the Borrower or any successor in title or any employees, agents, contractors or subcontractors of the Borrower or any successor in title, or any third persons at any time occupying or present on the Project, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Project. This obligation to indemnify shall survive termination of this Agreement.

(d) Without the Authority's prior written consent, which shall not be unreasonably withheld, Borrower shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the Authority's reasonable judgment, impair the value of the Authority's security hereunder; provided, however, that the Authority's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the Authority's consent before taking such action, provided that in such event Borrower shall notify the Authority as soon as practicable of

any action so taken. The Authority agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Borrower establishes to the reasonable satisfaction of the Authority that there is no reasonable alternative to such remedial action which would result in less impairment of the Authority's security hereunder; or (iv) the action has been agreed to by the Authority.

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

(f) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Authority's or the trustee's rights and remedies under the Deed of Trust, the Authority may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Borrower to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Authority's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Borrower shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Authority in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) or the maximum rate permitted by law, until paid, shall be added to the indebtedness secured by the Deed of Trust and shall be due and payable to the Authority upon its demand made at any time following the conclusion of such action.

Section 4.8 Maintenance and Damage.

(a) During the course of both construction and operation of the Project, Borrower shall maintain the Project and the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving a notice from the Authority of such a condition, and Borrower has not initiated diligent efforts to cure such condition within

such period, then in addition to any other rights available to the Authority, the Authority shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Project.

Subject to the requirements of senior lenders, and if economically feasible in the Authority's and Borrower's reasonable judgment, if any improvement now or in the future in the Project is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the Authority with such changes as have been approved by the Authority. Such work or repair shall be commenced no later than the later of one hundred twenty (120) days after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter.

(b) In the event of a casualty to the Property (or any portion thereof) or a condemnation affecting the Property or any portion thereof, and it is economically feasible to restore the Property to a physical condition substantially the same or functionally equivalent to that which existed prior to such casualty or condemnation (as reasonably determined by Authority and Borrower), then (unless Authority and Borrower agree otherwise), Borrower shall deposit the insurance or condemnation proceeds (the "Proceeds"), as applicable, into an account created by Borrower to be disbursed for reconstruction of the Property in accordance with such commercially reasonable construction disbursement requirements and procedures as Authority shall require. Notwithstanding the foregoing, to the extent that the holder of senior lien mortgage or deed of trust on the Property directs or consents to the rebuilding or restoration of the Property following a casualty or condemnation, Authority shall not declare a default hereunder and shall consent to such rebuilding or restoration and shall consent to the construction disbursement requirements and procedures required by such senior lien holder.

Section 4.9 Fees and Taxes.

Borrower shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project to the extent owned by Borrower, and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by the Authority, Borrower deposits with the Authority any funds or other forms of assurance that the Authority in good faith from time to time determines appropriate to protect the Authority from the consequences of the contest being unsuccessful.

Section 4.10 Notice of Litigation.

Borrower shall promptly notify the Authority in writing of any litigation materially affecting Borrower or the Project and of any claims or disputes that involve a material risk of such litigation.

Section 4.11 Operation of Project.

(a) Promptly after completion of construction, the Borrower shall operate the Project in accordance with the Regulatory Agreement.

(b) The initial term of the form of lease agreement for the Units shall be for no less than one (1) year, except by mutual agreement between Borrower and the tenant, and shall not contain any provision which is prohibited by applicable law or regulation.

(c) Borrower agrees to rent Units in the Project in compliance with the policies contained in the Rehousing Policy attached hereto as Exhibit C. All references to DHA (the "Dublin Housing Authority") contained therein shall refer to the Authority, which consolidated its operations with DHA as of the date of this Agreement.

Section 4.12 Nondiscrimination.

The Borrower covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, familial status, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Project. The foregoing covenant shall run with the land.

Section 4.13 Transfer.

(a) For purposes of this Agreement, "Transfer" shall mean any sale, assignment, transfer, refinancing, or further encumbrancing, whether voluntary or involuntary, of (i) any rights and/or duties under this Agreement, (ii) any interest in Borrower, and/or (iii) any interest in the Project, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Project is transferred and Borrower retains title. The term "Transfer" shall exclude the leasing of any single Unit in the Project to an occupant in compliance with applicable regulatory agreements including the leasing of Units in compliance with the Regulatory Agreement.

(b) No Transfer shall be permitted without the prior written consent of the Authority, which the Authority may withhold in its discretion. The Loan shall automatically accelerate and be due in full upon any unauthorized Transfer.

(c) The Authority approves the grant of the security interests in the Property described in Section 1.1(c) above.

(d) The Authority approves the transfer of the Property to a limited partnership of which the Borrower or an affiliate of the Borrower is the general partner.

Section 4.14 Insurance Requirements.

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

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

(b) Commercial General Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit and Ten Million Dollars (\$10,000,000) in the aggregate, for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations and Pollution Legal Liability. Such insurance coverage shall:

(i) Include the Authority, its officials, commissioners and employees as insured. The coverage shall contain no special limitations on the scope of protection afforded to the above-listed insured.

(ii) Be primary and non-contributing with respect to any insurance or self-insurance programs covering the Authority, its commissioners, officers and employees.

(iii) Provide that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Authority, its officers, commissioners or employees.

(iv) Include all of Borrower's subcontractors as insured under its policies or furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(c) Comprehensive Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit and Three Million Dollars (\$3,000,000) in the aggregate, annually, for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Borrower does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

(d) Property insurance covering the Project, in form appropriate for the nature of such property, covering all risks of loss including fire, business interruption, rental loss, public liability and boiler damage and liability, and excluding earthquake, for one hundred percent (100%) of the replacement value including the cost of debris removal, without deduction for depreciation, with deductible, if any, acceptable to the Authority, naming the Authority as a Loss Payee, as its interests may appear. Flood insurance shall be obtained if required by applicable federal regulations.

(e) Blanket Fidelity Bond covering all officers and employees, for loss of Loan proceeds caused by dishonesty, in an amount not less than One Million Dollars (\$1,000,000) naming the Authority a Loss Payee, as its interests may appear.

The Borrower shall cause any general contractor, agent, or subcontractor working on the Project under direct contract with the Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described in subsections (a), (b), and (c) above, except that the limit of liability for commercial general liability insurance for subcontractors whose contracts do not exceed Two Hundred Fifty Thousand Dollars (\$250,000) shall be at least Five Hundred Thousand Dollars (\$500,000), and the limit of liability for commercial general liability insurance for subcontractors whose contracts exceed Two Hundred Fifty Thousand Dollars (\$250,000) shall be at least Two Million Dollars (\$2,000,000) provided, however, the Authority shall consider a lower limit for a subcontractor with a contract between Two Hundred Fifty Thousand Dollars (\$250,000) and One Million Dollars (\$1,000,000) if the subcontractor demonstrates to the satisfaction of the Authority that it is unable to obtain insurance at the \$2,000,000 limit. Such insurance shall meet all of the general requirements of subsections (g), (h), and (i) below, including, without limitation, the requirement of subsection (h). Liability and Comprehensive Automobile Liability insurance to be maintained by such contractors and agents pursuant to this subsection shall name as additional insureds the Authority, its officers, agents, employees and members of the Authority Commission.

(f) In addition to the above insurance requirements, the Borrower shall:

(i) Prior to commencement to work on the Project, furnish the Authority with properly executed certificates of insurance which shall clearly evidence all insurance required in sections (a) through (f), and provide that such insurance shall not be cancelled, allowed to expire or be materially reduced in coverage except on 30 days prior written notice to the Authority.

(ii) Provide certified copies of endorsements and policies to the Authority in addition to certificates of insurance.

(iii) Replace certificates, policies and endorsements for any such insurance expiring prior to completion of work on the Project.

(iv) Place such insurance with insurers approved to do business in California and having A.M. Best Company ratings of no less than A:VII, or such other rating acceptable to the Authority.

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

(h) Commercial General Liability, Comprehensive Automobile Liability and Property insurance policies shall be endorsed to name as an additional insured the Authority and its officers, agents, employees and members of the Authority Commission.

(i) All policies and bonds shall be endorsed to provide thirty (30) days prior written notice of cancellation, reduction in coverage, or intent not to renew to the address established for notices to the Authority.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

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

(a) Failure to Construct. Subject to Section 7.14, failure of Borrower to commence and complete construction of the Project within ninety (90) days of the times set forth in Article 3 above, unless extended by the Authority.

(b) Failure to Make Payment. Failure to repay the principal and any interest on the Loan within ten (10) days of receipt of written notice from the Authority that such payment is due pursuant to the Loan Documents.

(c) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the Authority to the Borrower or, if the breach cannot be cured within thirty (30) days, the Borrower shall not be in breach so long as Borrower is diligently undertaking to cure such breach and such breach is cured within ninety (90) days; provided, however, that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(d) Default Under Other Loans. Failure to make any payment or perform any of Borrower's covenants, agreements, or obligations under the documents evidencing and securing the Approved Financing following expiration of all applicable notice and cure periods.

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

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

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

(h) Liens on Project. There shall be filed any claim of lien (other than liens approved in writing by the Authority) against the Project or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the Authority.

(i) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Project.

(j) Unauthorized Transfer. Any Transfer other than as permitted by Section 4.13.

(k) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the Authority in connection with any of the Loan Documents, proving to have been knowingly incorrect in any material respect when made. After completion of the Project, Default may be declared under this subsection only if the failure of representation or warranty also has a material adverse effect on the operation of the Project.

Section 5.2 Notice to Investor.

Authority shall give to Investor at the address set forth in Section 7.9 hereof a duplicate copy of all notices of default or other notices that Authority may give to or serve in writing upon Borrower pursuant to the terms of this Agreement. The address of Investor set forth in Section 7.9 may be changed upon written notice delivered to Authority in the manner specified in Section 7.9 herein below. No notice of default given to Borrower shall be effective until the Investor receives such notice.

Section 5.3 Right of Investor to Cure.

Notwithstanding any default by Borrower under this Agreement, Authority shall have no right to terminate this Agreement or exercise any remedies hereunder or under applicable law or take any other enforcement action hereunder unless Authority shall have first given Investor written notice of such default and Investor shall have failed to remedy such default or remove the general partner within the applicable cure period.

Section 5.4 Remedies.

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

(a) Acceleration of Note. The Authority shall have the right to cause all indebtedness of the Borrower to the Authority under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The Authority may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the Authority as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. The Borrower shall be liable to pay the Authority on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the Authority in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

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

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

Section 5.5 Right of Contest.

Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the Authority or the rights of the Authority hereunder.

Section 5.6 Remedies Cumulative.

No right, power, or remedy given to the Authority by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Authority by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part

of the Authority to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Authority of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 6.1 Borrower's Warranty of Good Standing and Authority.

Borrower hereby represents and warrants to the Authority as follows:

(a) Organization. Borrower is duly organized and validly existing and is (or shall be prior to the commencement of activities under this Agreement) in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

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

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

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

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

upon any assets or property of Borrower, other than liens established pursuant to the Loan Documents.

(f) Pending Proceedings. Except as disclosed in writing to Authority prior to execution of this Agreement, Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and, to the best of its knowledge, there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Project, at law or in equity, before or by any court, board, commission or agency whatsoever.

(g) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the Authority fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Borrower from that shown by such financial statements and other data and information.

ARTICLE 7 GENERAL PROVISIONS

Section 7.1 Relationship of Parties.

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

Section 7.2 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the Authority by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the acquisition of the Property, the construction of the Improvements, or the operation of the Project, and Borrower shall include similar requirements in any contracts entered into for the acquisition of the Property, the construction of the Improvements, or the operation of the Project.

Section 7.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

Section 7.4 Indemnification.

The Borrower shall indemnify, defend and hold the Authority harmless against all claims made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with the acquisition of the Property, or the development, construction, marketing and operation of the Project, except to the extent such claim arises from the grossly negligent or willful misconduct of the Authority, its agents, and its employees. The provisions of this Section 7.4 shall survive the expiration of the Term and the reconveyance of the Deed of Trust and the Regulatory Agreement.

Section 7.5 Non-Liability of Authority Officials, Employees and Agents.

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

Section 7.6 No Third Party Beneficiaries.

There shall be no third party beneficiaries to this Agreement, except that the Investor shall be a third party beneficiary with respect to notice and cure rights granted the limited partner in this Agreement.

Section 7.7 Discretion Retained By Authority.

The Authority's execution of this Agreement in no way limits the discretion of the Authority in the review and approval process in connection with development of the Project.

Section 7.8 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 7.8(b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 7.8(a) is followed.

(b) The conflict of interest provisions of Section 7.8(a) above apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person,

or any elected or appointed official of the Authority or the Borrower, or any person related within the third (3rd) degree of such person.

Section 7.9 Notices, Demands and Communications.

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

Authority:

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633
Attention: Executive Director

Borrower:

Eden Housing, Inc.
22645 Grand Avenue
Hayward, CA 94541
Attention: Executive Director

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

Section 7.10 Applicable Law.

This Agreement shall be governed by California law.

Section 7.11 Parties Bound.

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

Section 7.12 Attorneys' Fees.

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

Section 7.13 Severability.

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

Section 7.14 Force Majeure.

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

Section 7.15 Authority Approval.

Whenever this Agreement calls for Authority approval, consent, or waiver, the written approval, consent, or waiver of the Authority Executive Director shall constitute the approval, consent, or waiver of the Authority, without further authorization required from the Authority Commission. The Authority hereby authorizes the Authority Executive Director to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the Authority. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The Authority Executive Director is also hereby authorized to approve, on behalf of the Authority, requests by Borrower for reasonable extensions of time deadlines set forth in this Agreement. The Authority shall not unreasonably delay in reviewing and approving or disapproving any proposal by Borrower made in connection with this Agreement.

Section 7.16 Waivers.

Any waiver by the Authority of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the Authority to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or

applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Authority to any act or omission by Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the Authority's written consent to future waivers.

Section 7.17 Title of Parts and Sections.

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

Section 7.18 Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the Loan.

Section 7.19 Multiple Originals; Counterpart.

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

Section 7.20 Exhibits.

Exhibits A, B and C are incorporated into and hereby made a part of this Agreement.

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

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF
ALAMEDA, a public body, corporate and politic

By: _____
Christine Gouig, Executive Director

BORROWER:

EDEN HOUSING, INC., a California nonprofit
public benefit corporation

By: _____
Linda Mandolini, Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

APPROVED PROJECT BUDGET

	AM	AN	AO	AP	AG	AR	AS	AT	AU	AV	AW	AX
1	SOURCES AND USES OF FUNDS											
2	SOURCES OF FUNDS											
3	AMOUNT											
4	First Mortgage	15,201,000	Fully amortizing tax-exempt loan, 35 year amo, 1.15 DGC				8.330%	Term	DGC	includes issuer fee		
5	Construction Loan, Series A	15,201,000	Tax-exempt construction loan, fixed rate, draw down private pi				6.330%	35	1.15			
6	Construction Loan, Series B	13,896,444	Tax-exempt construction loan, private placement draw down bi				5.000%					
7							0.000%					
8	Second Mortgage	11,000,000	Dublin Housing Authority Loan, 3% deferred, 55 years				1.780%					
9		228,433	Deferred interest during construction									
10	Third Mortgage	7,600,000	Dublin RDA, 3% deferred, 55 years				1.78%					
11		157,827	Deferred interest during construction									
12	Fourth Mortgage	1,290,000	AHP Loan via _____, 0%, 55 years				0.00%					
13		166,373	Deferred Developer Fee									
14	General Partner @ .01%	100										
15	Limited Partner @ 99.99%	19,920,806										
16	TOTAL SOURCES	84,663,983					1,833,527					
17												
18												
19												
20	USES OF FUNDS											
21	Land Acquisition and Related	1	98.38%	1.6197%								
22	Land Acquisition Title and Legal	40,000	Residential Cost	Commercial Cost	DEPREC- IABLE	BASIS FOR 4% HOUSING TAX CREDIT	EXPENSED/ AMORTIZED	NON DEPRECIABLE				
23	Demolition	451,500	40,000									
24	Environmental Remediation	115,500	451,500									
25	Site Maintenance	31,500	115,500									
26	Off-Site Improvements	1,549,800	31,500									
27	Site Work and Utilities	3,474,993	1,549,800	25,103	1,549,800	1,524,697						
28	Childcare Construction	428,371	3,474,993	56,285	3,474,993	3,418,708						
29	Construction - Structures	25,658,750	428,371	0	428,371							
30	General Requirements, O&P, GC Contin.	3,156,310	25,658,750	51,124	25,658,750	25,658,750						
31	Personal Property in Constr. Contract	360,000	3,156,310	3,105,186	3,156,310	3,105,186						
32	Construction and Bldg Contingency	3,045,915	360,000	49,335	3,045,915	2,996,580						
33	Contractor Permit, Bond and Insurance	483,190	3,045,915	7,626	483,190	475,564						
34	Architecture	1,551,020	483,190	25,264	1,551,020	1,535,756						
35	Engineering, Soils, Survey, testing	820,314	1,551,020	13,287	820,314	807,027						
36	Construction mgmt, prev wage monitoring	170,000	820,314	2,754	170,000	167,246						
37	Building Permits/Fees	6,521,550	170,000	107,251	6,521,550	6,514,299						
38	Environmental Reports	45,000	6,521,550	729	45,000	44,271						
39	Predevelopment Interest	30,000	45,000	486	30,000	29,514						
40	Construction Loan Interest During Construct	582,167	30,000		582,167	582,167						
41	Constr. Loan Interest - C. of O. to Conversic	1,041,378	582,167		1,041,378		1,041,378					
42	Deferred Constr. Loan Int. Deferred Loans	386,260	1,041,378		386,260	386,260						
43	Negative Arbitrage during construction	0	386,260		0	0						
44	Costs of Bond Issuance	617,703	0		617,703	617,703						
45	Appraisal	10,000	617,703		10,000	10,000						
46	Insurance During Construct.	384,696	10,000	6,231	384,696	378,465						
47	Taxes during construction	0	384,696	0	0	0						
48	Construction Loan Fees and Costs	0	0	0	0	0						
49	Letter of Credit Fee, 2nd Year, perm tranche	0	0		0	0						
50	Permanent Loan Fee and Costs	0	0		0	0						
51	Title, Permanent Financing	30,000	0		30,000	30,000						
52	Legal-	0	30,000		0	0						
53	Legal - Const Loan	45,000	0		45,000	45,000						
54	Legal - Perm Loans	35,000	45,000		35,000	35,000						
55	Legal - Syndication	40,000	35,000		40,000	40,000						
56	Legal- Organization	6,000	40,000		6,000	6,000						
57	Tax Credit Allocating Agency Fees	89,997	6,000		89,997	89,997						
58	Syndication Consultant	50,000	89,997		50,000	50,000						
59	Marketing Expenses	195,000	50,000		195,000	195,000						
60	Furnishings	180,000	195,000		180,000	180,000						
61	Market Study	20,000	180,000		20,000	20,000						
62	Developer Fee	2,000,000	20,000		2,000,000	2,000,000						
63	Soft Cost Contingency	460,710	2,000,000	32,395	460,710	460,710						
64	Audit and Project Accounting	26,000	460,710	7,462	26,000	26,000						
65	Capitalized Services Reserve	200,000	26,000		200,000	200,000						
66	Capitalized Operating Reserve	1,120,915	200,000		1,120,915	1,120,915						
67	Repayment of Construction Loan	29,099,444	1,120,915		29,099,444	29,099,444						
68	TOTAL DEVELOPMENT COSTS	84,663,983	29,099,444	814,344	51,585,432	50,211,366	1,903,692	31,174,860				
69	total net costs	55,564,539										
70												
71							862,314					

COSTS OF ISSUANCE	
Bond Counsel	50,000
Issuer	59,325
Issuer Monitoring, 2 years const.	58,199
Bond Buyer Origination Fee	290,994
Bond Buyer Conversion Fee	10,000
Bond Buyer Counsel	60,000
Bond Buyer Charges	25,000

CDLAC and CDIAIC fees	14,185
Title	50,000
Total Costs of Issuance	817,708

Lender Costs:	
Perm Lender Origination Fee	
Perm Lender App Fee	
Perm Lender Counsel	
Credit Enhancer Counsel	
Total Perm Loan Fees	0

Const. L.C. Origination Fee	
Construction L.C. 1st Year Fee	
Construction L.C. Counsel	
Construction Lender Charges	
Total Construction Lender Fees	0

50% TEST FOR TAX EXEMPT BONDS	
Land	638,501
Building Basis	51,585,432
Total	52,223,933
Tax Exempt Constructic	29,099,444
Percentage Tax Exempt	55.72%

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	INCOME, EXPENSES, AND CASH FLOW ANALYSIS					util allow.	1 senior	1 family	2	3	4	Section 8	1 senior	1 family	2 bed	3 bed	4 bed			
2						\$1	\$3	\$2	\$5	\$9	\$19	rents	1,360	1,348	1,589	2,167	2,687			
3		Factor	# of Units	Initial Rents																
4	Unit Size				2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
5	1 BR 30% AMI, Senior	2.500%	5	457	2,348	24,620	28,166	28,870	29,592	30,331	31,090	31,867	32,664	33,480	34,317	35,175	36,054	36,956	37,880	38,827
6	1 BR 40% AMI, Senior	2.500%	10	527	6,442	68,106	77,296	79,218	81,199	83,229	85,309	87,442	89,628	91,869	94,166	96,520	98,933	101,406	103,941	106,540
7	1 BR 50% AMI, Senior	2.500%	34	796	27,808	293,975	333,600	341,940	350,488	359,250	368,232	377,438	386,873	396,545	406,459	416,620	427,036	437,712	448,655	459,871
8	1 BR 30% AMI, Family	2.500%	2	445	914	9,667	10,970	11,245	11,526	11,814	12,109	12,412	12,722	13,040	13,366	13,701	14,043	14,394	14,754	15,123
9	1 BR 50% AMI, Family	2.500%	7	784	5,639	59,512	67,647	69,338	71,072	72,848	74,670	76,536	78,450	80,411	82,421	84,482	86,594	88,759	90,978	93,252
10	1 BR 55% AMI, Family	2.500%	2	869	1,786	18,879	21,423	21,959	22,508	23,070	23,647	24,238	24,844	25,465	26,102	26,755	27,423	28,109	28,812	29,532
11	1 BR, 80% AMI, Family	2.500%	1	954	980	10,363	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,978	14,328	14,686	15,053	15,429	15,815	16,210
12	2 BR 30% AMI, Family	2.500%	8	527	4,332	45,795	51,968	53,267	54,599	55,964	57,363	58,797	60,267	61,773	63,318	64,901	66,523	68,186	69,891	71,638
13	2 BR 40% AMI, Family	2.500%	14	731	10,515	111,164	126,148	129,301	132,534	135,847	139,243	142,724	146,293	149,950	153,699	157,541	161,480	165,517	169,655	173,896
14	2 BR 50% AMI, Family	2.500%	29	934	27,831	294,214	333,871	342,218	350,773	359,543	368,531	377,744	387,188	396,868	406,789	416,959	427,383	438,068	448,919	460,245
15	2 BR 55% AMI, Family	2.500%	13	1035	13,825	146,151	165,851	169,997	174,247	178,603	183,068	187,645	192,336	197,144	202,073	207,125	212,303	217,611	223,051	228,627
16	2 BR 80% AMI, Family	2.500%	1	1137	1,168	12,350	14,015	14,365	14,725	15,093	15,470	15,857	16,253	16,659	17,076	17,503	17,940	18,389	18,849	19,320
17	3 BR 30% AMI, Family	2.500%	5	605	3,108	32,858	37,287	38,219	39,175	40,154	41,158	42,187	43,242	44,323	45,431	46,567	47,731	48,924	50,147	51,401
18	3 BR 40% AMI, Family	2.500%	6	840	5,179	54,745	62,125	63,678	65,270	66,902	68,574	70,288	72,046	73,847	75,693	77,585	79,525	81,513	83,551	85,640
19	3 BR 50% AMI, Family	2.500%	16	1075	17,673	186,030	212,013	217,313	222,746	228,315	234,023	239,873	245,870	252,017	258,317	264,775	271,394	278,179	285,134	292,262
20	3 BR 55% AMI, Family	2.500%	8	1152	9,798	103,582	117,544	120,482	123,495	126,582	129,745	132,980	136,315	139,732	143,216	146,756	150,355	154,028	157,783	161,628
21	3 BR 80% AMI, Family	2.500%	1	1310	1,345	14,229	16,147	16,551	16,965	17,389	17,824	18,269	18,725	19,194	19,674	20,166	20,670	21,187	21,717	22,259
22	4 BR 30% AMI, Family	2.500%	2	667	1,371	14,490	16,443	16,854	17,275	17,708	18,150	18,604	19,069	19,546	20,035	20,535	21,049	21,575	22,114	22,667
23	4 BR 40% AMI, Family	2.500%	7	929	6,682	70,637	80,158	82,162	84,216	86,322	88,480	90,692	92,959	95,283	97,665	100,107	102,609	105,174	107,804	110,499
24	4 BR 50% AMI, Family	2.500%	6	1191	7,343	77,621	88,084	90,286	92,543	94,857	97,228	99,659	102,150	104,704	107,322	110,005	112,755	115,574	118,463	121,425
25	4 BR 80% AMI, Family	2.500%	1	1453	1,493	15,783	17,910	18,358	18,817	19,287	19,769	20,264	20,770	21,290	21,822	22,367	22,927	23,500	24,087	24,689
26	Manager's Units 2 BR	2.500%	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Subtotal		180		157,582	1,665,871	1,890,415	1,937,676	1,986,117	2,035,770	2,086,665	2,138,831	2,192,302	2,247,110	2,303,287	2,360,870	2,419,891	2,480,389	2,542,398	2,605,958
28	Vacancy Allowance	5.00%			7,879	83,294	94,521	96,884	99,306	101,789	104,333	106,942	109,615	112,355	115,164	118,043	120,995	124,019	127,120	130,298
29	Laundry and Misc. Income	2.50%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Gross Residential Income from tax credit rents				149,702	1,582,577	1,795,894	1,840,792	1,886,812	1,933,982	1,982,331	2,031,890	2,082,687	2,134,754	2,188,123	2,242,826	2,298,897	2,356,369	2,415,278	2,475,660
31	Incremental Income from Section 8 Income																			
32	1 BR 30% AMI, Senior	2.500%	5	903	4,639	49,043	55,653	57,045	58,471	59,933	61,431	62,967	64,541	66,154	67,808	69,503	71,241	73,022	74,848	76,719
33	1 BR 40% AMI, Senior	2.500%	10	733	7,532	79,620	90,352	92,611	94,926	97,299	99,732	102,225	104,781	107,400	110,085	112,837	115,658	118,550	121,513	124,551
34	1 BR 50% AMI, Senior	2.500%	34	964	19,703	208,294	236,370	242,279	248,336	254,544	260,908	267,431	274,116	280,969	287,994	295,193	302,573	310,138	317,891	325,838
35	1 BR 55% AMI, Family	2.500%	1	564	580	6,125	6,952	7,125	7,304	7,487	7,674	7,866	8,062	8,264	8,470	8,682	8,899	9,122	9,350	9,583
36	1 BR 55% AMI, Family	2.500%	2	479	984	10,405	11,809	12,104	12,405	12,717	13,035	13,360	13,694	14,037	14,389	14,747	15,116	15,494	15,881	16,278
37	2 BR 50% AMI, Family	2.500%	3	655	2,019	21,344	24,221	24,827	25,447	26,084	26,736	27,404	28,089	28,791	29,511	30,249	31,005	31,780	32,575	33,389
38	2 BR 55% AMI, Family	2.500%	13	554	7,400	78,230	88,774	90,994	93,268	95,600	97,990	100,440	102,951	105,525	108,163	110,867	113,639	116,479	119,391	122,376
39	3 BR 55% AMI, Family	2.500%	7	975	7,013	74,135	84,127	86,230	88,366	90,536	92,861	95,242	97,682	100,001	102,501	105,083	107,690	110,382	113,142	115,970
40	4 BR 50% AMI, Family	2.500%	6	1,496	9,223	97,499	110,641	113,407	116,242	119,148	122,127	125,180	128,310	131,518	134,805	138,176	141,630	145,171	148,800	152,520
41	Subtotal		81		59,093	624,696	708,900	726,622	744,788	763,407	782,492	802,055	822,106	842,659	863,725	885,318	907,451	930,138	953,391	977,226
42	Vacancy Allowance	5.00%			2,955	31,235	35,445	36,331	37,239	38,170	39,125	40,103	41,105	42,133	43,186	44,266	45,373	46,507	47,670	48,861
43	Gross Residential Income from Incremental Sect. 8				56,138	593,461	673,455	690,291	707,548	725,237	743,368	761,952	781,001	800,526	820,539	841,052	862,079	883,631	905,722	928,365
44	Total Residential Income				205,840	2,175,039	2,469,349	2,531,083	2,594,360	2,659,219	2,725,699	2,793,842	2,863,688	2,935,280	3,008,662	3,083,879	3,160,976	3,240,000	3,321,000	3,404,025
45																				
46	Operating Expenses	3.50%			91,704	1,074,210	1,111,807	1,150,720	1,190,995	1,232,680	1,275,824	1,320,478	1,366,695	1,414,529	1,464,037	1,515,279	1,568,314	1,623,205	1,680,017	1,738,817
47	NET INCOME				114,136	1,101,829	1,357,542	1,380,363	1,403,364	1,426,539	1,449,875	1,473,364	1,496,993	1,520,751	1,544,825	1,569,600	1,595,662	1,616,795	1,640,983	1,665,208
48																				
49	Construction Loan Interest Post C of O Paid from Operations																			
50	Debt Service on First Mortgage (Amort. Starts 7/1/13)				0	540,415	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829	1,080,829
51	Deposit to Replacement Reserves		500		90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
52	Net Cash Available				114,136	471,414	186,713	209,533	232,535	255,709	279,046	302,535	326,154	349,922	373,795	397,770	421,833	445,966	470,154	494,378
53						1,872	1,173	1,194	1,215	1,237	1,258	1,280	1,302	1,324	1,346	1,368	1,390	1,413	1,435	1,457
54	USES OF AVAILABLE CASH																			
55																				
56	Deferred Dev Fee paid from Priority Cash Flow	166,373			86,636	79,737	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Asset Management Fee				2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895
58	Partnership Management Fee				25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949
59	Residual Receipts to Housing Authority	35.48%			0	128,931	55,901	63,688	71,530	79,423	87,365	95,350	1							

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
72	Operating & Maintenance	3.50%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
73	Taxes and Insurance	3.50%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	On Site Service Coordination	3.50%			63,000	5,394	63,189	66,400	67,689	70,059	72,511	75,048	77,675	80,394	83,208	86,120	89,134	92,254	95,483	98,825
75	TOTAL OPERATING EXPENSES				1,071,000	91,704	1,074,210	1,111,807	1,150,720	1,190,995	1,232,680	1,275,824	1,320,478	1,366,695	1,414,529	1,464,037	1,515,279	1,568,314	1,623,205	1,680,017
76								3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
77	REPLACEMENT RESERVE ANALYSIS																			
78	Annual Deposit				0	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
79	Withdrawal for Capital Improvements									460,945					463,986					464,019
80	Interest on Balance		2.00%		0	0	1,800	3,636	5,509	2,809		56	1,857	3,694	5,568		57	1,858	3,696	5,569
81	End of the Year Balance				0	90,000	181,800	275,436	370,945	2,809	92,866	184,723	278,417	373,986	2,840	92,897	184,755	278,450	374,019	2,840
82																				
83	OPERATING RESERVE ANALYSIS																			
84	Initial Deposit				1,120,915															
85	Interest on Balance		2.00%			22,418	22,867	23,324	23,790	24,266	24,752	25,247	25,752	26,267	26,792	27,328	27,874	28,432	29,000	29,580
86	End of the Year Balance				1,120,915	1,143,333	1,166,200	1,189,524	1,213,314	1,237,580	1,262,332	1,287,579	1,313,330	1,339,597	1,366,389	1,393,716	1,421,591	1,450,023	1,479,023	1,508,604

	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK
17	SOURCES AND USES OF CAPITAL CONTRIBUTIONS AND LOAN PROCEEDS									
18	Source of Loan or Equity	TOTAL COST	15,201,000 Mortgage Loan	29,099,444 Tax-exempt const. Loan	11,228,433 Housing Authority Loan	7,757,827 RDA Loan	1,290,000 AHP Loan	166,373 Deferred Dev. Fee	100 GP Equity	19,920,806 LP
19										
20										
21	Land Acquisition and Related	1				1				0
22	Land Acquisition Title and Legal	40,000				40,000				0
23	Demolition	451,500				451,500				0
24	Environmental Remediation	115,500				115,500				0
25	Site Maintenance	31,500				31,500				0
26	Off-Site Improvements	1,549,800		1,549,800						0
27	Site Work and Utilities	3,474,993		2,578,250		896,743				0
28	Childcare Construction	428,371			428,371					0
29	Construction - Structures	25,658,750		14,984,520	9,384,230		1,290,000			0
30	General Requirements, O&P, GC Contin.	3,156,310		3,156,310						0
31	Personal Property in Constr. Contract	360,000		360,000						0
32	Construction and Bid Contingency	3,045,915		3,045,915						0
33	Contractor Permit, Bond and Insurance	483,190		483,190						0
34	Architecture	1,561,020		312,204		1,248,816				0
35	Engineering, Soils, Survey, testing	820,314		0		820,314				0
36	Construction mgmt, prev wage monitoring	170,000		170,000						0
37	Building Permits/Fees	6,521,650		0		3,979,429				2,642,121
38	Environmental Reports	45,000		0	45,000					0
39	Preddevelopment Interest	30,000		0	30,000					0
40	Construction Loan Interest During Construction	582,167		582,167						0
41	Constr. Loan Interest - C. of O. to Conversion	1,041,378		1,041,378						0
42	Deferred Constr. Loan Int., Deferred Loans	386,260			228,433	157,827				0
43	Negative Arbitrage during construction	0			0					0
44	Costs of Bond Issuance	617,703			617,703					0
45	Appraisal	10,000		0	10,000					0
46	Insurance During Construc.	384,696		0	384,696					0
47	Taxes during construction	0		0	0					0
48	Construction Loan Fees and Costs	0			0					0
49	Letter of Credit Fee, 2nd Year, perm tranche	0			0					0
50	Permanent Loan Fee and Costs	0		0	0					0
51	Title, Permanent Financing	30,000	30,000							0
52	Legal-	0	0							0
53	Legal - Const Loan	45,000		0	45,000					0
54	Legal - Perm Loans	35,000		0	35,000					0
55	Legal - Syndication	40,000								40,000
56	Legal- Organization	6,000								6,000
57	Tax Credit Allocating Agency Fees	89,997				16,197				73,800
58	Syndication Consultant	50,000								50,000
59	Marketing Expenses	195,000		195,000						0
60	Furnishings	180,000		180,000						0
61	Market Study	20,000		0	20,000					0
62	Developer Fee	2,000,000						166,373		1,833,627
63	Soft Cost Contingency	460,710		460,710						0
64	Audit and Project Accounting	25,000								25,000
65	Capitalized Services Reserve	200,000								200,000
66	Capitalized Operating Reserve	1,120,915							100	1,120,915
67	Repayment of Construction Loan	29,099,444	15,171,000							13,928,444
68	TOTAL DEVELOPMENT COSTS	84,663,983	15,201,000	29,099,444	11,228,433	7,757,827	1,290,000	166,373	100	19,920,806

EXHIBIT C
REHOUSING POLICY

Rehousing Policy

ARROYO VISTA REHOUSING POLICY

Arroyo Vista residents who relocated from Arroyo Vista after April 11, 2007, (“Prior Residents”) will have first preference over applicants who are not Prior Residents for the newly constructed units at the redeveloped Arroyo Vista (the “New Development”). Federal, state, and local fair housing laws will apply uniformly to all units in the New Development.

Contact List

DHA will prepare and maintain a Contact List of all Prior Residents. The Contact List will include last known contact information for all Prior Residents, including the Prior Residents’ names, addresses, telephone numbers, and if available, e-mail addresses. DHA will update the Contact List whenever a Current Resident becomes a Prior Resident, and whenever a Prior Resident notifies DHA of a change in address, telephone number, or e-mail address. DHA will remove a Prior Resident from the Contact List only if the Prior Resident makes an affirmative written request for DHA to remove the Prior Resident from the Contact List. To be sure to receive timely notices regarding the New Development, however, Prior Residents should be sure to inform DHA in writing any time their contact information changes.

DHA will mail regular Progress Reports regarding the New Development to persons on the Contact List.

Rental Project: Family Units and Senior Units

Prior Residents with household incomes at or below 80% of the Area Median Income (“AMI”) at the time the Family Units and the Senior Units become available for occupancy shall have a preference for a rental unit at the New Development. Eden Housing Inc. (“Eden”) will offer reasonable accommodations for disability to all prospective tenants, and to all households selected to occupy units at the New Development. Eden will accept Housing Choice Vouchers (“tenant-based Section 8”) for all units in the New Development except for those supported with “project-based” Section 8 vouchers.

Notice of Availability

Approximately six months before the anticipated date of occupancy, DHA will notify the Contact List by mail that rental units in the New Development will be available. This notice will inform persons on the Contact List that they may apply for units, and will tell them the deadline by which they must submit applications to Eden. Prior Residents will be given at least four weeks’ advance notice of the date when applications will be available, and applications will be due four weeks after they become available. A more detailed timetable for advertising and leasing apartments in the New Development is shown on the “Lease-Up Timeline” attached as Exhibit 1 to this Policy.

Tenant Eligibility

Eden will apply the following criteria to determine whether a Prior Resident is eligible to rent a Senior Unit or a Family Unit in the New Development.

Income Eligibility: The Family Units and the Senior Units will be available for occupancy only by households with incomes below 60% of AMI, except that four of the Family Units may be available for initial occupancy by households with incomes between 60% and 80% of AMI. The Family Units and the Senior Units may be subject to additional income restrictions that will depend on the funding sources Eden uses for the New Development.

Prospective tenants in the New Development will need to provide income information to Eden, so that Eden can confirm their eligibility for residence in the New Development. If HACA has certified a Prior Resident's income eligibility for the Housing Choice Voucher program within 90 days prior to occupancy of a Family Unit or a Senior Unit, Eden will obtain the necessary income eligibility information from HACA, provided that the Prior Resident authorizes release of such income eligibility information to Eden. If any necessary income eligibility information is not available in the HACA file, Eden will request that information from the Prior Resident. If HACA has not certified the household's income eligibility within 90 days before intended occupancy of a unit at the New Development, or if the Prior Resident does not authorize HACA to release income eligibility information to Eden, Eden will conduct its customary income screen, and Eden will request that information from the Prior Resident.

Background Checks: Any Prior Resident who has a Housing Choice Voucher at the time he or she applies to lease an apartment at the New Development will be presumptively eligible to lease an apartment, except that Eden will not rent to registered sex offenders even if they lived at Arroyo Vista and are in good standing with the Housing Choice Voucher program. Aside from screening Prior Residents to determine whether or not they are registered as sex offenders, Eden will not conduct criminal background checks on any Prior Residents. For Prior Residents who do not hold Housing Choice Vouchers, Eden reserves the right to consider rental history and ability to pay in determining eligibility to lease at the New Development.

HACA conducts a criminal background screening on any adult member added to a Housing Choice Voucher household. Therefore, Eden will not conduct its usual criminal background screening on any adult proposed as a member of a Prior Resident's household who was not an adult member of that household while the household resided at Arroyo Vista *if* HACA has already screened the new adult member, *and if* the Prior Resident authorizes the release of such criminal background information to Eden. If a household wishes to add a new adult upon moving into the New Development, *or if* the Prior Resident does not authorize HACA to release criminal background information to Eden regarding persons in the Prior Resident's household who were not adult residents at Arroyo Vista, Eden will conduct a full criminal background screening on such persons in the same manner that Eden conducts such screenings for other prospective tenants who never lived at Arroyo Vista.

Age: By law, Eden may make Senior Units available only to households in which the head of household or co-head of household is age 62 or older. Family Units are available to households without restriction as to the ages of household members. If Family Units become available for occupancy before Senior Units, Prior Residents who wish to apply only for Senior Units may decline to apply for Family Units without losing their Prior Resident preference for Senior Units when those units become available. Likewise, Prior Residents eligible for Senior Units who elect to rent Family Units if Family Units become available before Senior Units will retain a Prior

Resident preference for Senior Units if they wish to move from a Family Unit to a Senior Unit when Senior Units become available.

Assignment of Eligible Prior Residents to Available Family Units or Senior Units

Laws and funding regulations that apply to Eden require Eden to assign tenants to apartments of appropriate size for the tenant's household. Eden will make a determination of appropriate unit size in conjunction with its program requirements, and with the Prior Resident's Housing Choice Voucher if the Prior Resident intends to pay a portion of his or her rent using such a voucher. Eden will assign households to apartments in accordance with the following guidelines:

<u>Bedroom Size</u>	<u>Minimum Persons</u>	<u>Maximum Persons</u>
1-Bedroom	1	3
2-Bedroom	2	5
3-Bedroom	4	7
4-Bedroom	6	9

Variations will be permissible only as reasonable accommodations for disability.

Eden will assign eligible Prior Residents first into units not supported with project-based Section 8 vouchers, in order to maximize subsidy to the project and continue Prior Residents' tenant-based voucher flexibility. Prior Residents' preference for units at the New Development will also apply to units supported with project-based Section 8 vouchers, however.

Eden will also match Prior Residents with available units based on accessibility, to ensure that adaptable or accessible units are available to accommodate as many households requiring such features as possible. If any Prior Resident requires a physical modification to an available apartment to make that apartment accessible to the Prior Resident's household, Eden will carry out such modifications in accordance with its reasonable accommodation policy, at no cost to the prospective tenant.

If these criteria make Eden unable to offer a Family Unit or a Senior Unit at the New Development to every Prior Resident who would like one, Eden will use a lottery system to allocate units among households.

If an apartment of appropriate size and accessibility is not available to a returning Prior Resident, Eden will place the household on a Prior Resident Waiting List, with preference for the next available unit of appropriate size and/or accessibility.

If Eden offers a Prior Resident a unit at the New Development and the Prior Resident refuses the unit, Eden will place the household on the Prior Resident Waiting List, with preference for the next available unit of appropriate size and accessibility. A Prior Resident may decline an available unit twice without losing preference on the Prior Resident Waiting List. After the third decline, a Prior Resident who wishes to remain on the waiting list for subsequently available

units will be placed at the bottom of the General Waiting List, just as would any member of the general public who declined an available unit but wished to remain on the waiting list.

Additional details regarding the Wait List, Tenant Selection, and Lottery Procedures are provided in Exhibit 2 to this Policy.

Move-Back Expenses

If Prior Residents need cash advances for moving expenses back to the New Development, HACA will make loans for such expenses. The maximum amount will be \$1500 per household, and HACA will require repayment within 90 days, pursuant to a repayment agreement executed by HACA and the Prior Resident. HACA will advise Prior Residents to use this assistance only if absolutely necessary, because failure to repay the loan will jeopardize continuing eligibility for Housing Choice Voucher assistance.

Eden will limit security deposits at the New Development to one month of the tenant's share of rent. If a Prior Resident does not have the required security deposit when customarily required by Eden, Eden will permit payment of the security deposit over a 90-day period, with an approved payment plan. Prior Residents should use this payment plan only if absolutely necessary, because failure to comply with an approved payment plan could jeopardize the household's tenancy at the New Development.

For-Sale Units

If Citation must choose between otherwise qualified and eligible potential buyers for a For-Sale Unit, Prior Residents shall have a preference. Regardless of any preference, Prior Residents who wish to purchase For-Sale Units will need to qualify for financing, and will need to negotiate purchase agreements with Citation.

DHA will mail notices to the Contact List about the potential availability of For-Sale Units, and about how interested persons may apply to purchase these For-Sale Units. Prior Residents who wish to purchase For-Sale Units must contact Citation to negotiate their purchases.

Citation will make fourteen (14) For-Sale Units available to moderate-income households (households with incomes between 80% and 120% of AMI) at affordable housing cost. If any Prior Resident who has qualified to purchase such an affordable For-Sale Unit requires physical modifications to that For-Sale Unit to make it fully accessible to household members with disabilities, and if the cost of such physical modifications would make the For-Sale Unit unaffordable to the Prior Resident, limited grant funding will be available from the City of Dublin to ensure affordability and accessibility.

EXHIBIT B-1

Arroyo Vista Lease Up Timeline

Exact dates to be entered in this field once target date for project completion is announced

Relation to Target Date	Action Items	Description
At Project Entitlements	Set up Interest List for Property	Includes HACA on behalf of Arroyo Vista residents and Prior Residents
30-60 days after the Start of Construction (Notice 2 weeks in advance)	Schedule and Hold Meeting w/ Prior Residents	Inform/Update for project status, estimated completion date and estimated application timing.
At 50% Completion (approx. 9-10 months before occupancy) (Notice 2 weeks in advance)	Schedule and Hold Meeting w/ Prior Residents	Inform/Update for project status, estimated completion date and estimated application timing
6 months before occupancy (Notice 2 weeks in advance)	Schedule and Hold Meeting w/ Prior Residents	Update on lease-up status - applications will be available in a month
5 months before occupancy	Advertise and hold 3 General Community Meetings to answer questions and accept applications	Send out flyers to Prior Residents, HACA waitlist, DHA waitlist, and Interest list. Place advertising about application availability and the Community Meetings
5 months before occupancy	Applications will be accepted for 4 weeks. <u>Application Intake Open Date will be the same day as the 1st General Community Meeting.</u>	Intake of Applications begins. Applications will be made available on Eden's website, at the HACA office, Dublin City Hall and other locations as appropriate. Applications will also be available at each of the General Community Meetings and may be made available for HACA to mail to all Prior Residents. Applications may also be mailed as reasonable accommodation for a disability.
4 months before occupancy	Application Intake <u>Close Date</u>	Final day to accept applications. <u>This is the last date for Prior Residents to confirm their interest in returning to the property. Prior Residents must also confirm if they do not want to be on the waitlist.</u>
4 months before occupancy	Verify Applicant Preference Status	2 weeks to verify that applicants have checked the correct preference category
3.5 months before occupancy	Lottery	Assign all applicants a lottery number, sort by preference category, and place them on the applicant list
3.5 months before occupancy	Send Notices for Interviews (first round - more to follow)	Notices should include lottery number and preference status in addition to the date & time of interview.
90 days before occupancy	Set-Up Interview Appointments	Begin initial interviews and mailing verifications
60 days before occupancy	End Interviews	End initial interviews and mailing verifications
45 days before occupancy	Verification Close Date	Projected date for all verifications to be received
40-60 days before occupancy	Arrange Files for Compliance Specialist	Lease-Up team organizes all files, confirms satisfactory verifications, calculates to ensure income requirements, and obtains <u>written</u> confirmation from applicants regarding intent to move-in

35-60 days before occupancy	Approve Files	3rd Party Compliance Consultant audits all files, applicants approved for initial move-in
35 days before occupancy	Approval Notice distributed	Notice should be sent out to all approved applicants telling them to give their 30 day notices.
30 days before occupancy	Applicants accept offer of unit in writing	Upon receipt of notice of approval and assignment of unit, tenants confirm in writing that they will accept the unit assigned, or decline and remain on waitlist (after third decline, Prior Residents lose preference status on waitlist).
TARGET DATE	Projected Move In Date	Lease-Signing and Resident Orientation (Review and sign lease with new residents; review Green packet; conduct move-in inspections of units, give keys to new residents)
3-4 months after occupancy	Grand Opening Party	Invite everyone
6 months after occupancy	Post Occupancy Evaluation	Evaluate resident satisfaction

EXHIBIT B-2

Waitlist, Tenant Selection, and Lottery Procedure

1. Eden will maintain four waitlists for the Family Units, in numerical order of preference:
 - 1) Prior Resident Waiting List of all Prior Residents who have indicated an interest in returning to the New Development;
 - 2) DHA Waiting List of households on the Arroyo Vista Waiting List who respond to the notice described in subsection 3.6 above, by stating an interest in housing at the New Development;
 - 3) MHSA Referrals (if Eden elects to use MHSA funding); and
 - 4) General Waiting List of all other interested applicants.
2. HACA will maintain a Project-Based Section 8 Waiting List of persons who have indicated an interest in living at the New Development for the 32 Project-Based Voucher Family Units. Prior Residents will have the same priority for units supported with Project-Based Vouchers as for units not supported with Project-Based Vouchers.
3. Eden will maintain three waitlists for the Senior Units, also in numerical order of preference:
 - 1) Prior Resident Waiting List of all Prior Residents aged 62 or over who have indicated an interest in returning to the New Development;
 - 2) DHA Waiting List of households on the Arroyo Vista Waiting List who are age 62 or over and who respond to the notice described in subsection 3.6 above, by stating an interest in housing at the New Development; and
 - 3) General Waiting List of all other interested applicants aged 62 or over.
4. HACA will maintain a Project-Based Section 8 Waiting List of persons who are age 62 or over and who have indicated an interest in living at the New Development for the 49 Project-Based Voucher Senior Units. Prior Residents will have the same priority for units supported with Project-Based Vouchers as for units not supported with Project-Based Vouchers.
5. All applications received during the initial marketing period of approximately 4 weeks will be entered into an Excel database, with a preference category corresponding to the waitlist on which the applicant belongs included as a sortable column.
6. A lottery program (macro) is run for the entire applicant pool, assigning a lottery number at random to each application.

7. The lottery list is then sorted, first by preference category and second by lottery number, so that all of the applications in each category are processed in order from lowest number to highest number prior to any applications in the next preference category for a given unit size and income restriction category, regardless of whether there are lower lottery numbers in the next category. For example:

Applicant	Preference Category	Lottery #	Household Size	Unit Size
1	1	57	3	1-br
2	1	65	8	4-br
3	1	120	5	3-br
4	2	45	2	1-br
5	2	60	4	2-br
6	3	61	1	1-br
7	3	82	3	2-br
8	4	2	6	3-br
9	4	23	5	2-br

8. Applications will be processed (interviews set up and third-party income verifications sent out) in the order of their preference category and lottery number for the unit size and restricted income level their household qualifies for (1-bedroom, 2-bedroom, etc.). For example, if there are fewer applicants in the first preference category who qualify for a 4-bedroom unit than there are 4-bedroom units available at each restricted income level¹, applicants will be processed from the lower preference categories for those units.

9. A unit is assigned once all third party verification forms are returned and the file is deemed complete and approved. Typically, units are assigned based on the “first approved file,” regardless of lottery number. In this case, Prior Residents will receive a notice two weeks after the third party verification forms are sent out informing them if their file is complete and all third-party income verifications have been received or if there are outstanding income verification forms or other documents that have not been received. If there are still outstanding income verification forms or other documents at that time, Prior Residents will have another two weeks, working closely with Eden property management staff, in which to obtain these third party verification forms and have their application deemed complete and approved. During this time, no lower-ranked application (lottery # or preference category) that has been deemed complete and approved can be assigned the unit ahead of the Prior Resident. After this four-week period, units will be assigned based on the order in which the files are deemed complete and approved regardless of lottery number or preference category.

¹ The income restricted level of a particular unit caps the maximum income a household may earn and be eligible for that unit. There are minimum income standards as well, typically that a household must earn at least 2.5 times the monthly rent in order to qualify at a specified income level. However, the minimum income test does not apply to Section 8 voucher holders or households renting the project-based Section 8 units, as the tenant portion of the rent is set at 30% of household income. The minimum income requirement would only come into effect in the event the household chose to rent a larger unit than the voucher is assigned to and pays the difference in the contract rent. In this case, the maximum household expenditure cannot exceed 40% of income, and if the excess cost of the larger unit would cause the tenant’s rent to exceed 40% of income, the request for a larger unit would not be approved.

10. Prior Residents in possession of Housing Choice Vouchers will first be offered a non-Project-Based Voucher unit at the appropriate restricted income level. If there are no available non-Project-Based Voucher units, Prior Residents will be offered Project-Based Voucher units. In order to accept a Project-Based Voucher unit, the household must give up its Housing Choice Voucher. However, after the end of the 12-month initial lease term, if the tenant chooses to move out voluntarily, the household is eligible to receive from HACA the next available Housing Choice Voucher.

11. The initial lottery-based applicant list will convert to a waitlist upon completion of the lease-up at 100% occupancy. The waitlist will maintain the original preference category and lottery number order. A Prior Resident who turns down a unit when it is offered will remain on the waitlist in the original preference and lottery order for an appropriate size and income-restricted unit. Prior Residents may turn down a unit three times—once at initial offer and two additional times. Upon turning down a unit for the third time, the Prior Resident will be placed at the bottom of the general waitlist and be processed accordingly.

12. As units become vacant and turn over, applicants on the waitlist are contacted in order of preference, lottery number, and then household size (and/or assigned Section 8 voucher size) and household income order to qualify for the specific unit size and income restriction level of the available unit. For example, if the first available vacant unit is a 3-bedroom unit at 30% of AMI, property management staff will contact the waitlist applicant with the lowest lottery number in the first preference category who qualifies for a 3-bedroom unit at the 30% AMI income level. If that applicant turns down the unit, staff will move on to the next applicant in that preference category at the correct household size/assigned voucher size and income level. In the event there isn't a household in the first preference category that qualifies or accepts the unit, staff will begin to process applicants in the next preference category in the same fashion.

13. As part of the initial marketing of the property, marketing will include notice to HACA to notify a reasonable number of potential applicants from its project-based Section 8 waiting lists for the Family and Senior Units. Original (at initial lease-up) applicants holding DHA preference status will maintain their preference status on Eden's waiting list. Original (at initial lease-up) applicants referred by HACA will remain on the HACA project-based waitlist for the New Development. As project-based units become available through turnover, notice will be provided to HACA so that HACA may notify households on its project-based waiting list to submit an application to Eden for the available project-based unit(s).

When the property's site-based waitlist is reopened periodically, all new applicants are considered to be a part of the general pool, the last preference category. All Prior Residents must indicate their desire to return to the property, and claim their first preference status, at the time of the initial lease-up. If Prior Residents choose not to apply during the initial lease-up period, and subsequently wish to return or apply when the waitlist is periodically opened, they will be placed in the general pool of non-preference applicants in the order waitlist applications are received.

Attachment B

B-2.

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633
Attn: Executive Director

No fee for recording pursuant to
Government Code Section 27383

**REGULATORY AGREEMENT AND DECLARATION OF
RESTRICTIVE COVENANTS
(Family and Senior Housing Project)**

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of this ____ day of _____, 2011, by and between the Housing Authority of the County of Alameda, a public body, corporate and politic (the "Authority"), and Eden Housing, Inc., a California nonprofit public benefit corporation (the "Owner").

RECITALS

1. The Authority and the Owner have entered into a Construction/Permanent Loan Agreement (the "Loan Agreement") under which the Authority provided a loan in the approximate amount of Eleven Million Dollars (\$11,000,000) (the "Loan") to the Owner for use, together with funds obtained from other sources, for the development of (i) one hundred thirty (130) rental units of affordable family housing for low income households, including one (1) manager's unit (the "Family Project"), and (ii) fifty (50) rental units of affordable senior housing for low income senior households, including one (1) manager's unit (the "Senior Project") on the Owner's fee interest in that property located at 6700 Dougherty Road in the City of Dublin, County of Alameda, California more particularly described in the attached Exhibit A (the "Property"). The Family Project and the Senior Project may be referred to, collectively, hereinafter as the "Project". Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Loan Agreement.

2. In consideration of the Authority's making of the Loan to the Owner on the terms set forth in the Loan Agreement, the Owner has further agreed to observe all the terms and conditions set forth below.

3. The Owner and the Authority acknowledge and agree that the Project would not be feasible without the Loan; that the Authority is making the Loan in order to obtain the public benefit of the operation of the Project as housing affordable to very low income and low income

family and senior households; and that prepayment of the Loan shall not terminate the Owner's obligation to operate the Project in accordance with this Agreement for the entire term of this Agreement.

4. In order to ensure that the entire Project will be used and operated in accordance with these conditions and restrictions, the Authority and the Owner wish to enter into this Agreement.

THEREFORE, the Authority and the Owner hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

(a) "Adjusted Income" shall mean the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914 or pursuant to a successor State housing program that utilizes a reasonably similar method of calculation of adjusted income. In the event that no such program exists, the Authority shall provide the Owner with a reasonably similar method of calculation of adjusted income as provided in said Section 6914.

(b) "Agreement" shall mean this Regulatory Agreement and Declaration of Restrictive Covenants.

(c) "Authority" shall mean the Housing Authority of the County of Alameda, a public body, corporate and public.

(d) "Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

(e) "Deed of Trust" shall mean the deed of trust in favor of the Authority recorded against the Property which secures repayment of the Loan and performance of the Loan Agreement and this Agreement.

(f) "Eighty Percent Income Household" shall mean a household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, as adjusted for household size.

(g) "Loan" shall mean all funds loaned to the Owner pursuant to the Loan Agreement.

(h) "Loan Agreement" shall mean the Loan Agreement, by and between the Authority and the Owner of even date herewith.

(i) "Low-Income Household" shall mean a household with an Adjusted Income that does not exceed the lesser of (1) sixty percent (60%) of Median Income, adjusted for actual household size, or (2) the qualifying limits for households at sixty percent (60%) of Median Income, adjusted for household size, as established and amended from time to time pursuant to Section 42 of the Code.

(j) "Median Income" shall mean the median gross yearly income, adjusted for household size, in the County of Alameda, California, as published from time to time by the State of California. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the Authority shall provide the Owner with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by the State.

(k) "Note" shall mean the promissory note from the Owner to the Authority evidencing all or any part of the Loan.

(l) "Owner" shall mean Eden Housing, Inc., a California nonprofit public benefit corporation, and its successors and assigns to the Project.

(m) "Project" shall mean the Family Project and the Senior Project, as well as the community building and all landscaping, roads and parking spaces existing or to be constructed thereon, as the same may from time to time exist.

(n) "Property" shall mean that certain real property located at 6700 Dougherty Road in the City of Dublin, County of Alameda, California, as more particularly described in Exhibit A.

(o) "Rent" shall mean the total of monthly payments by the Tenant of a Unit for the following: (1) use and occupancy of the Unit and land and associated facilities, including parking; (2) any separately charged fees or service charges assessed by the Owner which are required of all Tenants, other than security deposits; (3) the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service, cable television service or any other utility or service permitted to be excluded from the calculation of Rent pursuant to the terms of 25 California Code of Regulations Section 6918; and (4) any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than the Owner, and paid by the Tenant.

(p) "Tenant" shall mean a household occupying a Unit.

(q) "Term" shall mean the term of this Agreement, which shall commence on the date of this Agreement and shall continue until the fifty-fifth (55th) anniversary of the date of completion of construction of the Project, as determined by issuance of certificates of occupancy, or substantial equivalents, for all Units in the Project.

(r) "Unit" shall mean one of the Family Project units or one of the Senior Project units to be constructed on the Property.

ARTICLE 2

AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirement. All Project Units, excluding any manager's unit(s), shall be rented to and occupied by or, if vacant, available for occupancy by households as described below.

(a) Family Project:

(1) Up to Four (4) of the Units shall be rented to households with incomes at or below 80% of Median Income, as adjusted for household size ("Eighty Percent Units").

(2) At least One Hundred Twenty-Five (125) of the Units shall be rented to households with incomes at or below 60% of Median Income, as adjusted for household size ("Low Income Units").

(b) Senior Project:

(1) All Forty Nine (49) of the Units shall be rented to elderly households with incomes at or below 60% of Median Income, as adjusted for household size ("Low Income Units"). The Owner shall operate the Senior Project as a senior housing development, and as such, shall require all Units in the Senior Project, except for the resident manager's unit, if used as such, to be occupied or held available for occupancy by households containing "elderly" or "senior citizen" residents. The Senior Project shall be operated at all times in compliance with the provisions of: (a) the Unruh Act, including but not limited to California Civil Code Sections 51.2, 51.3 and 51.4 which relate to the requirements for lawful senior housing; (b) the United States Fair Housing Act, as amended, 42 U.S.C. Section 3607(b) and 24 CFR 100.304, which relate to lawful senior housing; (c) the California Fair Employment and Housing Act, Government Code Section 12900 et seq., which relates to lawful senior housing; and (d) any other applicable law or regulation (including the Americans With Disabilities Act, to the extent applicable to the Senior Project).

Section 2.2 Allowable Rent.

(a) Low Income Unit Rent. Subject to the provisions of Section 2.3 below, the Rent charged to Tenants of the Low Income Units shall not exceed one-twelfth (1/12) of thirty percent (30%) of the maximum qualifying income for a Low-Income Household, adjusted for household size.

(b) Eighty Percent Income Unit Rent. Subject to the provisions of Section 2.3 below, the Rent charged to Tenants of the Eighty Percent Income Units shall not exceed one-

twelfth (1/12) of thirty percent (30%) of the maximum qualifying income for an Eighty Percent Income Household, adjusted for household size.

Section 2.3 Increased Income of Tenants.

(a) **Increased Income Above Qualifying Income for Low Income Household.**

In the event that, upon recertification of a household's income, the Owner determines that the Adjusted Income of a Low Income Household increased above the qualifying limit for a Low Income Household, the Rent may be increased to 1/12th of thirty percent (30%) of eighty percent (80%) of Median Income. In either case, Rent may only be increased upon sixty (60) days written notice to the household and only if the other funding sources for the Project allow the Rent to be increased, and the Owner shall rent the next available Unit to a Low Income Household to comply with the requirements of Section 2.1 above.

(b) **Termination of Occupancy.** Upon termination of occupancy of a Unit by a Tenant, such Unit shall be deemed to be continuously occupied by a household of the same income level as the initial income level of the vacating Tenant, until such Unit is reoccupied, at which time the income character of the Unit shall be redetermined to meet the occupancy requirements of Section 2.1.

Section 2.4 Units Available to the Disabled. In compliance with Section 504 of the Rehabilitation Act of 1973 (29 USC 794, et seq.), a minimum of five percent (5%) of the Units shall be fully accessible to households with a mobility impaired member and an additional two percent (2%) of the Units shall be fully accessible to hearing and/or visually impaired persons.

Section 2.5 Nondiscrimination. Owner shall not discriminate or segregate in the development, construction, use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any part of the Property on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Owner shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing.

Section 2.6 Compliance with Code. To the extent that Section 42 of the Code, and its implementing regulations, all as amended from time to time, prohibit the rent charged to the Low-Income Households set forth in this Agreement and require a higher rent to be charged, Owner's compliance with the requirements of Section 42 of the Code shall be deemed compliance with this Article 2.

ARTICLE 3 MANAGEMENT OF THE PROJECT

Section 3.1 Maintenance. The Owner hereby agrees that, prior to completion of the Project, the portions of the Property undergoing construction shall be maintained in a neat and orderly condition to the extent practicable and in accordance with industry health and safety

standards, and that, once the Project is completed, the Project shall be well maintained by the Owner as to both external and internal appearance of the units, the common areas, and the open spaces. The Owner shall maintain the Project in good repair and working order, and in a neat, clean and orderly condition, including the walkways, driveways, alleyways and landscaping, and from time to time make all necessary and proper repairs, renewals, and replacements. The Owner is responsible for all management functions with respect to the Project, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security.

Section 3.2 Management Agent. The Project shall at all times be managed by an experienced property management agent reasonably acceptable to the Authority, with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing.

Section 3.3 On-site Inspection. Authority shall have the right to perform an on-site inspection of the Project at least one (1) time per year. The Owner agrees to cooperate in such inspection.

ARTICLE 4 MISCELLANEOUS

Section 4.1 Term. The provisions of this Agreement shall apply to the Property for the entire Term even if the entire Loan is paid in full prior to the end of the Term. This Agreement shall bind any successor, heir or assign of the Owner, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the Authority. The Authority makes the Loan on the condition, and in consideration of, this provision, and would not do so otherwise. Nothing in this Section 4.1 shall be deemed to permit any Transfer except in accordance with the Loan Agreement.

Section 4.2 Covenants to Run With the Land. The Authority and the Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions shall expire.

Section 4.3 Enforcement by the Authority. If the Owner fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the Authority has notified the Owner in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure, the Authority shall have the right to enforce this Agreement by any or all of the remedies provided in the Loan Agreement.

Section 4.4 Attorneys Fees and Costs. In any action brought to enforce this Agreement, the prevailing party shall be entitled to all costs and expenses of suit, including

attorneys' fees. This section shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 4.5 Recording and Filing. The Authority and the Owner shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Alameda.

Section 4.6 Governing Law. This Agreement shall be governed by the laws of the State of California.

Section 4.7 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the Authority in writing, but no waiver by the Authority of any requirement of this Agreement shall, or shall be deemed to, extend to or affect any other provision of this Agreement.

Section 4.8 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Alameda.

Section 4.9 Notices. Formal notices, demands, and communications between the Parties shall be sufficiently given if and shall not be deemed given unless dispatched by certified mail, postage prepaid, return receipt requested, or delivered by reputable delivery service, with a delivery receipt, or delivered personally, with a delivery receipt to the principal office of the Parties as follows:

Authority:

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633
Attention: Executive Director

Owner:

Eden Housing, Inc.
22645 Grand Avenue
Hayward, CA 94541
Attention: Executive Director

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 4.10 Capitalized Terms. All capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement.

Section 4.11 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby.

Section 4.12 Exhibits. Each exhibit attached to this Agreement is hereby incorporated into the Agreement by this reference.

Section 4.13 Counterparts; Multiple Originals. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the Authority and the Owner have executed this Agreement by duly authorized representatives, all on the date first written above.

THE AUTHORITY:

THE HOUSING AUTHORITY OF THE COUNTY
OF ALAMEDA, a public body, corporate and
politic

By: _____
Christine Gouig, Executive Director

THE OWNER:

EDEN HOUSING, INC., a California nonprofit
public benefit corporation

By: _____
Linda Mandolini, Executive Director

[ALL SIGNATURES MUST BE NOTARIZED]

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Attachment B

B-3.

PROMISSORY NOTE

PROMISSORY NOTE
(Family and Senior Housing Development Note)

\$11,000,000

Dublin, California
_____, 2011

FOR VALUE RECEIVED, the undersigned, EDEN HOUSING, INC., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the order of the HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA ("Lender") at its office at 22941 Atherton Street, Hayward, California 94541-6633, or at such other place or places as the holder of this Note may from time to time designate, in lawful money of the United States, the principal sum of Eleven Million Dollars (\$11,000,000), or so much as may be disbursed by the Lender, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences the Borrower's obligation to pay the Lender the principal amount of Eleven Million Dollars (\$11,000,000), or so much as may be disbursed by the Lender, for the funds loaned to the Borrower by Lender to finance the development of the Project pursuant to the Construction/Permanent Loan Agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement"). All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

2. Interest. The outstanding principal balance of this Note shall bear simple interest at ____ percent (____%) per annum; provided, however, if a Default occurs, interest on the principal balance shall begin to accrue, as of the date of Default and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

3. Term and Repayment Requirements. The term of this Note (the "Term"), shall commence with the date of this Note and shall expire on the date fifty-five (55) years from the date of completion, which shall be determined by the date of issuance of a certificate of occupancy, or substantial equivalent, for all Units in the Project. This Note shall be due and payable as set forth in Section 2.7 of the Loan Agreement.

4. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Lender, except as provided in Section 4.13 of the Loan Agreement.

5. Security. This Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust"), and further evidenced by a regulatory agreement between the Lender and the Borrower (the "Regulatory Agreement"), both of even date herewith, wherein the Borrower is the Trustor and the Lender is the Beneficiary, covering the Project.

6. Terms of Payment.

(a) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note shall be paid to the holder of this Note at the Housing Authority of the County of Alameda, Executive Office, 22941 Atherton Street, Hayward, California 94541-6633, Attention: Executive Director or to such other place as the Lender may from time to time designate.

(c) All payments on this Note shall be without expense to the Lender, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of the Lender, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the Lender may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(e) This Note shall be nonrecourse to the Borrower, pursuant to, and except as provided in, Section 2.9 of the Loan Agreement.

7. Default.

(a) Subject to the notice and cure periods set forth in the Loan Agreement, any of the following shall constitute an event of default under this Note:

(i) Any failure to pay, in full, any payment required under this Note within ten (10) days of written notice that such payment is due;

(ii) Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 5.1(c) of the Loan Agreement;

(iii) The occurrence of any event of default under the Loan Agreement, the Deed of Trust, the Regulatory Agreement, or other instrument securing the obligations of the Borrower under this Note or under any other promissory notes hereafter issued by the Borrower to the Lender pursuant to the Loan Agreement or the Deed of Trust, subject to notice and cure periods, if any, set forth therein.

(b) Upon the occurrence of such an event of default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the Lender become immediately due and payable upon written notice by the Lender to the Borrower without further demand.

(c) The failure to exercise the remedy set forth in Subsection 7(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by Lender hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the Lender, except as and to the extent otherwise provided by law.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the Lender may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by the Lender with any person now or hereafter liable for payment of this note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to the Lender or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the Lender and the Borrower may hereinafter designate. Copies of notices to Borrower from Lender shall also be provided by Lender to any limited partner of Borrower who requests such notice in writing and provides the Lender with written notice of its address.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by the Lender in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note shall be governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(f) This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered on the date set forth above.

BORROWER:

EDEN HOUSING, INC., a California nonprofit
public benefit corporation

By: _____
Linda Mandolini, Executive Director

Attachment B

B-4.

**DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633
Attn: Executive Director

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING
(Family and Senior Housing Project)

DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING ("Deed of Trust") is made as of this _____ day of _____,
2011, by and among Eden Housing, Inc., a California nonprofit public benefit corporation
("Trustor"), North American Title Insurance Company, a California corporation ("Trustee"), and
the Housing Authority of the County of Alameda, a public body, corporate and politic
("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein
recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby
irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF
SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions
hereinafter set forth, Trustor's interest in the property located in the City of Dublin, County of
Alameda, State of California, that is described in the attached Exhibit A, incorporated herein by
this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which
Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith
or as a means of access thereto, including (without limiting the generality of the foregoing) all
tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and
description now or hereafter erected thereon, and all property of the Trustor now or hereafter
affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to
said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter
acquired, in and to any land lying within the right-of-way of any street, open or proposed,

adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING:

(a) Payment of just indebtedness of Trustor to Beneficiary as set forth in the Note (defined in Article 1 below) until paid or cancelled. Said principal and other payments shall be due and payable as provided in the Note. Said Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined in Section 1.1(b) below).

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR
COVENANTS AND AGREES:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

(a) The term "Loan Agreement" means that certain Loan Agreement between Trustor and Beneficiary dated concurrently herewith, providing for the Beneficiary to loan to Trustor an amount not to exceed Eleven Million Dollars (\$11,000,000) for certain development costs and permanent financing related to the development of the Property.

(b) The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, the Regulatory Agreement and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Note.

(c) The term "Note" means that certain promissory note in the principal amount of Eleven Million Dollars (\$11,000,000), dated concurrently herewith, executed by Trustor in favor of the Beneficiary, the payment of which is secured by this Deed of Trust executed by Trustor in favor of the Beneficiary. (Copy of the Note is on file with the Beneficiary and terms and provisions of the Note is incorporated herein by reference.).

(d) The term "Principal" means the principal amount required to be paid under the Notes.

(e) The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants to be entered into by and between the Beneficiary and the Trustor, and to be recorded against the Property.

(f) The term "Senior Deed of Trust" means: (i) that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing by Trustor in favor of Senior Lender dated as of approximately even date herewith executed in connection with the Senior Loan.

(g) The term "Senior Lender" means _____.

(h) The term "Senior Loan" means that certain construction loan from _____, a _____, in the approximate amount of _____ Dollars (\$_____), and/or permanent loan from _____, a _____ in the approximate amount of _____ Dollars (\$_____).

ARTICLE 2

MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment of the sum owed under the Notes, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary shall exercise its rights as agent of Trustor only in the event that Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Alameda County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, access, water, gas, electricity, sewer, telephone and telegraph, or those required by

law and as approved, in writing, by Beneficiary, which approval shall not be unreasonably withheld or delayed.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Notes, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. After the occurrence and during the continuation of an Event of Default, Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents. Prior to the occurrence of an Event of Default, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor shall apply the rents and revenues so collected to the sums secured by this Deed of Trust with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of an Event of Default, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of an Event of Default shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of an Event of Default, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Except for the financing previously approved by the Beneficiary pursuant to the Loan Agreement, Trustor hereby covenants that Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenants that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon and during the continuation of an Event of Default, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the

execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected upon and during the continuation of an Event of Default shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become indebtedness of Trustor to Beneficiary secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Beneficiary. The rights of the Beneficiary under this Section 2.3 are subject to the rights of the Senior Lender and any other senior lender.

ARTICLE 3 TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, at least five (5) days prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith

and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become an additional obligation of Trustor to the Beneficiary and shall be secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all other obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to the Beneficiary's receipt of the entire Principal and all amounts secured by this Deed of Trust.

Section 3.3 Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Beneficiary, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Beneficiary shall become an additional obligation of the Trustor to the Beneficiary (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. Such Funds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and (after completion of the repair or restoration) the security of this Deed of Trust is not thereby impaired, as determined in the Beneficiary's reasonable discretion. If such restoration or repair is not economically feasible, or if the Trustor fails to provide additional monies to fund any deficiency in connection with such restoration, or if the security of this Deed of Trust would be impaired, then the insurance proceeds will be used to repay any amounts due under this Deed of Trust with the excess, if any, paid to Trustor. The Beneficiary shall be entitled to participate in the settlement and adjustment of all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of the Senior Lender and any other senior lender.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF
PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the indebtedness secured by the lien of this Deed of Trust, and shall bear interest from the date such

expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property; Fixture Filing.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code. The Trustor hereby grants the Beneficiary a security interest in such items.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Notes in accordance with their terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements, and releases thereof, as the Beneficiary may reasonably require. Without the prior written consent of the Beneficiary, Trustor shall not create or suffer to be created pursuant to the California Commercial Code any other security interest in the Security, including replacements and additions thereto.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Transfer of Property by Trustor.

Prior to repayment of the Note, Trustor agrees that Trustor shall not sell or transfer the Security or any interest therein or sell or transfer all or substantially all of the assets of Trustor or any of them except as may be provided in the Loan Agreement.

Section 5.8 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.9 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6
HAZARDOUS WASTE

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

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

adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

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

Without Beneficiary's prior written consent, which shall not be unreasonably withheld, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impair the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor shall notify Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section

726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) or the maximum rate permitted by law, until paid, shall be added to the indebtedness secured by this Deed of Trust and shall be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

The Trustor is aware that California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ARTICLE 7 EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following shall constitute Events of Default following the expiration of any applicable notice and cure periods: (1) failure to make any payment to be paid by Trustor under the Loan Documents within ten (10) days after the date due; (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents (which failure has not been cured within the times and in the manner set forth in the Loan Agreement); or (3) failure to make any payment or perform any of Trustor's other covenants, agreements, or obligations under any other debt instruments or regulatory agreement secured by the Property, which default shall not be cured within the times and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Principal of the Note (including all interest thereon) shall immediately become due and payable, upon

written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Default (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Default and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Default and Election to Sell"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Alameda County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Sale") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the unpaid principal amount of the Notes is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of such notice from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and

Election to Sell and after Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Notes; (ii) all other amounts owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence

therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's expressed or implied consent to a breach by Trustor, or a waiver of any obligation of Trustor hereunder shall not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Beneficiary May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any sums owing under the Notes or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that (i) all sums secured hereby have been paid or forgiven, and (ii) that all obligations of the Trustor under the Loan Documents have been satisfied, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

Housing Authority of the County of Alameda
22941 Atherton Street
Hayward, CA 94541-6633
Attention: Executive Director

and (2) if intended for Trustor shall be addressed to:

Eden Housing, Inc.
22645 Grand Avenue
Hayward, CA 94541
Attention: Executive Director

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the

delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation is created herein binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation on the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10 Actions.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

Section 8.14 Compliance with Internal Revenue Code Section 42.

Beneficiary acknowledges that Trustor intends to enter into an extended use agreement, which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). As of the date hereof, Code Section 42(h)(6)(E)(ii) does not permit the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit or any increase in the gross rent with respect to such unit not otherwise permitted under Code Section 42 for a period of three (3) years after the date the building is acquired by foreclosure or by instrument in lieu of foreclosure. In the event the extended use agreement is recorded against the Property, the Beneficiary agrees to comply with the provisions set forth in Code Section 42(h)(6)(E)(ii).

ARTICLE 9
SUBORDINATE DEED OF TRUST

This Deed of Trust is and shall at all times continue to be subordinate, subject, and inferior (in payment and priority) to the Senior Loan and the Senior Deed of Trust; [and the City Loan and the City Deed of Trust, and that the liens, rights, payment interests, priority interests

and security interests granted to the Beneficiary hereunder and the Loan and the Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject to the terms of the Subordination and Intercreditor Agreement by and between the Beneficiary, Senior Lender and the City of even date herewith.]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

EDEN HOUSING, INC., a California nonprofit public
benefit corporation

By: _____
Linda Mandolini, Executive Director

[SIGNATURES MUST BE NOTARIZED]

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY