

RECORDING REQUESTED BY:

City of Merced, A California charter
municipal corporation acting solely as the
Housing Successor Agency to the Merced
Redevelopment Agency

WHEN RECORDED MAIL TO:

City of Merced
City Clerk
678 West 18th Street
Merced, California 95340

**Exempt Recording Per Gov't Code
Section 6103**

(Above for Recorder's Use Only)

DEED RESTRICTION COVENANT AND LOAN AGREEMENT

**In Respect of the
CITY OF MERCED
acting solely as the Housing Successor Agency to the
Merced Redevelopment Agency**

**(Childs and B Street Transit-Oriented Development ("TOD")
Affordable Housing Project)**

THIS DEED RESTRICTION COVENANT AND LOAN AGREEMENT ("Loan Agreement"), dated _____, ____, entered into by and between the City of Merced, a California Charter Municipal Corporation, acting solely as the Housing Successor Agency to the former Redevelopment Agency of the City of Merced ("Agency"), and Merced CA Apartments, L.P., a Delaware limited partnership (the "Developer"):

A. Pursuant to that certain Enforceable Funding Commitment Agreement ("Commitment Agreement") between the City and the Richman Group of California Development Company LLC a Limited Liability Company, dated February 4, 2009 and that certain Disposition and Development Agreement ("DDA") between the City of Merced and the Developer dated _____, ____, the Agency has agreed to provide a loan of One Million Two Hundred Thousand Dollars (\$1,200,000) from Low and Moderate Income Housing Asset Funds ("Housing Asset Funds") acting as the Housing Successor Agency to the former Redevelopment Agency of the City of Merced (the "Housing Successor Loan") to Developer for the construction of a multi-family affordable residential rental project (the "Project") on that certain real property generally known as 1137 "B" Street, Merced, California 95341 (APN 035-010-071), and more particularly described in Exhibit A attached hereto and made a part hereof (the "Property" or "Site").

B. The Project consists of one hundred nineteen (119) rental dwelling units. Of the 119 units, eighty-nine (89) units will be rented to households with incomes at or below fifty percent (50%) of the Area Median Income ("AMI") for Merced County, with adjustments for family size, as determined from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to the United States Housing Act of 1937 as amended and the California Department of Housing and Community Development ("HCD") pursuant to California Health and Safety Code ("HSC") Section 50093; and thirty (30) units will be designated as permanent supportive housing units for those who are homeless or at risk of homelessness and restricted to thirty percent (30%) AMI ("PSH Units"). Should the annual 50% AMI and 30% AMI income limits differ between HUD and HCD in a given year, the Developer shall adhere to the more restrictive (lower) income limits. Should the Developer have multiple restrictions on unit affordability required by other funding sources, the Developer shall adhere to the more restrictive (lower) income limits.

C. The Housing Successor Loan shall assist with the construction of the 30 PSH Units restricted to 30% AMI. The Housing Successor Loan is subject to the requirements of HSC Sections 34176 and 34176.1.

D. The City is providing additional assistance to the Project in the form of: (a) an Enterprise Fund grant in the amount of \$1,470,000 ("Enterprise Grant") to the managing member of the managing general partner of the Developer; (b) a HOME Fund loan in the amount of \$1,145,000 ("HOME Loan") to the managing member of the managing general partner of the Developer; and a HUD Section 108 loan in the amount of \$2,000,000 ("Section 108 Loan").

E. In addition, HCD awarded \$13,950,000 in Affordable Housing and Sustainable Communities ("AHSC") Program Funds consisting of consisting of: (a) \$11,087,700 of AHSC Program Loan Funds for a permanent loan to the Developer for the Project ("AHSC Loan") and (b) \$2,162,300 AHSC Program Grant Funds for a grant which will be disbursed to the City ("AHSC Grant") of which (i) \$700,050 shall be used for the City's AHSC-Transportation Related Amenities and (ii) \$2,162,250 for AHSC-Program Grant Funds which will be disbursed to the City for Sustainable Transportation Infrastructure ("STI") (collectively, the "AHSC Grant", and collectively with the AHSC Loan, the "AHSC Financing").

F. Additionally, the Housing Authority of the County of Merced has awarded 30 Project Based Vouchers for 30 one-bedroom, one-bath units for a 15-year term, as more specifically described in an award letter dated January 11, 2019.

ARTICLE I. LOAN OF HOUSING ASSET FUNDS

SECTION 1.01 Housing Successor Loan. Subject to the satisfaction of the conditions set forth herein, the Agency loans to Developer the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) in Housing Asset Funds for the primary purpose of assisting with the construction of thirty (30) PSH one-bedroom units restricted to 30% AMI and for related expenses.

As a condition of the receipt of said Housing Successor Loan, Developer agrees to carry out the projects as generally described in the DDA.

Disbursement of the Loan proceeds will be based on completion of work and submission of invoices for approved expenses.

Developer shall be liable for repayment of any Housing Successor Loan proceeds disbursed to Developer that are subsequently determined to constitute disallowed costs. Disallowed costs may be identified through audits, monitoring, or other sources. City shall make the final determination of disallowed costs subject to provisions of applicable HSC regulations.

The Housing Successor Loan is to be evidenced by a Note executed by Developer in favor of Agency and delivered to Agency concurrently herewith (the "Housing Successor Note"). Repayment of the Housing Successor Note is to be secured by the Deed of Trust and Security Agreement of even date hereof (the "Trust Deed"), covering the Property and the Project. Developer shall execute the Trust Deed in favor of Fidelity National Title Major Accounts as Trustor in trust for the benefit of Agency and deliver it to escrow for recordation.

That certain Regulatory Agreement and Declaration of Restriction Covenants of even date hereof (the "Regulatory Agreement") imposing covenants, conditions and restrictions running with the land is a material consideration for the making of the Housing Successor Loan. Developer shall execute the Regulatory Agreement and deliver it to escrow for recordation. This Deed Restrict Covenant and Loan Agreement, the Commitment Agreement, the DDA, the Housing Successor Agency Promissory Note, the Deed of Trust and Security Agreement, Regulatory Agreement and Declaration of Restrictive Covenants, Notice of Affordability Restrictions on Transfer of Property, Agreement Containing Covenants Affecting Real Property, and any and all documents related thereto, and all of which are incorporated herein, are referred to herein as the "Loan Documents" pertinent to the Housing Successor.

SECTION 1.02 Conditions of Funding. The obligation of the Agency to disburse Housing Successor Loan proceeds pursuant to this Loan Agreement is subject to the following conditions:

1. Developer shall provide the Agency with a corporate resolution or similar document approving and authorizing execution of this Loan Agreement and all documents contemplated hereby and with such other documents required by the Agency regarding Developer's corporate status and ability to enter into this transaction.

2. Developer shall provide the Agency with Certificates of Insurance in form and with insurers admitted in California acceptable to the City and Agency, evidencing compliance with the insurance requirements of this Loan Agreement on or prior to close of escrow on the property and upon demand by Agency or City at any time subsequent. If requested by the City or Agency, Developer shall also provide copies of the required insurance policies.

3. As a material inducement to Agency to enter into this Loan Agreement and to make the Housing Successor Loan to Developer, Developer unconditionally, and each signatory who signs on its behalf, to the extent of their actual knowledge, represents and warrants to Agency, as of the date hereof, as follows:

(a) Developer is duly formed and validly exists in the form stated in Article I, is qualified to do business in California, and has full power to consummate the transactions contemplated.

(b) Developer has full authority to execute this Loan Agreement, the Housing Successor Note, the Trust Deed, the Regulatory Agreement and all of the other Loan Documents, to undertake and consummate the contemplated transactions, and to pay, perform, and observe all of the conditions, covenants, agreements, and obligations.

(c) This Loan Agreement, the Housing Successor Note, the Trust Deed, the Regulatory Agreement and each of the other Loan Documents constitutes a legal and binding obligation of, and is valid and enforceable against, each party other than Agency and City, in accordance with the terms of each.

(d) There are no actions, suits, or proceedings pending or, to the best knowledge of Developer, threatened against or affecting Developer, the Property, or any part of it, or involving the validity or enforceability of the Trust Deed, the priority of the lien, or the validity or enforceability of any of the other Loan Documents, at law or in equity, or before or by any local, state or federal governmental agency. Developer is not in default with respect to any order, writ, injunction, decree, or demand of any court or other local, state or federal governmental agency.

(e) The consummation of the transactions covered by this Loan Agreement and the payment and performance of all of the obligations in the Loan Documents will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, contract, loan or credit agreement, corporate charter, bylaws, partnership agreement, trust agreement, or other instrument to which the Developer or any of its general partners is a party or by which it or they or the Property may be bound or affected.

(f) There is no event of default or potential default on the part of Developer under the Loan Documents or any other document relating to the financing of the Project.

(g) Developer has not received financing for either the acquisition of the Property, the construction of the Project, or the permanent financing of the Project except as has been specifically disclosed to and approved by Agency or City in writing.

(h) All proceeds of the Housing Successor Loan will be disbursed as provided in this Loan Agreement and used only for reimbursement of the costs of construction of the Project in accordance with the Scope of Development (as defined in the DDA) and for other purposes specified in the DDA and this Loan Agreement.

(i) The Scope of Development are satisfactory to Developer and its general contractor and have been approved by the City and all other construction lenders. There are no structural defects in the Project that are known to or reasonably should have been known to Developer or its agents and employees, and to the best of Developer's knowledge, no violation of any law, ordinance, order, rule, regulation, plan, ruling, determination or requirement of a local, state or federal governmental agency exists.

(j) All applications, financial statements, reports, documents, instruments, information, and forms of evidence delivered to Agency concerning the Housing Successor Loan or required by this Loan Agreement or any of the other Loan Documents are accurate, correct and sufficiently complete to give Agency true and accurate knowledge of their subject matter, and do not contain any untrue statement of a material fact or omit any material fact necessary to make them not misleading.

SECTION 1.03 Terms and Repayment of Loan. The parties agree that additional assistance in the Project is being provided by the Agency in the form of a Housing Successor Loan ("Housing Successor Loan"). The Developer shall use the Housing Successor Loan for the construction of thirty (30) units restricted as permanent supportive housing units for tenants at or below 30% of the Area Median Income. Said Housing Successor Loan shall equal One Million Two Hundred Thousand Dollars (\$1,200,000) and shall only be used for the design and construction of said units.

The Housing Successor Loan shall bear zero percent (0%) from the date of initial advance by the Agency until completion of construction of the Development, as evidenced by the issuance of the certificate of occupancy for the Development (the "Conversion Date"), and thereafter, shall bear simple interest at the rate of three percent (3%) per annum until repaid. The loan's term shall be 55 years from the date of the issuance of the final certificate of occupancy for the Project ("Loan Term"), with payments deferred until the Net Cash Flow (as defined in the DDA) of the Project shall provide for payments to begin. The annual principal and interest payment, if any, shall be from Net Cash Flow made by the 1st of the sixth month following the conclusion of each fiscal year of the Project.

Developer shall have the right to prepay the Housing Successor Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest, if any, accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest, if any, and then to principal. Any such prepayment shall have no effect upon Developer's obligations under the Regulatory Agreement which shall survive for the full term of the Regulatory Agreement.

Unless Agency agrees otherwise in writing, the entire unpaid principal balance and all interest and other sums accrued under the Housing Successor Note shall be due and payable at the end of the Housing Successor Loan's 55-year term, or upon the transfer of the Property absent the prior written consent of City of all or any part of or interest in the Property except as otherwise permitted pursuant to this Loan Agreement or the DDA.

Notwithstanding any provision of this Loan Agreement or any document evidencing or securing this Housing Successor Loan, Developer, and Developer's principals, partners, members, agents, officers, and successors in interest shall not be personally liable for the payment of the Housing Successor Loan or any obligation of the Housing Successor Loan.

SECTION 1.04 Net Cash Flow. For the purposes described in Section 1.03 of this Loan Agreement, Net Cash Flow shall be defined as follows and as defined in the DDA:

Gross Income Less Total Operating Expenses & Reserves and Third Party Loan and Asset Management Fee and Deferred Development Fee.

Gross Income shall mean and include all revenue, income, receipts, and other consideration actually received by Developer from operation of leasing of the Apartment Complex and shall include all rental receipts, laundry income, tenant charges and interest, but shall specifically exclude tenants' security deposits, interest on security deposits, loan proceeds, capital contributions or similar advances, amounts released from reserves or interest on reserves, condemnation proceeds, or insurance proceeds (other than the proceeds from any business interruption insurance).

Total Operating Expenses & Reserves shall include all taxes and assessments, insurance, license, utilities, building maintenance and repairs, landscaping, management fees, on site manager, payroll, cleaning supplies, all benefits and legal and accounting and all deposits to replacement, operating and transition reserves required by the Project lenders and equity investors.

Asset Management Fee is the annual fee(s) to pay the limited partner and/or the general partners for all management and oversight of the project, including any and all regulatory filings and surveys required of the Developer by the City in accordance to the project's funding sources. Said fee shall remain at \$25,000 increasing at 3% per year.

Deferred Development Fee shall be defined as the portion of the development fee that had not been paid upon the completion of the construction of the Project. The total development fee shall be capped at the maximum amount permitted by the California Tax Credit Allocation Committee.

The uses of each annual Net Cash Flow shall be as follows:

- (i) 50% to the Developer
- (ii) 50% (allocated on the HUD 108 Loan, Agency Loan, AHSC Loan, and HOME Loan, on a pro rata basis and used to pay residual receipts loans for the Project).

SECTION 1.05 Subordination of HUD 108 Loan, Agency Loan, AHSC Loan, and HOME Loan. The City agrees that each of the deeds of trust securing the HUD 108 Loan, Agency Loan, AHSC Loan, and HOME 108 Loan and Agreement Containing Covenants shall be subject and subordinate to the terms and conditions of a construction and/or permanent deeds of trust and regulatory agreements securing low-income housing tax credits financing (collectively, the

“Senior Loans”) subject to the following conditions: (1) the City and Agency shall receive copies of any notices of default issued by the Senior Lenders to the Developer; and (2) the City or Agency shall have the right to cure any default by the Developer within ninety (90) days after a notice of default.

ARTICLE II. OPERATION OF THE PROJECT

SECTION 2.01 Acceptance of Obligations. In consideration of the Loan to be provided hereunder, Developer agrees to and accepts the restrictions, obligations, and conditions contained in this Loan Agreement, including without limitation, the occupancy and rent requirements set forth in Section 2.04.

SECTION 2.02 Development and Operation of Project. Developer shall maintain the Property for rental housing in accordance with this Loan Agreement, and all other applicable legal requirements. Developer shall at all times maintain in full force and effect all applicable licenses required by the City of Merced, the County of Merced, and/or the State of California to operate and manage the property.

SECTION 2.03 Housing Asset Fund Requirements. Developer shall comply with all applicable laws and regulations governing the use of the Housing Asset Funds including, but not limited to, the terms and conditions of HSC Sections 34176 and 34176.1.

SECTION 2.04 Occupancy and Rent Requirements.

A. Occupancy Requirement. During the term of this Loan Agreement, Developer agrees to rent the property only to tenants whose income meet the requirements contained in the Regulatory Agreement.

B. Rent Requirement. Initial rent shall be established in accordance with the Regulatory Agreement.

C. Records Relating to Occupancy and Rental Requirements. Developer shall maintain all documents used in determining the qualifications of occupants, complete records of rent and other charges billed to and received from all occupants, and such other documents and reports as are necessary to enable the City or Agency to monitor compliance with the Loan Documents. The records and documents described in the preceding sentence shall be maintained for the periods and in the manner set forth in Section 2.06. The City or Agency shall have the right to review and audit such documents and records for compliance with requirements of this Section.

SECTION 2.05 Corporate Status. At all times during the term of this Loan Agreement, Developer shall maintain its existence and shall comply with all provisions of the California Law (Corporations Code Section 5000 *et. seq.*)

SECTION 2.06 Records and Audits.

A. Maintenance of Records. Developer shall maintain records including, but not limited to, books, financial records, supporting documents, statistical records, and all other pertinent records sufficient to accurately reflect all expenditures under this Loan Agreement, and all other matters covered by this Loan Agreement.

Developer shall preserve and make available its records relating to receipt and use of Housing Successor Loan proceeds until the expiration of seven (7) years from the date of final disbursement of Housing Successor Loan proceeds, or for such longer period, if any, as required by law.

B. Annual Audit. Each year throughout the Loan Term commencing in the year the certificate of occupancy is issued for the Project, Developer shall cause to be prepared an independent fiscal audit conducted in accordance with generally accepted auditing principles.

Upon completion, Developer shall provide the City and Agency with a copy of each annual independent fiscal audit.

C. Examination of Records and Facilities. Any time during normal business hours, and as often as may be deemed necessary, the Developer agrees that HUD or the City or any duly authorized employee or representative, shall have access to and the right to examine Developer's offices or facilities engaged in performance of this Loan Agreement, and all the Developer's records with respect to all matters covered by this Loan Agreement.

SECTION 2.07. Insurance. Developer shall maintain, throughout the term of this Loan Agreement, insurance from companies admitted in California, and approved by the City and Agency, in amounts as follows:

A. Workers' Compensation Insurance, including Employers' Liability coverage, with limits not less than required by California law.

B. Comprehensive General Liability Insurance with limits of not less than \$1,000,000 for each occurrence combined single limit bodily injury and property damage, including coverage for contractual liability.

C. Property Insurance covering the Property in a form appropriate for the nature of this Property covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with a deductible, if any, acceptable to the Agency or City, naming City and Agency as loss payee as its interest may appear.

D. The General Liability Insurance provided hereunder shall name the City and Agency as an additional insured and all insurance shall provide the City and Agency with thirty (30) days written notice of any cancellation.

ARTICLE III. DEFAULT, ENFORCEMENT, AND REMEDIES

SECTION 3.01. Default. Failure by either party to timely perform any material term or provision of this Loan Agreement (including, without limitation, failure by Developer to comply with the occupancy and rent requirements of Section 2.04 above), shall be considered a Default by that party under this Loan Agreement. The non-defaulting party shall serve written notice of a Default upon the defaulting party. If such Default is not cured by the defaulting party within thirty (30) calendar days after service of the notice of default, the defaulting party shall be liable to the other party for any damages caused by such Default; provided, however, that if the cure cannot be effectuated within such thirty (30) day period, the defaulting party shall have a reasonable additional time period to effectuate such cure so long as it commences such cure within the initial 30 day period, but in no event shall such cure period exceed ninety (90) calendar days after service of the notice of default; and provided, however, the non-defaulting party may, at its sole and complete discretion, waive any damage from the defaulting party by written notice to the defaulting party.

ARTICLE IV. GENERAL PROVISIONS

SECTION 4.01 Notices. Any notice, tender, or delivery to be given hereunder by either party to the other may be effected in writing either by personal delivery or sent by first class mail through the United States Postal Service, addressed as set forth below. Either party may change its address by written notice in accordance with this section.

TO CITY: City of Merced
678 West 18th Street
Merced, CA 95340
Attention: Housing Division & City Clerk

With a Copy to: City Attorney's Office
City of Merced
678 West 18th Street
Merced, CA 95340

TO DEVELOPER: Merced CA Apartments, L.P., a Delaware limited partnership
c/o JDF, LLC
777 West Putnam Avenue
Greenwich CT 06830
Attention: Joanne D. Flanagan, Esq.

With a Copy to: The Richman Group of California Development Company LLC
420 31st Street Suite B1
Newport Beach, CA 92663
Attention: Rick Westberg

TO INVESTOR: USA Institutional Merced LLC
c/o JDF, LLC
777 West Putnam Avenue
Greenwich, CT 06830
Attention: Joanne D Flanagan, Esq.

With a Copy to: Kraus Lam LLC
230 W. Monroe St.
Chicago, IL 60606
Attention: Daniel Kraus, Esq.

SECTION 4.02 Assignment. Developer acknowledges and agrees that the Loan is being provided in consideration of its special expertise, skill, and ability of Developer to operate and maintain the Property in a manner that will achieve the City's objective to provide quality affordable housing for lower income households. Consequently, Developer shall not permit any voluntary transfer, assignment, or encumbrance of this Loan Agreement without first obtaining the Agency's written consent, which shall not be unreasonably withheld. Any transfer, assignment, encumbrance, or lease without the Agency's consent shall be voidable and, at the Agency or City's sole discretion, shall constitute a material breach of this Loan Agreement.

SECTION 4.03 Non-Discrimination. Developer shall assure, in connection with the performance of this Loan Agreement, that no person shall be subject to discrimination because of race, religion, ethnic background, sex, sexual preference, or disability.

SECTION 4.04 No Third Party Beneficiaries. Nothing contained in this Loan Agreement shall be construed as creating a relationship of employer and employee or principal and agent between the City, Agency and Developer or Developer's agents or employees. Nothing contained in this Loan Agreement shall create or justify any claim against City or Agency by any third person with whom Developer may have employed or contracted.

SECTION 4.05 Indemnification. As a separate and independent covenant and irrespective of any insurance coverage, Developer shall take all responsibility for its performance, and shall bear all losses and damage directly resulting to it, and for performance of any of its contractors, subcontractors or agents.

Developer agrees to defend with counsel reasonably acceptable to the Agency, protect, indemnify, and hold harmless the City and Agency and its officers, employees, representative, and agents, on account of any act, error, or omission of Developer in the performance of this Loan Agreement.

Developer agrees to indemnify, protect, to assume the defense of with counsel reasonably acceptable to the City or Agency, and to hold harmless the City and Agency and its officers, employees, and agents from every claim, loss, damage, injury, expense, including attorney's fees, judgment, and direct or vicarious liability of every kind, nature, and description arising in whole or in part from the performance of this Loan Agreement, except those resulting from the willful misconduct of the City or Agency.

SECTION 4.06 Covenant Running With Land. The provisions of this Loan Agreement shall constitute covenants which shall run with the land and be binding upon Developer and Developer's successors and assigns, and all parties having or acquiring any right, title, interest in whatever form, including, but not limited to, leasehold interests, in and to any part of the Property except that, subject to the Regulatory Agreement and if specifically referenced herein, the same shall terminate and become void fifty-five (55) years from the date of the issuance of the final certificate of occupancy for the Project. Any attempt to transfer title or any interest therein in violation of these covenants, except as herein provided, shall be void.

SECTION 4.07 Term. The term of this Loan Agreement shall commence upon the date of this Loan Agreement and shall continue for fifty-five (55) years from the date of the issuance of the final certificate of occupancy for the Project unless earlier terminated by the parties hereto. Upon termination or expiration of hereof, Developer shall pay any remaining unpaid loan balance to the Agency.

SECTION 4.08 Entire Agreement. This Loan Agreement constitutes the entire Agreement between the Agency and Developer with respect to the subject matter hereof.

SECTION 4.09 Amendments. The Agency and Developer reserve the right to amend this Loan Agreement by mutual consent. It is understood and agreed that no alteration or variation of the terms of this Loan Agreement shall be valid unless made in writing and signed by the parties, and that no oral understandings or agreements not incorporated herein, and no alterations or variations of the terms of this Loan Agreement shall be binding on either of the parties, unless made in writing and signed by both of the parties.

SECTION 4.10 Severability. The invalidity of any clause, part, or provision of this Loan Agreement shall not effect the validity of the remaining portions thereof.

SECTION 4.11 Exhibits. The following referenced exhibits are attached to this Loan Agreement and are incorporated in this Loan Agreement as though fully set forth herein.

Exhibit A: Legal Description of Property

SECTION 4.12 Venue. This Loan Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Loan Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 4.13. Other Program Requirements. Developer is required by this Loan Agreement to carry out each activity in compliance with all federal, state, and local laws.

[Signatures on Next Page]

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

CITY OF MERCED
A California Charter
Municipal Corporation acting
as the Housing Successor
Agency to the Former City of
Merced Redevelopment
Agency

BY: _____
City Manager/Executive
Director

ATTEST:
STEPHANIE R. DIETZ, INTERIM CITY CLERK

BY: _____
Assistant/Deputy City Clerk acting as the
Secretary to the Housing Successor Agency

APPROVED AS TO FORM:

BY: Phaedra A. nrm 9-21-2020
General Counsel to the Date
Housing Successor Agency

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

“DEVELOPER”

Merced CA Apartments, L.P., a
Delaware limited partnership

By: Merced Childs & B Street, LLC, a
Delaware limited liability company

Its Managing General Partner

By: Central Valley Coalition for Affordable
Housing, a California nonprofit
corporation, Managing Member

Christina Alley, Chief Executive
Officer

By: Merced CA GP, LLC, a Delaware
limited liability company

Its Administrative General Partner

By: TRG Merced CA Member LLC, a
Delaware limited liability company

Its Sole Member

By: _____
Samantha Anderes, its Treasurer

By: The Richman Group of California
Development Company LLC, a
California limited liability company,
its Co-General Partner

By: _____
Samantha Anderes, its Treasurer

Taxpayer I.D. No. _____

ADDRESS:

c/o JDF, LLC
777 West Putnam Avenue
Greenwich CT 06830
Attention: Joanne D. Flanagan, Esq.

TELEPHONE: (203) 869-0900

FACSIMILE: (203) 496-8569

E-MAIL: flanaganj@jdfllaw.com

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____

}

On _____

Date

before me, _____

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

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

Place Notary Seal Above

Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____

}

On _____

Date

before me, _____

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

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

Place Notary Seal Above

Signature of Notary Public

Exhibit A: Legal Description of Property

EXHIBIT A

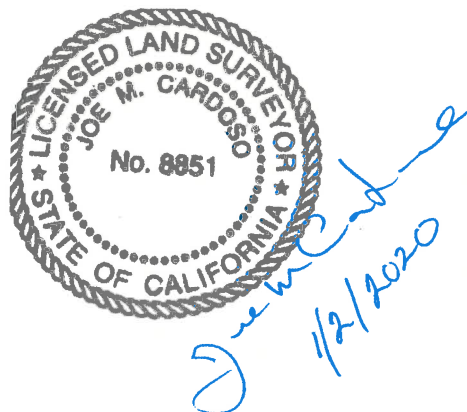
A parcel of land situated in the Southeast One Quarter (SE1/4) of Section 30, Township 7 South, Range 14 East, M.D.B. & M., City of Merced, County of Merced, State of California, said parcel of land being a portion of Parcel A, as said Parcel A is delineated on that certain map entitled "PARCEL MAP FOR RAYMOND A. BESSEMER M.D.", filed for record on March 2, 2000, in the office of the County Recorder of Merced County, in Book 86 of Parcel Maps, at Pages 22-23, said parcel of land being more particularly described as follows:

All of said Parcel A, EXCEPTING THEREFROM the following real property:

BEGINNING at the southwest corner of said Parcel A; thence N24°39'01"E, along the west line of said Parcel A, a distance of 211.87 feet; thence S6S° 21' 00" E, to the easterly line of said Parcel A, a distance of 320.00 feet; thence S24°39'01"W, along said easterly line, a distance of 63.21 feet to the beginning of a tangent curve concave to the northwest, having a radius of 15.00 feet; thence southwesterly along said curve, through a central angle of 66°33'00", an arc distance of 17.42 feet to a point of tangency on the south line of said Parcel A; thence N88°48'00"W, along said south line, a distance of 338.97 feet to **POINT OF BEGINNING.**

The above-described parcel of land is delineated on Exhibit B, attached hereto, and made a part hereof.

The above-described parcel of land contains 4.01 acres, more or less, is subject to any liens, encumbrances, covenants, restriction, and rights-of-way or easements of record or legally acquired.



PARCEL 2
94 P.M. 33

PARCEL 1
94 P.M. 33

COUNTY OF MERCED
GRANT DEED
2009-061427, M.C.R.

4.01 ACRES
174,683 Sq. Ft.

PARCEL A
86 P.M. 22

MERCED CEMETERY
DISTRICT

COUNTY OF MERCED



SCALE: 1" = 100'

N24°39'01"E 757.80'

S65°19'58"E 320.00'

15 R.S. 11

S24°39'01"W 609.06'

B STREET

S65°21'00"E 320.00'

1.05 ACRES
45,570 Sq. Ft.

N88°48'00"W 338.97'

CHILDS AVENUE

P.O.B.

63.21'

DELTA = 66°33'00"
RAD. = 15.00'
LEN. = 17.42'
TAN. = 9.84'

Lt O.P. 24



City of Merced
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6846

EXHIBIT B

DR. BY: CARDOSO
DATE: 4/19/16
CH. BY:
DATE:
File No.
SCALE: 1"=100'