

## LOAN AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This Loan Agreement and Declaration of Restrictive Covenants (this “**Agreement**”) is entered into effective as of March 25, 2025 (“**Effective Date**”) by and between the County of Yolo, a political subdivision of the State of California (the “**Lender**” or “**County**”), and 641 5th Street, LP, a California Limited Partnership (“**Borrower**”). Borrower and Lender are hereinafter collectively referred to as the “**Parties**.”

### RECITALS

A. Borrower is the owner of that certain real property located 641 5<sup>th</sup> Street in the City of West Sacramento, County of Yolo, California, as more particularly described in Exhibit A (the “**Property**”). Borrower has proposed to rehabilitate 35 multifamily residential units on the Property for rental to low-income households (the “**Project**”).

B. Grant funding by the State of California Department of Housing and Community Development (“HCD”) from the Permanent Local Housing Allocation Program administered by HCD (the “**PLHA Program**”) has been awarded to the Project. The grant funds awarded by HCD with respect to the Project pursuant to the PLHA Program are referred to herein as the “**HCD Funds**.”

C. The Lender is authorized to loan the HCD Funds to Borrower pursuant to Contract No. 20-PLHA-15211 between HCD and the Lender.

D. Borrower has requested, and Lender has agreed, to use the HCD Funds to provide a loan (the “**Loan**”) to Borrower, subject to the terms and conditions set forth in this Agreement, solely for the purpose of reimbursing Borrower for costs incurred in connection with the development of the Project.

E. Concurrently herewith Borrower will execute a promissory note (“**Note**”) in the amount of the Loan, which will be evidenced by an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, and secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (“**Deed of Trust**”) to be executed by Borrower and recorded against the Property. This Agreement, the Note, Regulatory Agreement and Declaration of Restrictive Covenants (“**Regulatory Agreement**”), and the Deed of Trust are collectively hereinafter referred to as the “**Loan Documents**.”

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. THE LOAN AND DISBURSEMENT OF LOAN PROCEEDS.

1.1. Loan and Note. Lender agrees to loan to Borrower, and Borrower agrees to borrow from and repay to Lender, a sum in the maximum principal amount not to exceed four hundred and fifty-seven thousand and 00/100 Dollars (\$457,000) (the “**Loan Proceeds**”) upon the terms and conditions and for the purposes set forth in this Agreement. The Loan shall be evidenced by the Note which shall be dated as of the Effective Date. Provided that Borrower has complied with all conditions set forth in Section 1.6, the Loan Proceeds shall be disbursed in accordance with Section 1.6 hereof. Notwithstanding anything to the contrary contained herein, in the event Borrower is awarded an additional two years of PLHA funding, the loan documents will be amended at such time to reflect such an increase to the Loan Proceed amount.

1.2. Interest Rate; Principal Payments; Maturity Date. The Loan shall bear simple interest at 2% per annum. Payments shall be made in accordance with the terms of the Note.

1.3. Prepayment. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under the Note; provided that, Borrower agrees that it shall not make loan payments hereunder unless and until all Senior Debt has been paid in full. For purposes hereof, “**Senior Debt**” shall mean any indebtedness of Borrower secured by a lien senior in priority to the lien of the Deed of Trust.

1.4. Security for the Loan; Recourse.

(a) Repayment of the Note shall be secured by the Deed of Trust.

(b) The Loan is a nonrecourse obligation of Borrower.

1.5. Use of Loan Proceeds. The Loan Proceeds shall be used solely and exclusively for costs incurred in connection with the development of the Project and related infrastructure improvements. Funds shall be disbursed to Borrower on a cost-reimbursement basis in accordance with Section 1.6.

1.6. Disbursement of Proceeds. The Lender shall disburse the Loan Proceeds to Borrower within five (5) business days following a request from Borrower.

1.7. No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the Lender shall have no obligation to disburse any portion of the Loan Proceeds following the occurrence and during the continuation of an Event of Default on the part of Borrower under this Agreement, the Note, or the Deed of Trust.

2. AFFORDABLE RENT.

2.1 Occupancy Requirements. Borrower shall cause thirty-five (35) of the units in the Project to be rented to and occupied by or, if vacant, available for occupancy by low-income tenants. However, the specific affordable occupancy requirements subject to the PLHA requirements of the Loan Documents shall apply to four of the 35 total Project units, which will serve families at **30% AMI**

as specified in the Regulatory Agreement for a period of not less than fifty-five (55) years.

2.2 For purposes of this Agreement, the following terms shall have the following meanings:

(a) "30% AMI Household" means a household with a 30% income level as published by TCAC, or if TCAC does not publish such levels, a household with an Adjusted Income that does not exceed 30 percent (30%) of Area Median Income.

(b) "Actual Household Size" means the actual number of persons in the applicable household.

(c) "Adjusted Income" means the total anticipated annual income of all persons in a household calculated using the methods to calculate income adopted by TCAC, or if TCAC no longer calculates income, then it means the total anticipated annual income of all persons in a household, as defined in 24 CFR 5.609 and as calculated pursuant to 24 CFR 5.611.

(d) "Area Median Income" or "AMI" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of Yolo, California as published from time to time by HUD and HCD. In the event that such income determinations are no longer published or are not updated for a period of at least twelve (12) months, the Lender shall provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(e) "Assisted Units" means four of the thirty-five (35) Units within the Project designated as assisted by the Lender pursuant to this Agreement.

(f) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in California Health & Safety Code Section 50052.5(h), used to calculate Rent, subject to the application of federal rules and regulations applicable to Project financing sources, including Section 42(g)(2) of the Internal Revenue Code of 1986, as amended.

(g) "HUD" means the United States Department of Housing and Urban Development.

(h) "Rent" shall mean the total of monthly payments by the tenants of a Unit for the occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Partnership which are required of all Tenants, other than security deposits; an allowance for 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 or cable TV; and 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 Partnership, and paid by the Tenant.

(i) "TCAC" means the California Tax Credit Allocation Committee.

(j) "Tenant" means the tenant household that occupies a Unit in the Project.

(k) "Term" means the term of this Agreement which commences as of the date of this Agreement, and expires on the date fifty-five (55) years from the completion of construction and issuance of a certificate of occupancy or equivalent document issued by the City of West Sacramento, to certify completion of construction of the Project. The provisions of this Agreement apply to the project for the entire term even if the Loan Proceeds are paid in full prior to the end of the term. This Agreement binds any successor, heir or assign of the Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the Lender.

(l) "Unit(s)" means one (1) or more of the units in the Project.

### 3. BORROWER COVENANTS.

3.1. Compliance with PLHA Program. Borrower covenants and agrees to comply with all requirements of the PLHA Program as to the use of the Loan Proceeds, construction and operation of the Project, and all other matters related thereto.

3.2. Books and Records. The Lender shall have the right, during business hours and after reasonable notice to Borrower, to inspect and copy Borrower's books and records concerning the Property, the Project, and the Loan.

3.3. Other Documents. Upon Lender's reasonable request, Borrower shall deliver to the Lender copies of documents related to the Project, including without limitation, construction contracts, consulting agreements, architects' agreements, loan and financing applications, studies, reports, loan documents, management plans, and property management agreements.

### 4. AFFORDABILITY AND OCCUPANCY COVENANTS.

4.1. Allowable Rent. The Rent paid by Tenants of Assisted Units shall not exceed thirty percent (30%) of the thirty percent (30%) percent of Area Median Income, adjusted for Assumed Household Size.

4.2. No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the Units for any housing or other services provided by Borrower.

4.3. Rent Increases. The proposed initial Rents and subsequent Rents for all Assisted Units shall be provided to the Borrower by the Lender prior to initial or subsequent occupancy and prior to a rent increase, and shall be subject to the requirements of this Agreement. Borrower shall only impose Tenant Rent increases on the Assisted Units that are consistent with the applicable statutes, laws, and regulations of the State of California and County of Yolo. The Rent for such Assisted Units may be increased no more than once annually based upon the annual income certification. Tenants shall be given at least

sixty (60) days written notice prior to any Rent increase. The Lender will provide Borrower with a schedule of maximum permissible Rents for the Assisted Units annually.

4.4. Non-Qualifying Household. If, upon recertification of the income of a Tenant of an Assisted Unit, Borrower determines that a former 30% AMI Household has an Adjusted Income at or exceeding the qualifying income for a 30% AMI Household, then such Tenant shall be permitted to continue to occupy the Unit and such Tenant's Rent may be increased to the lesser of thirty percent (30%) of the Adjusted Income of the Tenant or the maximum rent permitted under Code Section 42(g) and the extended use agreement between the Company and the California Tax Credit Allocation Committee for the Project upon at least thirty (30) days written notice to the Tenant. The Unit will continue to be classified as an Assisted Unit, until the first occurrence of either: (1) the Tenant vacates the Unit at which time Borrower shall re-rent the Unit to a 30%AMI Household; or (2) Borrower has re-designated and rented another comparable Unit to qualify as a 30% AMI Household. If there is any conflict between this Section 4.4 and the extended use agreement between the Borrower and the California Tax Credit Allocation Committee then the extended use agreement between the Borrower and the California Tax Credit Allocation Committee shall control.

4.5 Termination of Occupancy. Upon termination of occupancy of an Assisted Unit by a Tenant, such Unit will 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 or another Unit is re-designated as an Assisted Unit, at which time categorization of the Unit will be established based on the occupancy requirements of Section 2.1.

## 5. INCOME CERTIFICATION AND REPORTING.

5.1. Income Certification. Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy and annually thereafter, income certifications from each Tenant renting any of the Assisted Units. Borrower shall cause each Tenant in an Assisted Unit to execute a Certification of Tenant Eligibility. Borrower shall fill out the "Development Owner" portion of the Certification of Tenant Eligibility and provide it to the Lender along with supporting documentation collected by Borrower. Borrower shall make a good faith effort to verify the accuracy of the income provided by all applicants or all members of the occupying household, as the case may be, in the income certification. To verify the information Borrower shall take two or more of the following steps: (a) obtain pay stubs for the most recent two months; (b) obtain an income tax return for the most recent tax year; (c) conduct a credit agency or similar search; (d) obtain an income verification form from the applicant's current employer verifying employment for the last two months; (e) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, verifying assistance for the last two months; or (f) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of the Certifications of Tenant Eligibility and accompanying documentation must be submitted to the Lender annually for each of the Assisted Units.

5.2. Reporting Requirements. Borrower shall submit to the Lender: (a) not later than the ninety (90th) day after the close of each calendar year, or such other date as may be requested by the County, a signed copy of the Certification of Program Compliance,

and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the Lender in order to comply with reporting requirements of HUD, the State of California, and the County; including but not limited to reports, records, surveys evidencing compliance with this Agreement.

6. PROPERTY MANAGEMENT, MAINTENANCE AND RESIDENT SERVICES.

6.1. Management Responsibilities. The Borrower shall submit to the County an initial proposed Management Plan no later than six (6) months after the commencement of construction of the Project as set forth in the Agreement. The Borrower shall submit to the County for approval the name and qualifications of a proposed management agent, a proposed management agreement and written guidelines or procedures for tenant selection (in compliance with the Agreement), operation and management of the Project, and implementation of the income certification and reporting requirements of this Agreement (collectively, the "Management Plan"). The County shall approve or disapprove the Management Plan in writing within fifteen (15) calendar days following the County's receipt of the complete Management Plan, which approval shall not be unreasonably denied. If the Management Plan is disapproved by the County, the County shall deliver a written notice to the Borrower setting forth, in reasonable detail, the reasons for such disapproval. The Borrower shall have fifteen (15) calendar days following the receipt of such notice to submit a revised Management Plan. The provisions of this Section relating to time periods for approval, disapproval, and resubmission of the new Management Plan shall continue to apply until the Management Plan has been approved by the County. The Borrower shall submit to the County any proposed changes to the Management Plan, which shall be reviewed and approved by the County as set forth above. Notwithstanding anything to the contrary contained herein, the foregoing requirements of Section 6.1 shall only apply to the extent such Management Plan is requested by the County.

6.2. Management Agent. Borrower shall cause the Project to be managed by an experienced management agent reasonably acceptable to the County, with a demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). Borrower shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent as is reasonably necessary for the County to determine whether the proposed Management Agent meets the standard for a qualified Management Agent set forth above. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the County shall approve the proposed Management Agent by notifying Borrower in writing. Unless the proposed Management Agent is disapproved by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved. Pursuant to California Code of Regulations title 25, Section 42 all projects with 16 or more units must have a resident manager living on the Property. The County will not consider maintenance personnel as a substitute or equivalent to a trained, in residence property manager. County hereby preapproves of John Stewart Company as the initial Management Agent.

6.3. Periodic Performance Review. The County reserves the right to conduct an annual (or more frequently, if deemed necessary by the County) review of the management practices and financial status of the Project. The purpose of each periodic review will be to enable the County to determine if the Project is being operated and

managed in accordance with the requirements and standards of this Agreement. Borrower shall cooperate with the County in such reviews.

6.4. Replacement of Management Agent. If, as a result of a periodic review, the County determines in its reasonable judgment that the Project is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the County shall deliver notice to Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fourteen (14) days after receipt by Borrower of such written notice, the County staff and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent.

6.5. Covenants to Run With the Land. The County and Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument.

## 7. DEFAULT AND REMEDIES.

7.1. Events of Default. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(a) Borrower fails to pay when due the principal and interest payable under the Note, and such failure continues for thirty (30) days after Lender notifies Borrower thereof in writing.

(b) An Event of Default on the part of Borrower is declared under the Note, the Regulatory Agreement or the Deed of Trust.

(c) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower (or any general partner thereof) (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower ; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(d) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or substantially all of such entity's assets, (iii) orders the liquidation of Borrower (or any general partner thereof), or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

(e) Borrower fails to maintain insurance as required pursuant to this Agreement and Borrower fails to cure such default within 30 days of notice thereof.

(f) Borrower fails to use Loan Proceeds in accordance with this Agreement or fails to use Loan Proceeds in accordance with Borrower's request for disbursement.

(g) Borrower defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 4.1, and unless such a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which Lender shall have given written notice of the default to Borrower, provided that in the case of a nonmonetary default that is not susceptible of cure within thirty (30) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default to completion with due diligence and in good faith, but in no event longer than 180 days from the receipt of notice of default. Notwithstanding any contrary provision hereof, any cure tendered by a limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if tendered by Borrower.

7.2. Remedies. Upon the occurrence of an Event of Default, the Lender shall have the following rights, in addition to any other rights and remedies provided by law:

(a) The Lender may declare the entire outstanding principal balance of the Loan and interest accrued thereon immediately due and payable;

(b) The Lender may foreclose on the Property pursuant to the Deed of Trust, subject to the limitations set forth in Section 5.20 of this Agreement;

(c) The Lender may seek an order of specific performance; and

(d) The Lender may terminate this Agreement.

7.3. Each of the remedies provided herein is cumulative and not exclusive of, and shall not prejudice any other remedy provided herein, in the Note, or the Deed of Trust. The Lender may exercise any rights and remedies available under applicable law, in addition to, and not in lieu of, any rights and remedies expressly granted in this Agreement.

## 8. MISCELLANEOUS.

8.1. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding the foregoing, Lender's obligation to make the Loan is personal to Borrower, and this Agreement shall not be assignable by Borrower by operation of law or otherwise absent the express written consent of Lender; provided, however, that Borrower is authorized to assign this Agreement to a Special Purpose Entity(ies) (SPE) that satisfies the requirements of Title 25 of the California Code of Regulations, Section 8313.2, as it may be amended, at the

time of the assignment.

8.2. Insurance. Borrower shall maintain and keep in force, at Borrower's expense and discretion reasonable amounts of property and general liability insurance coverage. For each of Borrower's insurance policies, Borrower shall provide to Lender within ten (10) days following execution of this Agreement, but in no event later than the initial disbursement of Loan Proceeds, a certificate of insurance and an endorsement which provides that no cancellation, major change in coverage or expiration will be effective during the term of this Agreement without 30 days written notice to the Lender prior to the effective date of such cancellation, change in coverage or expiration. Upon request by the Lender from time to time, Borrower shall deliver to the Lender originals or copies of all such insurance policies and certificates evidencing such policies.

8.3. Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

- (a) personal delivery, in which case notice is effective upon delivery;
- (b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or
- (c) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

Lender: County of Yolo  
Attn: County Administrator's Office  
625 Court Street, Room 202  
Woodland, CA 95695

Borrower: 641 5th Street, LP  
Attn: Brinshore Development, L.L.C.  
1603 Orrington Avenue, Suite 450  
Evanston, IL 60201

Owner: 641 5<sup>th</sup> Street, LP  
Attn: Brinshore Development, L.L.C.  
1603 Orrington Avenue, Suite 450  
Evanston, IL 60201

with a copy to: Yolo County Counsel's Office  
625 Court Street, Room 202  
Woodland, CA 95695

Addresses for notice may be changed from time to time by notice to all other parties. Notwithstanding that Notices shall be deemed given when delivered, the nonreceipt of any Notice as the result of a change of address of which the sending party was not notified

shall be deemed receipt of such Notice.

8.4. Waiver, Modification and Amendment. No failure or delay on the part of the Lender in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. No modification or waiver of any provision of this Agreement, nor any consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

8.5. Modification and Amendment. No amendment to or modification of this Agreement shall be effective unless and until such amendment or modification is in writing, properly approved in accordance with applicable procedures, executed by the Parties, and unless the amendment or modification has been approved by the limited partners of Borrower.

8.6. Consents. Whenever the consent or approval of the Lender is required under the Loan Documents, the Lender agrees that such consent or approval will not be unreasonably withheld or delayed.

8.7. Further Assurances. The Parties shall execute, acknowledge and deliver to the other Parties such other documents and instruments, and shall take such other actions, as may reasonably be necessary to carry out the intent of this Agreement.

8.8. Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish Borrower and Lender as partners, co-venturers, or principal and agent with one another.

8.9. Action by the Lender. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Lender is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the Lender's County Administrative Officer (CAO) or by any person who shall have been designated by the Lender's CAO, without further approval by the Lender's governing board unless the Lender CAO determines in his or her discretion that such action requires such approval.

8.10. NonLiability of Lender and Lender Officials, Employees and Agents . No member, official, employee or agent of the Lender shall be personally liable to Borrower, or any successor in interest to either in the event of any default or breach by the Lender, or for any amount of money which may become due to Borrower or any successor to either, or for any obligation of Lender under this Agreement.

8.11. Captions; Construction; Time is of the Essence. The headings of the sections and paragraphs of this Agreement have been inserted for convenience only and shall not be used to construe this Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. Time is of the essence in the performance of this Agreement.

8.12. Governing Law; Venue. This Agreement, the Note, and the Deed of Trust shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. The Parties consent to the jurisdiction of any federal or state court having jurisdiction in Yolo County, California. Borrower agrees that any controversy arising under or in relation to this Agreement, the Note, or the Deed of Trust, shall be litigated exclusively in courts having jurisdiction in Yolo County. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

8.13. 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 are materially altered or abridged by such invalidation, voiding or unenforceability.

8.14. Entire Agreement; Exhibits. This Agreement, together with the Note, the Deed of Trust, and the additional documents referenced herein contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto.

8.15. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

8.16. Lender Status. Borrower recognizes and agrees that Lender is not a commercial lending institution. Any duties or obligations which a commercial lending institution may have to Borrower shall not apply to this transaction except as set forth herein or in the Note or as otherwise required by law.

8.17. Removal of General Partner. Notwithstanding anything to the contrary in this Agreement, or any of the other Loan Documents, the removal and/or replacement of Borrower's general partner in accordance with the rights and remedies afforded under the Borrower's partnership agreement shall not require the consent of Lender, constitute a default under any of the Loan Documents or accelerate the maturity of the Loan. In the case of such a removal or replacement, Lender's prior written consent shall not be required for any amendment or other modification of Borrower's partnership agreement to document and reflect such removal or replacement.

8.18. Transfer of Limited Partner Interest. Notwithstanding anything to the contrary in any of the Loan Documents, the interests of the Borrower's limited partners shall be transferable, either directly or indirectly, and such transfer shall not require the consent of Lender or constitute a default under any of the Loan Documents. In the case of such transfer, Lender's prior written consent shall not be required for any amendment or other modification of Borrower's partnership agreement to document and reflect such transfer.

8.19. Withdrawal of a Partner. Notwithstanding anything to the contrary in any of the Loan Documents, neither the withdrawal, removal, replacement, and/or addition of the general partner pursuant to the terms of Borrower's partnership agreement, nor the withdrawal, replacement, and/or addition of any of Borrower's limited partners or its limited partner's general partners or members, shall constitute an Event of Default or default

under any of the Loan Documents, and such actions shall not accelerate the maturity of the Loan.

8.20. Cure by Limited Partner. Lender agrees that any of the limited partners of Borrower shall have the right, but not the obligation, to cure any Event of Default or default by Borrower under any of the Loan Documents; provided, however, the cure period shall be extended as provided in the Deed of Trust. Lender further agrees any cure of any Event of Default or default made by the limited partners of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made by Borrower. Lender further agrees that the removal and replacement of a general partner shall be deemed a cure of any default arising under Sections 7.1. Provided that Lender has been given written notice of the address for delivery of notices to the limited partners, Lender shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Borrower, and as to the limited partners, the cure periods specified herein shall commence upon the date of receipt of such notice to Borrower's limited partner.

***[SIGNATURES ON FOLLOWING PAGE]***

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

**LENDER:**

**BORROWER:**

**EXHIBIT A**

**DESCRIPTION OF PROPERTY**

Real property in the City of West Sacramento, County of Yolo, State of California, described as follows:

THE WEST 10 FEET OF LOT 5, ALL OF LOTS 6, 7, 8, 9, 10, 11 AND 12, AND THE WEST 150 FEET OF LOT 14, ALL IN BLOCK 16, AS SHOWN ON THE MAP OF THE TOWN OF WASHINGTON, RECORDED ON JUNE 26, 1869, IN BOOK I OF DEEDS, AT PAGES 264 AND 265, YOLO COUNTY RECORDS.

APN: 010-464-003-000