

AGREEMENT NO. _____

**PERMANENT LOCAL HOUSING ALLOCATION PROGRAM
AGREEMENT FOR THE CONSTRUCTION OF
AFFORDABLE HOUSING**

THIS **AGREEMENT** is made and entered into on _____, by and among the **CITY OF BAKERSFIELD**, a charter city and municipal corporation ("CITY" herein) and **GOLDEN EMPIRE AFFORDABLE HOUSING INC.**, a California nonprofit public benefit corporation ("DEVELOPER" herein).

RECITALS:

WHEREAS, in 2017, Governor Brown signed Senate Bill 2, the Building Homes and Jobs Act, to establish a \$75 recording fee on real estate documents to increase the supply of affordable homes in California as part of a 15-bill package to address the state's housing shortage and high housing costs; and

WHEREAS, on June 3, 2022 the CITY sent out a Request for Proposals (RFP) and advertised the availability of affordable housing funding available through the Affordable Housing Trust Fund, which included Permanent Local Housing Allocation (PLHA) funding to developers and interested parties; and

WHEREAS, Staff evaluated 14 applications from interested parties requesting funds; and

WHEREAS, the 800 S. Baker St Project proposal submitted by Golden Empire Affordable Housing Inc. was rated first among the applications reviewed by staff; and

WHEREAS, it is in the best interest of the City to continue funding the applications received during the Request for Proposal (RFP) period on June 3, 2022; and

WHEREAS, DEVELOPER will provide the community with eight affordable housing units; and

WHEREAS, DEVELOPER needs funding assistance to pay for eligible related soft and hard costs for the construction of affordable housing units; and

WHEREAS, CITY desires to assist DEVELOPER by loaning to it funds to be used to pay for eligible related soft and hard construction costs.

NOW, THEREFORE, incorporating the foregoing recitals herein, CITY and DEVELOPER mutually agree as follows:

1. DEFINITIONS.

1.1. "Project" means DEVELOPER's eight one-bedroom unit affordable housing project located at 800 S. Baker Street, Bakersfield, California 93307.

1.2. "Project Property" means that certain real property located within the City of Bakersfield, more specifically described in **Exhibit "A"**, attached hereto and incorporated by this

reference.

1.3. "Project Completion" shall reflect the date work on the project is completed.

1.4. "Period of Affordability" means a fifty-five (55) year time period, beginning at Project Completion, during which period said housing must be affordable to all tenants of PLHA-assisted units in accordance with Section 7312 of the Multifamily Housing Program guidelines and the definition of "affordable rent" in Section 7301. Moderate-income rents shall be set at 30% of the applicable income eligibility level, and comply with the moderate income as defined in California Health and Safety Code 50093.

1.5. "Loan" means CITY's loan of funds to DEVELOPER to facilitate the construction of the Project to be paid back out of the Residual Receipts from the housing complex.

1.6. "Debt Service" means regularly scheduled payments of principal and interest made in a calendar year pursuant to the approved financing obtained for the development and ownership of the Project, which is senior in lien priority to the Loan, but excluding payments made pursuant to the Loan.

1.7. "Eligible Project Costs" means those costs related to the Project which are eligible for reimbursement as defined in and are sometimes referred to herein as Eligible Construction Costs.

1.8. "Operating Expenses" means actual, approved, reasonable and customary costs, fees and expenses directly attributable to the operation, recordkeeping, maintenance, taxes and management of the Project, including without limitation: a commercially reasonable property management fee, taxes and assessments; payroll and payroll taxes for property employees; insurance; security; painting, cleaning, repairs, and alterations; landscaping; sewer charges, utility charges; advertising, promotion and publicity, cable television, satellite and other similar services; office, janitorial, cleaning and building supplies; approved recreational amenities and supplies; purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishing; fire alarm monitoring; fees and expenses of accountants, attorneys, consultants and other professionals that are directly attributable to the Project and which are customarily incurred in the operations of projects comparable to the Project. The Operating Expenses shall be reported in the Annual Financing Statement. Expenses for the purpose of calculating Residual Receipts are subject to CITY approval and shall be calculated on an accrual basis. Operating Expenses shall not include long term capital improvements (other than the maintenance of the Replacement Reserve Fund), repairs or replacements paid out of insurance proceeds received by DEVELOPER or the Limited Partnership, or depreciation of buildings or other similar non-cash items of expense or deduction from income.

1.9. "Payment Date" means within 30 days of approval of Residual Receipts from the CITY of the year following project completion and after the end of the DEVELOPER's fiscal year with respect to the preceding fiscal year.

1.10. "Replacement Reserve Fund" means the fund, which shall be used in the future to replace furniture, fixtures and equipment and to replace various aspects of the buildings (e.g. roof, landscape, etc.) and Project Property.

1.11. "Residual Receipts" shall mean, for each calendar year, Revenues less the sum of (i) Operating Expenses, (ii) Debt Service, (iii) Deposits to the Replacement Reserve Fund, (iv) deferred developer fees, and (v) a partnership management fee to DEVELOPER, and/or asset

management fee payable to one or more of the general partners of the DEVELOPER, and/or an asset management fee payable ahead of payments to the CITY, or the DEVELOPER, and an annual audit fee, in such amounts which are set forth in the Financing Plan which is approved by the CITY; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that year.

1.12. "Revenues" shall mean the sum of (1) all cash received from rents, lease payments and all other sources including, without limitation, rental assistance payments, but excluding (a) tenant security or other deposits (unless forfeited), (b) capital contributions and interest thereon, (c) proceeds from capital transactions and (d) interest on reserves not available for distribution, (2) the net proceeds of any insurance (including rental interruption insurance), other than fire and extended coverage and title insurance, to the extent not reinvested, and (3) any other funds deemed available for distribution by the DEVELOPER.

1.13. "Activity" means soft and hard costs associated with the construction of the Project and paid for with PLHA funds.

1.14. "PLHA assisted units" means five (5) units of affordable housing, including five (5) one-bedroom units that will stay in compliance of this Agreement for the duration of the period of affordability. All PLHA assisted units shall be comparable to the non-assisted PLHA units in terms of size, features, number of bedrooms and other amenities throughout the period of affordability.

1.15. "Completion Guaranty" means that certain completion guaranty executed by GUARANTOR in favor of the CITY guaranteeing to the CITY the completion of the Project by the DEVELOPER in the manner and within the time required by this Agreement, in the form of **Exhibit "G"** to this Agreement. The occurrence of either a Transfer or a Permitted Transfer shall not operate to totally or partially release the guarantor under the Completion Guaranty unless the CITY expressly consents to such release in writing, which consent may be given or withheld in the CITY's sole and absolute discretion. Notwithstanding the foregoing, in lieu of the Completion Guaranty, DEVELOPER may, in the same time and manner as required of the Completion Guaranty, obtain a performance bond, subject to the CITY'S satisfaction and approval, or replace the guarantor on the Completion Guaranty. The approval or disapproval of the performance bond or replacement guarantor shall be within the sole and absolute discretion of the CITY.

2. CONDITIONS OF THE LOAN.

2.1. Scope of Project. The loan is intended to provide money, in the amount set forth in **Section 3**, below, to apply toward the cost of developing the Project. The scope of work of the Project will include the activities as set out in **Exhibit "B"** attached hereto and incorporated by reference herein.

2.2. The Loan. Subject to the terms and conditions of this Agreement, CITY agrees to loan to DEVELOPER, and DEVELOPER agrees to accept from CITY, up to the amount of money set forth in **Section 3** herein.

2.3. Period of Affordability. The "Period of Affordability" shall be fifty-five (55) years and shall commence with Project Completion. If DEVELOPER is not in full compliance with the terms of this Agreement at any time during the term of this Agreement, it shall be an event of default subject to the provisions set forth in **Section 6** of this Agreement.

2.4. Failure to Complete Project. If, for any reason DEVELOPER fails to complete the construction of the Project as set out in **Exhibit "B,"** after being given a reasonable time to

complete it, it shall be an event of default subject to the provisions set forth in **Section 6** of this Agreement.

2.5. Duration of the Agreement. All CITY requirements, as required in this Agreement shall be in effect upon execution of this Agreement and during the Period of Affordability. All loan obligations, including residual receipt payments and its related conditions, shall be in effect during the term of the loan, as fully described in Section 3.1.

2.6. Local Approvals. DEVELOPER and CITY agree that funding under this Agreement is conditioned upon DEVELOPER securing all zoning, building, and local land use approvals. Should the DEVELOPER fail to secure such approvals, all funding committed under this Agreement shall be null and void.

3. CITY'S OBLIGATION.

3.1. Amount and Terms of Loan. CITY shall loan DEVELOPER no more than SEVEN HUNDRED NINETY-TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS (**\$792,850.00**), subject to the terms of this Agreement. The loan shall consist of PLHA funds. Such loan shall be due and payable fifty-five (55) years from the date of execution by DEVELOPER of a promissory note as required herein ("Maturity Date"), unless repaid sooner as set forth in this Agreement or the promissory note.

3.1.1. The CITY Loan shall be due and payable as of the Maturity Date unless repaid sooner as set forth in this Agreement or the Note. In the event DEVELOPER prepays the CITY Loan before the Maturity Date, DEVELOPER shall pay accrued interest up to that point. DEVELOPER shall pay simple interest at a rate of three percent (3%) per year. DEVELOPER shall begin making annual payments of principal and interest from Residual Receipts in the year following Project Completion, as defined herein. Payments shall be made from 50% of Residual Receipts. CITY shall apply such payments first to pay current annual interest due, then the cumulative interest owed, and then to reduce the principal amount of the CITY loan.

3.1.2. DEVELOPER shall execute a promissory note in favor of the CITY for SEVEN HUNDRED NINETY-TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$792,850.00), subject to adjustment as set forth herein ("Promissory Note"). Additionally, DEVELOPER shall execute and record a deed of trust on the Project Property in favor of CITY ("Deed of Trust"). Such Deed of Trust shall be no less than a third deed of trust, second only to DEVELOPER's permanent lender, construction lender and any other matters of record reasonably acceptable to CITY. The Deed of Trust shall secure all DEVELOPER's promises extended to CITY in this Agreement. The Promissory Note, referred to herein shall be in the form which is attached hereto as **Exhibit "D"** and Deed of Trust referred to herein shall be in the form, which is attached hereto as **Exhibit "E"** and incorporated herein by reference. The Deed of Trust shall be recorded in substantial form of **Exhibit "E"**, with the amount of funds being used for development at each of the Project Property being recorded in the deed recorded at that specific property.

3.2. Disbursement of Funds. CITY shall not be obligated to disburse any funds pursuant to this Agreement until DEVELOPER has recorded a Regulatory Agreement in substantially the same form as the Regulatory Agreement attached hereto as **Exhibit "F"** on the Project Property.

3.3. Process for Disbursement of Funds. CITY shall disburse Program funds received, as provided for in Section 3.2, only after the following processing conditions are met:

3.3.1. DEVELOPER has executed the Promissory Note and recorded the Deed of Trust referred to in Section 3.1.2 on the Project Property.

3.3.2. DEVELOPER has recorded the Regulatory Agreement (**Exhibit "F"**) against the Project Property.

3.3.3. At least sixty (60) days in advance of DEVELOPER's first request for disbursement of funds, DEVELOPER has provided CITY, for its review and approval an Affirmative Marketing Plan outlining the program for marketing the Project, as provided for in Section 4.

3.3.4. At least sixty (60) days in advance of DEVELOPER's first request for disbursement of funds, DEVELOPER has provided CITY, for its review and approval a security plan outlining measures DEVELOPER will be taking to ensure the day-to-day security of the residents of the Project, as well as to ensure the security and safety of the physical facility of the Project itself ("Security Plan"). No disbursement shall be required until the Security Plan is approved by the CITY or its designee.

3.3.5. Payments shall be made to DEVELOPER upon DEVELOPER's submittal to the CITY of a monthly certified claim executed by a properly designated official of DEVELOPER indicating the percentage of the Project that has been completed. Said certified claims shall be itemized and properly documented to clearly show the items, tasks or services for which payment is being claimed and the basis for cost computation whether by cost per hour, cost per weight, cost per task or other measurement as agreed by and between DEVELOPER and CITY, as more fully described in the attached **Exhibit "B"**. Further, request for disbursement of funds under this agreement cannot be made until funds are needed to pay of eligible cost and such request are limited to the amount needed.

3.3.6. After receipt by CITY of a satisfactory monthly certified claim for construction costs, including any required labor standards documentation (payroll forms, employee interviews, and other construction compliance monitoring actions), soft costs, including but not limited to, impact fees and project design costs, CITY shall make a payment to DEVELOPER in the amount of ninety-five percent (95%) of the CITY's pro rata portion of the construction costs incurred by the DEVELOPER within thirty days of approval of a certified claim. The balance of the cumulative five percent (5%) retention from each claim shall be paid to DEVELOPER thirty-five (35) days after DEVELOPER files a Notice of Completion.

4. DEVELOPER'S OBLIGATIONS.

4.1. Financing of the Project. The estimated cost of the Project is in excess of SEVEN HUNDRED NINETY-TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS and 00/00 (\$792,850.00). In order to facilitate DEVELOPER'S completion of the Project, the parties agree as set forth herein. It is the intent of the parties that DEVELOPER shall finance the construction and completion of the Project pursuant to this Agreement.

4.1.1. DEVELOPER shall provide all other funding for all other amounts required to complete the Project, which cannot be paid by CITY's assistance.

4.2. Financing Not Obtained. All of the project's financing described herein shall have closed within 90 days of the date of this Agreement. In the event said financing has not been provided or is not available, then DEVELOPER shall present to CITY alternative financing sources

for the Project to continue prior to the close of the aforementioned ninety-day period. If DEVELOPER cannot present sources to replace said funding proposed in this Agreement, then the CITY may, at its discretion, terminate all obligations under this Agreement.

4.3. The DEVELOPER shall execute a Deed of Trust on the Project Property naming CITY as beneficiary. Such Deed of Trust shall be subordinate to any permanent or construction loan Deed of Trust but shall be in no less than third position. Such Deed of Trust shall remain on the Project Property throughout the term of the Loan or until the Loan is repaid in full.

4.3.1. In addition to the insurance coverage required pursuant to **Section 7** below, during construction and prior to Project Completion, DEVELOPER shall maintain coverage of the type now known as builder's completed value risk insurance, as delineated on an All Risk Builder's Risk 100% Value Non-Reporting Form. Such insurance shall insure against direct physical loss or damage by fire, lightning, wind, storm, explosion, collapse, underground hazards, flood, vandalism, malicious mischief, glass breakage and such other causes as are covered by such form of insurance. Such policy shall include, (1) an endorsement for broad form property damage, breach of warranty, demolition costs and debris removal, (2) a "Replacement Cost Endorsement" in amount not less than 100% of the then full replacement cost, to be determined at least once annually and subject to reasonable approval by CITY, and (3) an endorsement to include coverage for budgeted soft costs (including construction loan interest, building permit fees, construction inspection fees, builder's risk insurance, and property taxes during construction). The replacement cost coverage shall be for work performed and equipment, supplies and materials furnished to the Property or any adjoining sidewalks, streets and passageways, or to any bonded warehouse for storage pending incorporation into the work, without deduction for physical depreciation and with a deductible not exceeding \$50,000 per occurrence (except that any earthquake coverage shall carry a deductible equal to 5% of the policy amount, or such other deductible amount as CITY may determine is acceptable, in light of the cost of the premium for such insurance).

4.4. Cost of Construction. The cost of constructing the Project on the Project Property shall be borne by DEVELOPER. In the event the Project should cost more to construct than estimated herein or DEVELOPER makes changes to the Project, which increase the costs, DEVELOPER shall pay for and bear full responsibility for all such additional costs. This provision concerning DEVELOPER's responsibility for additional costs shall not be deemed to authorize changes to the Project without CITY's review and approval by means of an amendment to this Agreement. The assistance provided by CITY shall not exceed the amounts set forth in **Section 3** herein.

4.5. Construction, Operation and Maintenance Standards. DEVELOPER shall construct, operate and maintain the Project in accordance with the plans and specifications delivered to CITY by DEVELOPER, which plans and specifications shall have been drawn by architects and engineers of DEVELOPER and which are consistent with CITY's requirements.

4.6. Schedule. DEVELOPER shall submit to CITY for review and approval a schedule outlining the time frame in which all work on the Project will be done. This document shall be in the form of **Exhibit "B"**, attached hereto. Henceforth, this schedule shall be referred to as the "Schedule of Performance." DEVELOPER shall commence and complete all construction and development within the times specified in the Schedule of Performance or such reasonable extension of said times as may be mutually agreed upon by CITY and DEVELOPER. The Schedule of Performance is subject to revision from time to time if mutually agreed upon in writing between DEVELOPER and CITY. The CITY's City Manager or their designee is hereby authorized to approve an extension of no more than one hundred (100) days to any time set for

performance in DEVELOPER's Schedule of Performance. Any extension will automatically add that same amount of time to any act, which is to perform subsequent to the act for which the extension was granted.

4.6.1. DEVELOPER shall commence construction as required herein by no later than May 1, 2024. In addition, developer shall construct the property in accordance with the Schedule of Performance, more fully described in **Exhibit "B"**.

4.7. City and Other Governmental Permits. Before commencement of construction, or development of any buildings, structures or other work of improvement upon the Project Property, or any other work provided for by this Agreement, DEVELOPER shall, at its own expense, secure, or cause to be secured, any and all permits which may be required by the City of Bakersfield or any other governmental or private agency affected by or having jurisdiction over such construction, development or work. Additionally, DEVELOPER shall require its construction contractor and all subcontractors to acquire a seller's permit (if required by Title 18, Section 1521 of the California Code of Regulations) associated with construction of the affordable Project housing on the Project Property.

4.8. Rights of Access. For the purpose of assuring compliance with this Agreement, representatives of CITY shall have reasonable right of access to the Project Property without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements provided, however, such inspections shall not unreasonably interfere with the construction work in progress. This provision shall not be construed to replace or modify inspection requirements arising out of the issuance of building permits or land use entitlements.

4.9. Local and State Laws. DEVELOPER shall carry out the construction of the Project and all other work and activities provided for in this Agreement in conformity with all applicable laws. It is understood that DEVELOPER is responsible for compliance with all applicable laws including, but not limited to, the California Labor Code, California Public Contract Code, the California Health and Safety Code and the California Government Code. DEVELOPER and any of DEVELOPER's contractors or subcontractors shall pay State of California prevailing wages on all work resulting from this Agreement, to the extent if and required by law.

4.10. Labor Standards Provisions. If applicable, DEVELOPER shall comply with the requirements of all applicable Federal, state and local laws and regulations pertaining to labor standards and prevailing wages insofar as those acts apply to the performance of this Agreement. If applicable, DEVELOPER shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to CITY for review upon request.

4.10.1. If applicable, DEVELOPER, and all contractors engaged under contracts are considered "public works projects" per Section 1720 of the California Labor Code. Any public works project paid for in whole or in part with public funds (i.e. local tax revenue), construction projects over \$25,000 and alteration, demolition, repair, or maintenance projects over \$15,000, is subject to prevailing wage. Projects of \$30,000 or more must meet Department of Industrial Relation's apprenticeship requirements. In accordance with Labor Code section 1720 et seq., prevailing wages shall be paid for all construction, alteration, demolition, installation, or repair work done under contract and paid in whole or in part out of public funds. All estimates and payments for construction and installation of improvements shall include prevailing wages, and shall otherwise comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6 and

1813 of the California Labor Code and all other applicable laws and regulations with respect to prevailing wages. Participants in the program are responsible for ensuring that the improvements are following the Prevailing Wage Law.

4.10.1.1. If applicable, DEVELOPER shall require the language of this certification to be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all subrecipient's shall to certify and disclose accordingly.

4.10.2. Funds for Religious Purpose. DEVELOPER shall permit no PLHA funds to be expended for the design, construction, operation, or maintenance of any facility to be used for sectarian instruction or as a place for religious worship, except in situations where such use is incidental and does not favor one religious group over another.

4.10.3. Prohibited Interest of Officials and Employees. If applicable, no resident commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise from it. No member, officer or employee of DEVELOPER, or its designees or agents, no member of CITY's Council or any other public official who exercises any functions or responsibilities with respect to the PLHA Program during his tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed pursuant to this Agreement, DEVELOPER shall incorporate or cause to be incorporated, a provision prohibiting such interest in all contracts or subcontracts, relating in any manner to this Agreement.

4.10.4. Equal Employment Opportunity (Non-discrimination Clause). DEVELOPER shall not discriminate against any employee, or applicant for employment, because of race, color, religion, sex, national origin, age, disability, or sexual orientation. DEVELOPER shall take affirmative action to ensure that applicants for employment and employees are treated during employment, without regard to race, color, religion, sex, national origin, age, disability, or sexual orientation. Such action shall include, but not be limited to, the following: employment, 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. DEVELOPER shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by CITY setting forth the provisions of this nondiscrimination clause. DEVELOPER shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, disability, or sexual orientation.

4.10.4.1. Non-Discrimination Requirements. Under any related agreements or contracts, DEVELOPER shall provide that no person, on the grounds of race, color, national origin, religion, sex, sexual orientation, or gender identity shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with PLHA Program funds. In addition, PLHA Program funds must be made available in accordance with the following:

4.10.4.2. This Agreement is subject to the provisions of the Fair Housing Act. The provision sets forth an exemption to the protected class of familial status under the Fair Housing Act, when housing is provided under any Federal or State program is designed, intended and operated for occupancy by elderly persons, 62 years of age or older.

4.10.4.3. The Civil Rights Act of 1964, Title VIII of the 1968 Civil Rights Act, California Rumford Fair Housing Act of 1968 and the Fair Housing Amendments Act

of 1988, The California Fair Employment and Housing Act, The Unruh Act (California Government Code Section 51), The Ralph Civil Rights Act (California Civil Code Section 51.7), The Bane Civil Rights Act (California Civil Code Section 52.1), California Government Code Sections 111135, 65008 and 65589.5.

4.10.5. Environmental Considerations. CITY and DEVELOPER want to assure that the policies of the California Environmental Quality Act of 1970 (CEQA), as amended, are most effectively implemented.

4.10.6. Relocation Assistance and Acquisition Policies. This Agreement is subject to the requirements of the State Relocation Assistance Law (CA Government Code Section 7260-7277), and other regulations implementing the requirements.

4.10.6.1. DEVELOPER agrees to comply with the requirements of Title 25, CCR Section 6000-6198, and any other local, state, or federal requirements which apply to the project and its relocation of existing tenants.

4.10.6.2. In the event relocation assistance must be provided to any lower-moderate- income household tenant selected by DEVELOPER but eventually displaced as a result of the Project, DEVELOPER shall be solely responsible for the payment thereof. In the event relocation assistance must be provided to the original occupant of the Project Property unit at the time of acquisition from the Project Property, CITY shall be solely responsible for the payment thereof.

4.11. California Law. DEVELOPER shall comply with all applicable provisions of California law applicable to public contracts.

4.12. Local Regulations. DEVELOPER shall comply with all applicable City regulations including, but not limited to, the following:

4.12.1. Local code requirements, local zoning ordinances and building codes.

4.12.2. The affordability requirements of the PLHA program funding, for a period of fifty-five (55) years after Project Completion.

4.12.3. Throughout the period of affordability, DEVELOPER will maintain five (5) PLHA units, which will be maintained as follows: three (3) one-bedroom units for households earning less than or equal to sixty percent (60%) AMI and two (2) one-bedroom units for households earning less than or equal to one hundred twenty percent (120%) AMI.

4.12.4. Initial rents shall be charged in accordance with **Exhibit "C"** of this Agreement. Further, rent increases shall be approved when in accordance with the procedure identified in **Exhibit "C"**.

4.12.5. A Regulatory Agreement will be recorded on the Project Property requiring that the PLHA-assisted rental units remain affordable for a period of fifty-five (55) years after Project Completion. A copy of the Regulatory Agreement is attached as **Exhibit "F."**

4.12.6. DEVELOPER shall make a good faith effort to solicit applications from throughout the City of Bakersfield. DEVELOPER shall comply with State fair housing laws and not deny access to the Project on the basis of age, race, ethnicity, marital or familial status, source

of income, gender, or sexual orientation.

4.12.7. Income certifications shall be required for households at initial occupancy. Income determinations shall be made in accordance with the requirements established in 24 CFR 92.203(b)(1). After initial occupancy, no annual recertification shall be required for units assisted through funding under the PLHA program. Third party documentation is required to verify all household income levels prior to occupancy. Documentation of household income shall be kept on file for all income-restricted units that are assisted by the funding under this agreement and will be maintained onsite for properties for City staff to inspect as needed. Additionally, common forms of income certification (i.e. TIF forms, HUD approved income certifications, etc.) are permissible to use in reporting household income.

4.12.8. As required by law, any displacement, relocation, and acquisition requirements imposed by the CITY or the State of California.

4.12.9. Prior to and during the Period of Affordability DEVELOPER shall:

4.12.9.1. Before initially marketing available units for the Project property and taking any rental applications from any person, deliver to CITY, for review, comment, and approval or disapproval, a copy of the marketing plan DEVELOPER intends to use to market, and select occupants of, the Project ("Marketing Plan"); DEVELOPER shall change the Marketing Plan in response to CITY's comments, so long as such comments are commercially reasonable, will not have an adverse effect on leasing, and conform to all statutory requirements that pertain to the Property, and shall resubmit the Marketing Plan for CITY review and approval; DEVELOPER shall follow the Marketing Plan approved by CITY.

4.12.9.2. At all times, maintain the Property in a manner which meets this Agreement.

4.12.9.3. If DEVELOPER fails to comply with the provisions of this section, and upon written notice to DEVELOPER from CITY listing areas of noncompliance, fails to initiate corrective action within sixty (60) days from date of notice, such failure shall constitute a breach of this Agreement. CITY shall thereupon have the right to repayment from DEVELOPER for the full amount of the loan. Repayment of the CITY loan shall not affect the time period of affordability set forth in the Regulatory Agreement, as shown in **Exhibit "F."**

4.13. Records and Audits. DEVELOPER shall maintain records sufficient to show it has reasonably complied with all applicable provisions and requirements of this Agreement.

4.13.1. Records and Reports. DEVELOPER shall create and retain accurate records of DEVELOPER's efforts to market the Property and results of those efforts. At least annually, but more often if requested by CITY, DEVELOPER will deliver to CITY a report that includes, at a minimum, all of the following:

4.13.1.1. A description of marketing and outreach DEVELOPER carried out during the reporting period, including such items as clipped notices, flyers, advertisements, and letters.

4.13.1.2. Identification of each applicant's referral source.

4.13.1.3. Race, ethnicity, gender and disability status of each applicant.

4.13.1.4. Family income, rent paid to DEVELOPER, family size, race or ethnicity, gender and disability status of each person who is a tenant during the reporting period.

4.13.1.5. For the Project units, information on unit substitution and vacancies.

4.13.1.6. Level of revenues, reserves, occupancy rates and operating and debt-service costs.

4.13.1.7. The amount, and proper allocation, of Residual Receipts, as described in Section 3.1.1. of this Agreement.

4.13.1.8. Financial reports showing the availability and/or payment of loan principal and interest out of Residual Receipts. Additionally, financial statements shall show the financial condition and continued financial viability of the project.

4.13.2. Audits. Upon the written request of the CITY, DEVELOPER shall arrange, at its own expense, for the performance of a "Single Audit" of its entire operations by an independent auditor in accordance with City policies.

4.13.2.1. Delivery of Audit Results to CITY. The auditor shall deliver results of said audit to CITY within 30 days of the audit's completion. CITY's acceptance of DEVELOPER's audit reports does not prohibit CITY from performing any additional audit work CITY deems to be necessary or as necessary for CITY to comply with any administrative or audit requirements imposed by the Federal or State government.

4.13.3. Record Retention. In compliance with CITY Retention Schedule, DEVELOPER shall maintain all records related to this Agreement for three (3) years from Project Completion.

4.13.4. Payment Procedure. DEVELOPER shall comply with the methods and procedures for payment as outlined in this Agreement.

4.13.5. Procurement and Allowable Costs. DEVELOPER shall comply with the City requirements and standards of "Procurement".

4.13.6. Subawards and Monitoring. CITY has the right, but not the obligation, to monitor and supervise the administration and implementation of the Property annually for a period of fifty-five (55) years following completion of the project.

4.13.7. CITY Withholding of Funds. CITY may withhold funds from DEVELOPER if DEVELOPER is not complying with regulations thereunder, the terms of this Agreement, or any other statute or regulation applicable to CITY funds or administration. Should CITY become subject to any penalties because failure by DEVELOPER, or DEVELOPER's agent, to comply with all applicable federal, state, and local laws and regulations, DEVELOPER shall be solely liable for any such penalties and shall fully reimburse CITY for any payments made or funding lost as a result.

5. USES OF THE PROJECT.

5.1. DEVELOPER covenants and agrees for itself, its successors, its assigns and every successor in interest that during construction and thereafter, DEVELOPER, its successors and assigns shall devote the Project Property as very low- and low-income housing for a period of

fifty-five (55) years from date of Project Completion.

5.1.1. Landscaping and Maintenance of the Project. DEVELOPER shall maintain the Project, the parking facilities and landscaping in a good condition and shall keep the Project free from any accumulation of debris or waste materials prior to and after construction. Maintenance shall include, but is not limited to, programmed watering, consistent fertilizing, weed control, cleaning, pruning, trimming, pest control and cultivating. Landscape structural features shall be maintained in sound structural and attractive conditions. All plant material shall be serviced by a permanently installed, electrically automated sprinkler system. Replacement planting must conform to the original intent of the landscape design. Installation of landscape materials shall be in accordance with commonly accepted methods of installation. Trees shall be the equivalent to minimum fifteen-gallon container size or larger and shall be vigorous and healthy when planted. Shrubs shall be a minimum of five-gallon container size or larger and shall be vigorous and healthy when planted. Live vegetative matter shall cover no less than seventy-five percent (75%) of the required landscaped area at its maturity.

5.1.1.1. If, at any time, DEVELOPER fails to maintain the landscaping as required by this Agreement or CITY standards, and the condition is not corrected within a reasonable time from the date of written notice to correct from CITY, CITY may perform the necessary landscaping maintenance, and DEVELOPER shall pay all such costs as are reasonably incurred for such maintenance.

6. DEFAULTS, REMEDIES AND TERMINATION.

6.1. Defaults. Subject to the extensions of time for construction pursuant to the terms set forth in the Schedule of Performance, or otherwise pursuant to this Agreement, failure or delay by either party to perform any material term or provision of this Agreement constitutes an event of default under this Agreement. Except as may be otherwise provided herein, the party who so fails or delays must, upon discovering or receiving notice of such event of default, immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy with reasonable diligence.

If DEVELOPER is not in full compliance with the terms of this Agreement at any time during the term of this Agreement after CITY has commenced to disburse Loan funds, CITY shall notify DEVELOPER of such noncompliance and DEVELOPER shall have sixty (60) days to cure provided however that if such default cannot reasonably be cured in such sixty (60) day period, DEVELOPER shall have such further time as necessary to cure such default provided that DEVELOPER commences the cure of same within such sixty (60) day period and thereafter diligently pursues cure of same. If DEVELOPER fails to cure the noncompliance, in addition to other rights and remedies permitted by the Loan documents or applicable law, CITY may proceed with any or all of the following remedies in any order or combination the CITY may choose in its sole discretion:

6.1.1. Terminate this Agreement, in which event the entire principal amount outstanding, as well as any other monies advanced to DEVELOPER by CITY under the Loan documents including administrative costs, shall immediately become due and payable at the option of CITY; and

6.1.2. Bring an action in equitable relief (1) seeking the specific performance by DEVELOPER of the terms and conditions of the Loan documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief.

6.1.3. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Additionally, CITY shall notify DEVELOPER's partners of any default by DEVELOPER. Except as required to protect against further damages, and except as otherwise expressly provided in this Agreement, the injured party may not institute proceedings against the party in default, nor shall the injured party be able to enforce any remedies or penalties provided hereunder, until sixty (60) days after giving such notice and only in the event such event of default is not cured as set forth in Section 6.1. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

6.1.4. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights or remedies as to any event of default shall not operate as a waiver of any default or any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert or enforce any such rights or remedies.

6.1.5. Upon the occurrence of an event of default, and subject to Section 6 hereof, the defaulting party shall be liable to the non-defaulting party for damages caused by such default. Nothing in this Agreement precludes the instigation of an action for specific performance of the terms of this Agreement.

6.1.6. CITY hereby agrees that any cure of any default that is made or tendered by the investor limited partner of the DEVELOPER shall be deemed to be a cure by DEVELOPER and shall be accepted or rejected on the same basis as if made or tendered by DEVELOPER.

6.2. Limited Recourse. The Loans and obligations set forth in the loan documents are limited recourse obligations of DEVELOPER, its officers, employees, partners or agents. Neither DEVELOPER nor any other party shall have any personal liability for repayment of the Loans, except for losses or damages relating to (a) fraud or willful misrepresentation and (b) failure to deliver any insurance or condemnation proceeds received by DEVELOPER to CITY or to otherwise apply such sums as required under the Deed of Trust to the extent of the insurance or condemnation proceeds not delivered. Except as otherwise provided herein, the sole recourse of CITY for repayment of the principal and interest shall be the exercise of CITY's rights against the Project Property.

7. INSURANCE. In addition to any other insurance or bond required under this Agreement, the DEVELOPER (either itself or through its General Partner) shall procure and maintain for the duration of this Agreement the following types and limits of insurance ("basic insurance requirements" herein):

7.1. Automobile liability insurance, providing coverage on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than One Million Dollars (\$1,000,000) per occurrence; and the policy shall:

7.1.1. Provide coverage for owned, non-owned and hired autos.

7.2. Broad form commercial general liability insurance, unless otherwise approved by the CITY's Risk Manager, providing coverage on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than One Million Dollars (\$1,000,000) per occurrence; and the policy shall:

7.2.1. Provide contractual liability coverage for the terms of this Agreement.

7.2.2. Provide unlimited products and completed operations coverage.

7.2.3. Contain an additional insured endorsement in favor of the CITY, its mayor, council, officers, agents, employees, and volunteers.

7.2.4. All policies shall be written on a first-dollar coverage basis or contain a deductible provision. Subject to advance approval by the CITY, DEVELOPER may utilize a Self-Insured Retention provided that the policy shall not contain language, whether added by endorsement or contained in the Policy Conditions, that prohibits satisfaction of any Self-Insured provision or requirement by anyone other than the Named Insured, or by any means including other insurance or which is intended to defeat the intent or protection of an Additional Insured.

7.3. Workers' compensation insurance covering the DEVELOPER's general contractor with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence; and the policy shall contain a waiver of subrogation in favor of CITY, its mayor, council, officers, agents, employees and designated volunteers.

7.4. Except for professional liability, all policies required of the DEVELOPER shall be primary insurance as to CITY, its mayor, council, officers, agents, employees or designated volunteers and any insurance or self-insurance maintained by CITY shall be excess of the DEVELOPER's insurance and shall not contribute with it.

7.5. Except for workers' compensation, insurance is to be placed with insurers with a Bests' rating as approved by CITY's Risk Manager, but in no event less than A:VII. Any deductibles, self-insurance retentions or insurance in lesser amounts, or lack of certain types of insurance otherwise required by this Agreement, or insurance rated below Bests' A:VII, must be declared prior to execution of this Agreement and approved by CITY in writing.

7.6. Unless otherwise approved by CITY's Risk Manager, all policies shall contain an endorsement providing CITY with (10) days' notice of cancellation for nonpayment of premium and thirty (30) days written notice of cancellation for all other reasons. DEVELOPER shall provide CITY notice of any material change in policy language or terms. All policies shall provide that there shall be continuing liability thereon, notwithstanding any recovery on any policy. Copies of policies shall be delivered to CITY on demand.

7.7. The insurance required hereunder shall be maintained until all work required to be performed by this Agreement is satisfactorily completed as evidenced by written acceptance by CITY.

7.8. The DEVELOPER shall furnish CITY's Risk Manager with a certificate of insurance and required endorsements evidencing the insurance required. The CITY may withdraw its offer of contract or cancel this contract if certificates of insurance and endorsements required have not been provided prior to the execution of this Agreement.

7.9. Full compensation for all premiums which the DEVELOPER is required to pay on all the insurance described herein shall be considered as included in the prices paid for the various items of work to be performed under the Agreement, and no additional allowance will be made therefor or for additional premiums which may be required by extensions of the policies of insurance.

7.10. It is further understood and agreed by the DEVELOPER that its liability to CITY

shall not in any way be limited to or affected by the amount of insurance obtained and carried by the DEVELOPER in connection with this Agreement.

7.11. Unless otherwise approved by CITY, if any part of the work under this Agreement is subcontracted, the “basic insurance requirements” set forth above shall be provided by, or on behalf of, all subcontractors even if CITY has approved lesser insurance requirements for DEVELOPER.

7.12. Builder’s risk policy: Projects for the construction of buildings or structures with a value exceeding Two Million Dollars (\$2,000,000) shall carry the following builder’s all risk insurance or other insurance as approved by CITY:

7.13. CONTRACTOR or DEVELOPER shall purchase and maintain property insurance on a builder’s risk “all risk” or equivalent policy form naming CITY as a named insured. Builder’s risk policy shall be in an amount equal to the actual cash value of the building on completion and the deductible shall be in an amount acceptable to CITY. The policy shall stay in force until completion of the project.

7.14. All policies required of the DEVELOPER shall be primary insurance as to CITY, its mayor, council, officers, agents, employees, or designated volunteers and any insurance or self-insurance maintained by CITY shall be excess of the DEVELOPER 's insurance and shall not contribute with it.

8. THIRD PARTY CLAIMS. CITY will timely notify DEVELOPER of third party claims relating to this contract. CITY shall be allowed to recover from DEVELOPER, and DEVELOPER shall pay on demand, all costs of notification.

9. INDEMNITY. DEVELOPER shall indemnify, defend, and hold harmless CITY, its officers, agents and employees against any and all liability, claims, actions, causes of action or demands whatsoever against them, or any of them, before administrative or judicial tribunals of any kind whatsoever, arising out of, connected with, or caused by DEVELOPER, DEVELOPER’s employees, agents, independent contractors, companies, or subcontractors in the performance of, or in any way arising from, the terms and provisions of this Agreement whether or not caused in part by a party indemnified hereunder, except for CITY’s sole active negligence or willful misconduct. This obligation to indemnify shall survive termination of this Agreement and repayment of the CITY loan.

10. ASSIGNMENT.

10.1. Prohibition. Except as provided herein, neither this Agreement, nor any interest in it, may be assigned or transferred by any party without the prior written consent of all the parties. Any such assignment will be subject to such terms and conditions as CITY may choose to impose.

10.2. Permitted Assignments and Transfers. Notwithstanding any other provision of this Agreement to the contrary, City approval of an assignment or transfer of this Agreement or conveyance of the Project or any part thereof shall not be required in connection with any of the following (the “Permitted Transfers”):

10.2.1. A conveyance of a security interest in the Property in connection with any senior loan and any transfer of title by foreclosure, deed, or other conveyance in lieu of foreclosure in connection therewith.

11. **BINDING EFFECT.** The rights and obligations of this Agreement shall inure to the benefit of, and be binding upon, the parties to the Agreement and their heirs, administrators, executors, personal representatives, successors, and assigns.

12. **REMEDIES.** The remedies provided in this Agreement are cumulative and are in addition to any other remedies in law or equity, which may be available to CITY. The election of one or more remedies shall not bar the use of other remedies unless the circumstances make the remedies incompatible.

13. **NO WAIVER OF DEFAULT.** The failure of any party to enforce against another a provision of this Agreement shall not constitute a waiver of that party's right to enforce such a provision at a later time and shall not serve to vary the terms of this Agreement.

14. **MERGER AND MODIFICATION.** This Agreement sets forth the entire Agreement between the parties and supersedes all other oral or written representations. With the exception of an assignment to DEVELOPER, this Agreement may be modified only in a writing approved by the CITY Council and signed by all the parties. If DEVELOPER requests an amendment to this agreement, a written request stating the proposed changes shall be submitted to the CITY for consideration prior to submitting an amendment to the CITY Council for consideration.

15. **INDEPENDENT CONTRACTOR.** This Agreement calls for the performance of the services of DEVELOPER as an independent contractor. DEVELOPER is not an agent or employee of the CITY for any purpose and is not entitled to any of the benefits provided by CITY to its employees. This Agreement shall not be construed as forming a partnership or any other association with DEVELOPER other than that of an independent contractor.

16. **GOVERNING LAW.** The laws of the State of California will govern the validity of this Agreement, its interpretation and performance. Any litigation arising in any way from this Agreement shall be brought in Kern County, California.

17. **CORPORATE AUTHORITY.** Each individual signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

18. **CONFLICTS OF INTEREST.** DEVELOPER stipulates that corporately, or individually, the firm, its employees and subconsultants have no financial interest in either the success or failure of any project, which is dependent upon the result of the work prepared pursuant to this Agreement.

19. This Agreement shall be in effect from the date of execution through the Period of Affordability, except that DEVELOPER shall retain records as required in this Agreement. All loan obligations, including residual receipt payments and its related conditions, shall be in effect during the term of the loan.

20. **EXECUTION.** This Agreement is effective upon approval and execution by CITY after approval and execution by DEVELOPER. It is the product of negotiation, and all parties are equally responsible for authorship of this Agreement. Section 1654 of the California Civil Code shall not apply to the interpretation of this Agreement.

21. **NOTICES.** All notices relative to this Agreement shall be given in writing and shall be personally served or sent by certified or registered mail and be effective upon actual personal service or four calendar days after depositing in the United States mail. The parties shall

be addressed as follows, or at any other address designated by notice:

CITY: CITY OF BAKERSFIELD
Economic and Community Development Department
1600 Truxtun Avenue
Bakersfield, California 93301

DEVELOPER: GOLDEN EMPIRE AFFORDABLE HOUSING INC.
601 24th Street, Suite B
Bakersfield, CA 93301

Copies of all notices delivered by the City to the DEVELOPER after the Close of Escrow shall be delivered to the DEVELOPER's investor limited partner at a notice address to be provided to the CITY in writing.

22. EXHIBITS. In the event of a conflict between the terms, conditions or specifications set forth in this Agreement and those in exhibits attached hereto, the terms, conditions, or specifications set forth in this Agreement shall prevail. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

23. FURTHER ASSURANCES. Each party shall execute and deliver such papers, documents, and instruments, and perform such acts as are necessary or appropriate, to implement the terms of this Agreement and the intent of the parties to this Agreement.

24. NEGATION OF PARTNERSHIP. CITY shall not become or be deemed a partner or joint venture with DEVELOPER or associate in any such relationship with DEVELOPER by reason of the provisions of this Agreement. DEVELOPER shall not for any purpose be considered an agent, officer, or employee of CITY.

25. NON-INTEREST. No officer or employee of the CITY shall hold any interest in this Agreement (California Government Code section 1090).

26. FORCE MAJEURE. In addition to specific provisions of this Agreement, a party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities, enactment of conflicting State or Federal laws or regulations, new or supplementary environmental regulations enacted by the State or Federal government, or litigation (any of the foregoing, "Force Majeure"). An extension of time for such cause may be mutually agreed upon by the parties hereunder for the period of the enforced delay or longer.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the day and year first-above written.

"CITY"

"DEVELOPER"

CITY OF BAKERSFIELD

GOLDEN EMPIRE AFFORDABLE HOUSING INC.

By: _____
KAREN GOH
Mayor

By: _____
STEPHEN PELZ
Executive Director

Date: 1/30/24

**APPROVED AS TO CONTENT:
ECONOMIC AND COMMUNITY
DEVELOPMENT DEPARTMENT**

By: _____
JENNIFER M. BYERS
Acting Economic and Community
Development Director

**APPROVED AS TO FORM:
VIRGINIA GENNARO**
City Attorney

By: _____
JOSHUA H. RUDNICK
Deputy City Attorney II

Insurance: _____

COUNTERSIGNED:

By: _____
RANDY MCKEEGAN
Finance Director

JHR/em
S:\Economic&CommunityDevelop\Agr\23-24\GoldEmpAffHousInc.docx

EXHIBIT "A"

Legal Description

The land described herein is situated in the State of California, County of Kern, City of Bakersfield, described as follows:

Parcel C of Lot Line Adjustment No. 03-1487, in the City of Bakersfield, County of Kern, State of California, as evidenced by Certificate of Compliance recorded June 30, 2004 as Instrument No. 0204151566 of Official Records, described as follows:

Being an adjustment of Lots 4 and 5 and 11.25 feet adjacent on the East of Block 18-D, Borgwardt Tract Corrected Map recorded in Book 1, Page 100, of Maps in the Office of the Kern County Recorder, in the City of Bakersfield, County of Kern, State of California, in the N.1/2 of the N.W. 1/4 of Section 32, T.29S., R.28E., M.D.M., more particularly described as follows:

Beginning at the Southwest corner of said Lot 4 as said Lot 4 is shown on said map; Thence along the Westerly line of said Lots 4 and 5 N00°00'29"E a distance of 89.55 feet; said point lies S00°00'29"W a distance of 63.85 feet from the Westerly Corner Common to Lots 5 and 6 of said map; Thence leaving said Westerly line S90°00'00"E a distance of 133.32 feet to a point that lies 30.00 feet as measured at Right Angles to the centerline of Baker Street as said Baker Street is shown on said map; Thence along a line parallel with and 30.00 feet West of as measured at right angles from said centerline of Baker Street S00°00'00"E a distance of 89.49 feet to a point on the South line of said Lot 4; Thence along said South line S89°58'16"W a distance of 133.33 feet TO THE TRUE POINT OF BEGINNING.

The bearing of S00°00'00"E between the found monuments along the centerline of Baker Street was taken as the basis of bearings for this description.

APN: 139-162-08-00-6

EXHIBIT “B”

SCOPE OF PROJECT 800 S. Baker Project

Purpose

Golden Empire Affordable Housing, Inc. is proposing to construct 8 affordable housing units to create 800 S. Baker Apartments for households with incomes less than 120% of AMI in the City of Bakersfield. The project includes 8 one-bedroom units at 800 S. Baker Street, Bakersfield, California 93307 (APN: 13916208). The City’s contribution to this project is no more than \$792,850 in PLHA funds. Golden Empire Affordable Housing, Inc. will oversee the site’s construction and own the project once improved.

The remaining project funds for construction and permanent financing will consist of a construction loan and developer equity. DEVELOPER, at its discretion and approval by CITY, may use any additional or alternative funding sources for the construction of the Project. Construction is anticipated to begin by February 2024.

Description

The City’s contribution of \$792,850 will be a loan to DEVELOPER at 3% simple interest, calculated from residual receipts, with a term of fifty-five years. The period of affordability will be fifty-five (55) years and secured by a Deed of Trust on the property.

Construction Costs: The PLHA funds will be used for eligible soft and hard construction costs. Under this agreement, costs that were incurred within prior to the date of this agreement will be eligible for payment under this agreement. The following tables show the total sources for the project.

Source of Funds	Estimated Dollar Amount
City of Bakersfield PLHA	\$792,850
Citizen’s Business Bank	\$400,000
GEAHI Equity	\$122,846
TOTAL FUNDS	\$1,315,846

Uses	Estimated Dollar Amount
Construction Costs	\$938,920
Contingency	\$93,892
Plans	\$48,840
Building Permit/Impact Fees	\$90,000
Finance/Title Costs	\$20,000
Miscellaneous Costs	\$19,044
Construction/Program Oversight	\$30,000
TOTAL FUNDS	\$1,315,696

Reporting

DEVELOPER will be responsible for ensuring that the PLHA assisted units remain affordable for a period of fifty-five (55) years from the date of the Notice of Completion. To ensure compliance, the City will monitor DEVELOPER’s program on a yearly basis. DEVELOPER will submit yearly reports each April 1st, beginning after Project Completion, to the City to ensure that each housing unit is being utilized, and occupied, for an affordable housing recipient. These annual reports will also include financial statements showing the availability and/or payment of loan principal and

interest out of Residual Receipts. Additionally, financial statements shall be submitted annually to show the financial condition and continued financial viability of the project. The information required by the City in these reports will be given to DEVELOPER within 60 days of Council approval. The City reserves the right to add reporting requirements.

Schedule of Performance

Activity	Estimated Completion
Financing Secured	January 2024
Property Acquisition	n/a
Construction Starts	May 2024
Construction Completed	February 2025

EXHIBIT "C"

Initial Rent Schedule and Rent Increases Procedure

Upon project completion and initial occupancy, the project rents shall be set no higher than at the following levels:

# of Bedrooms	Unit Designation	Unit Count	Gross Rent	Utility Allowance	Net Rent
1	Low	2	\$773	\$74	\$699
1	Low	2	\$899	\$74	\$825
1	Moderate	4	\$999	\$74	\$925

In the event that minor modifications to the gross rent, net rent, or utility allowance are required due to program modifications for compliance, the City is authorized to modify said rent schedule prior to initial occupancy.

Subsequent Rent Increases: If, at any point after initial occupancy, the property owner desires to increase the rents level for project units, the project owner shall submit, in writing, the proposed increase. This documentation shall identify the current gross rent, utility allowance, and net rent for the unit while identifying the proposed increased rate. Additionally, the owners shall submit the project units (including street address and unit number) for the units in which the rent increase is being proposed.

The City of Bakersfield shall review the proposed increase in lieu of the projects current utility allowance and applicable rent levels. If the rents are within the allowable rents, the City shall approve the rent increases. However, if the rent increases are not within the allowable rent levels, the increase shall be denied.

When rent increases are proposed and approved/disapproved, both parties shall maintain documentation of the process.

EXHIBIT "D"

**PROMISSORY NOTE
(With Interest)**

Property located at 800 S. Baker Street, Bakersfield, CA 93307 (legal description attached hereto, Exhibit "A")

(Date)

Bakersfield, California
("the Property")

1. PARTIES

"Borrower" means GOLDEN EMPIRE AFFORDABLE HOUSING INC. "Lender" means THE CITY OF BAKERSFIELD, and its successors and assigns.

2. BORROWER'S PROMISE TO PAY

In return for a loan received from Lender, Borrower promises to pay the sum of SEVEN HUNDRED NINETY-TWO THOUSAND EIGHT HUNDRED AND FIFTY DOLLARS (**\$792,850**) (this amount is called "principal"), with interest, to the order of the Lender. Payment shall come out of the Residual Receipts from the Project.

3. INTEREST

The City Loan shall be due and payable as of the Maturity Date unless repaid sooner as set forth in this Agreement or the Note. In the event DEVELOPER prepays the City Loan before the Maturity Date, DEVELOPER shall pay accrued interest up to that point. Borrower shall pay simple interest at a rate of three percent (3%) per year. DEVELOPER shall begin making annual payments of principal and interest from Residual Receipts in the year following Project Completion, as defined herein. Payments shall be made from 50% of available Residual Receipts. Lender shall apply such payments first to pay current annual interest due, then the cumulative interest owed, and then to reduce the principal amount of the City Loan.

4. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by a deed of trust that is dated the same date as this Note and called the "Security Instrument." That Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

This Note is a uniform instrument with limited variations in some jurisdictions. The Security Instrument describes how and under what conditions Borrower may be required to make immediate payment in full of all amounts owed under this Note. Some of those conditions are described as follows:

(a) Borrowers compliance; Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in the Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien

which has priority over the Security instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall be payable upon notice from Lender to Borrower requesting payment.

(b) Default. Lender may, require immediate payment in full of all sums due under this Note if:

(i) Borrower defaults by failing, for a period of sixty (60) days, to perform any obligations contained in the Security Instrument.

(ii) Borrower defaults by failing, for a period of sixty (60) days, to perform any obligations contained in City of Bakersfield Agreement _____ and any amendments thereto.

(c) Transfer of the Property or a Beneficial Interest in Borrower. Except as permitted in the Agreement, if all or any part of the Property or any interest in it is sold or transferred to an entity of which Borrower is not a partner, Lender may, at its option, require immediate payment of this Note. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of the Security Instrument.

If the Lender has required Borrower to pay immediately in full as described above, the Lender will have the right to be paid back by Borrower for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

(d) The Note is evidence of the loan made pursuant to City of Bakersfield Agreement No. _____.

5. MANNER OF PAYMENT

The Borrower agrees to pay the entire unpaid principal amount advanced under the Loan Documents and this Note, together with all accrued but unpaid interest thereon, on the earlier of fifty-five (55) years from the date first set forth above (the "Maturity Date"), or upon sale or transfer of the Property without the consent of Lender unless demanded earlier pursuant hereto. Payments shall be made in accordance with the terms of City of Bakersfield Agreement No. _____.

6. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of principal at any time before the Maturity Date. Provided, however, that Borrower acknowledges that prepayment of this Note does not affect Borrower's obligation under the Regulatory Agreement and affordability covenants, which shall remain for a period of fifty-five (55) years from Project Completion.

Borrower may make a full prepayment or partial prepayments without paying any prepayment charge.

Lender will use all prepayments to reduce the amount of principal that is owed under this

Note. If Borrower makes a partial prepayment, there will be no changes in the Maturity Date unless the Lender agrees in writing to those changes.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the following address: 601 24th Street, Bakersfield, CA, 93301 or a different address if Lender is given a notice of that different address.

Any notice that must be given to the Lender under this Note will be given by mailing it by first class mail to 1600 Truxtun Avenue, Bakersfield, CA 93301 or a different address if Borrower is given a notice of that different address.

8. OBLIGATIONS OF BORROWER UNDER THIS NOTE

The Borrower is fully obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note.

9. NONRECOURSE

The obligations set forth herein are nonrecourse obligations of Borrower, its officers, employees, partners or agents. Neither Borrower nor any other party shall have any personal liability for repayment of the loan. The sole recourse of CITY for repayment of the principal and interest shall be the exercise of CITY's rights against the Project Property as that term is defined in Agreement No. _____.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

Borrower:

By: GOLDEN EMPIRE AFFORDABLE HOUSING INC.

By: _____ Date: _____
Stephen Pelz
Executive Director

Exhibit "A"

LEGAL DESCRIPTION:

The land described herein is situated in the State of California, County of Kern, City of Bakersfield, described as follows:

Parcel C of Lot Line Adjustment No. 03-1487, in the City of Bakersfield, County of Kern, State of California, as evidenced by Certificate of Compliance recorded June 30, 2004 as Instrument No. 0204151566 of Official Records, described as follows:

Being an adjustment of Lots 4 and 5 and 11.25 feet adjacent on the East of Block 18-D, Borgwardt Tract Corrected Map recorded in Book 1, Page 100, of Maps in the Office of the Kern County Recorder, in the City of Bakersfield, County of Kern, State of California, in the N.1/2 of the N.W. 1/4 of Section 32, T.29S., R.28E., M.D.M., more particularly described as follows:

Beginning at the Southwest corner of said Lot 4 as said Lot 4 is shown on said map; Thence along the Westerly line of said Lots 4 and 5 N00°00'29"E a distance of 89.55 feet; said point lies S00°00'29"W a distance of 63.85 feet from the Westerly Corner Common to Lots 5 and 6 of said map; Thence leaving said Westerly line S90°00'00"E a distance of 133.32 feet to a point that lies 30.00 feet as measured at Right Angles to the centerline of Baker Street as said Baker Street is shown on said map; Thence along a line parallel with and 30.00 feet West of as measured at right angles from said centerline of Baker Street S00°00'00"E a distance of 89.49 feet to a point on the South line of said Lot 4; Thence along said South line S89°58'16"W a distance of 133.33 feet TO THE TRUE POINT OF BEGINNING.

The bearing of S00°00'00"E between the found monuments along the centerline of Baker Street was taken as the basis of bearings for this description.

APN: 139-162-08-00-6

EXHIBIT "E"

RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

City Clerk
City of Bakersfield
1600 Truxtun Avenue
Bakersfield, CA 93301

Free Recording in Accordance
With Section 6103 of the
California Government Code

DEED OF TRUST

This Deed of Trust, made this _____ day of _____, 2024 between **GOLDEN EMPIRE AFFORDABLE HOUSING, INC.**, herein called TRUSTOR, whose address is 601 24th Street Suite B, Bakersfield, CA 93301, **PLACER TITLE COMPANY**, a California corporation, herein called TRUSTEE, and **CITY OF BAKERSFIELD**, a Municipal Corporation, herein called BENEFICIARY.

Witnessed: That Trustor irrevocably GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST WITH POWER OF SALE, that real property in the City of Bakersfield, County of Kern, State of California, described as:

SEE ATTACHED LEGAL DESCRIPTION, EXHIBIT "A"

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by Paragraph 5 of Part B of the provisions of the Corporation Deed of Trust incorporated herein by reference to collect and apply such rents, issues and profits, FOR THE PURPOSE OF SECURING the sum of SEVEN HUNDRED NINETY-TWO THOUSAND EIGHT HUNDRED AND FIFTY AND 00/100 DOLLARS (\$792,850), to Trustor, as provided in City of Bakersfield Agreement No. _____, in subparagraph 3.1.2, executed by Trustor on or about _____, 2024, any additional sums which may hereafter be granted to the Trustor or his successors or assigns by the Beneficiary, and securing the performance of each obligation contained in CITY of Bakersfield Agreement No. _____ and herein contained, including the obligations set forth in the regulatory agreement recorded concurrently herewith. Additional grants hereafter made shall be secured by this Deed of Trust only if made to the Trustor while he is the owner of record of his present interest in said property, or to his successors or assigns while they are the owners of record thereof, and shall be evidenced by an amendment to Agreement No. _____ in writing reciting that it is secured by this Deed of Trust.

BY THE EXECUTION AND DELIVERY OF THIS DEED OF TRUST the parties hereto agree as follows:

A. To protect the Security of this Deed of Trust, Trustor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any obligation secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof.

6. Should Trustor fail to make payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any such taking or condemnation, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this deed of trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as

above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (i) reconvey all or any part of said property; (ii) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (iii) join in granting any easement thereon; (iv) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof.

4. Upon written request of the Beneficiary, and upon surrender of this Deed of Trust to the Trustee for reconveyance, and upon payment of its fees and charges, the Trustee shall reconvey, without warranty, the property then subject hereto. Any reconveyance, whether full or partial may be made in terms to "the person or persons legally entitled thereto."

5. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon failure, breach, or default of Trustor in performing any obligation contained in CITY of Bakersfield Agreement No. _____ secured hereby or in the performance of any agreement hereunder, repayment of the Amount of PLHA funds granted to Trustor pursuant to the terms of CITY of Bakersfield Agreement No. _____ shall immediately become due and payable at the option of Beneficiary after notice to the Trustor as provided in the Agreement. In such event and upon written request of Beneficiary, the Trustee shall sell, for lawful money of the United States, the property then subject to this deed of trust, as a whole or in separate parcels, at Beneficiary's option, in accordance with the provisions of the laws of the State of California in force at the time of such sale, and if in separate parcels, in such order as Beneficiary may direct, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone the sale of all or any portion of said property by public oral announcement at the time and place of sale, and from time to time thereafter may postpone such sale by public oral announcement at the time fixed by the preceding postponement. After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title and reasonable

counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at seven per cent per annum; the Amount then secured hereby, and the remainder, if any, to the person or persons legally entitled hereto.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall name CITY OF BAKERSFIELD, a Municipal Corporation, a party to Agreement No. _____ or its assignee secured hereby, whether or not named as a beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neutral, and the singular number includes the plural.

8. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may from time to time, by a writing signed and acknowledged by Beneficiary and recorded in the office of the County Recorder of the County or respective Counties in which the property subject hereto is, or the respective parcels thereof are, situated, appoint another trustee in place and stead of Trustee herein named, and thereupon the Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder with the same force and effect as if originally named Trustee herein.

10. No power or remedy herein conferred is exclusive of, or shall prejudice any other power or remedy of the Trustee or beneficiary given by law. Each such power or remedy may be exercised from time to time as often as deemed necessary.

11. The recitals contained in any reconveyance, trustee's deed, or any other instrument executed by the Trustee from time to time under the authority hereof or in the exercise of its powers or the performance of its duties under this deed of trust, shall be conclusive evidence of their truth, and binding and conclusive upon the Trustor, his heirs, executors, administrators, successors and assigns, and all other persons; whether stated as specific and particular facts, or in general statements or conclusions.

12. If any action be brought for the foreclosure of this deed of trust, Trustor agrees to pay to Beneficiary or Trustee (whichever may be the plaintiff in the foreclosure action), such reasonable sum as counsel fees as the Court may fix and award in such action, together with a reasonable fee to the Trustee, to be fixed by the Court, and all sums paid or incurred for procuring a search or searches of title to any property covered hereby subsequent to the execution hereof; and all such sums shall be secured hereby.

13. If two or more persons be designated as Trustee herein, any, or all, power granted herein to Trustee may be exercised by any of such persons, if the other person or persons are unable, for any reason, to act and any recital of such inability in any instrument executed by any of such persons shall be conclusive against Trustor, his heirs and assigns.

14. The Beneficiary hereunder shall be entitled to a fee for any statement, regarding the obligation, requested by the Trustor or requested at Trustor's direction which fee shall not exceed the amount provided for in Civil Code Section 2954 at the date of such request.

THE UNDERSIGNED TRUSTOR REQUESTS THAT A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE HEREUNDER BE MAILED TO HIM AT THIS ADDRESS HEREINBEFORE SET FORTH.

Signature of Trustor

By: GOLDEN EMPIRE AFFORDABLE HOUSING, INC.

By: _____ Date: _____
Stephen Pelz
Executive Director

NOTARY SEAL

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER
SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Trustor requests the holder of any mortgage, deed or trust or other encumbrance with a lien which has priority over this Deed of Trust to give Notice to BENEFICIARY, at 1600 Truxtun Avenue, Bakersfield, CA 93301 of any default under the superior encumbrance and of any sale or other foreclosure action.

TRUSTOR:

By: Golden Empire Affordable Housing, Inc.

By: _____ Date: _____
Stephen Pelz
Executive Director

Exhibit "A"

LEGAL DESCRIPTION:

The land described herein is situated in the State of California, County of Kern, City of Bakersfield, described as follows:

Parcel C of Lot Line Adjustment No. 03-1487, in the City of Bakersfield, County of Kern, State of California, as evidenced by Certificate of Compliance recorded June 30, 2004 as Instrument No. 0204151566 of Official Records, described as follows:

Being an adjustment of Lots 4 and 5 and 11.25 feet adjacent on the East of Block 18-D, Borgwardt Tract Corrected Map recorded in Book 1, Page 100, of Maps in the Office of the Kern County Recorder, in the City of Bakersfield, County of Kern, State of California, in the N.1/2 of the N.W. 1/4 of Section 32, T.29S., R.28E., M.D.M., more particularly described as follows:

Beginning at the Southwest corner of said Lot 4 as said Lot 4 is shown on said map; Thence along the Westerly line of said Lots 4 and 5 N00°00'29"E a distance of 89.55 feet; said point lies S00°00'29"W a distance of 63.85 feet from the Westerly Corner Common to Lots 5 and 6 of said map; Thence leaving said Westerly line S90°00'00"E a distance of 133.32 feet to a point that lies 30.00 feet as measured at Right Angles to the centerline of Baker Street as said Baker Street is shown on said map; Thence along a line parallel with and 30.00 feet West of as measured at right angles from said centerline of Baker Street S00°00'00"E a distance of 89.49 feet to a point on the South line of said Lot 4; Thence along said South line S89°58'16"W a distance of 133.33 feet TO THE TRUE POINT OF BEGINNING.

The bearing of S00°00'00"E between the found monuments along the centerline of Baker Street was taken as the basis of bearings for this description.

APN: 139-162-08-00-6

EXHIBIT "F"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Bakersfield
1600 Truxtun Avenue
Bakersfield, California 93301
Attention: Economic & Community
Development Director

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383

REGULATORY AGREEMENT

This **REGULATORY AGREEMENT** (the "Agreement") is entered into as of _____, 2023, by and between the **CITY OF BAKERSFIELD**, a charter city and municipal corporation (the "City"), and **GOLDEN EMPIRE AFFORDABLE HOUSING, INC.**, a California Limited Liability Company (the "DEVELOPER").

RECITALS

A. DEVELOPER has acquired certain real property located within the City of Bakersfield, as particularly described in the Legal Description attached hereto as Exhibit "A", which is incorporated herein by reference (the "Site").

B. DEVELOPER desires to rehabilitate a multi-family housing complex consisting of eighty units of affordable housing on the Site (the "Project Property"), and to make available and rent the apartment units within the Project Property (the "Housing Units") for very low, low, and moderate-income persons at an affordable rent.

C. DEVELOPER and City have entered into Agreement No. _____ (the "PLHA Agreement") dated as of _____ and any amendments thereafter. Subject to the terms and conditions therein, the DEVELOPER has agreed to acquire the Site and construct and operate the Project Property, the City has agreed to provide financial assistance to DEVELOPER, and the DEVELOPER has agreed to make available and lease three (3) PLHA-assisted Housing Units to households making 60% of the area median income (AMI) and two (2) PLHA-assisted Housing Units to households making 120% of the area median income as defined annually by the California Department of Housing and Community Development (HCD), all at an Affordable Rent (as those terms are defined herein). The execution and recording of this Agreement is a requirement of the PLHA Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Number of Affordable Units. DEVELOPER agrees to make available, restrict occupancy to, and rent two (2) of the PLHA-assisted Housing Units to 60% AMI Households and two (2) of the PLHA-assisted Housing Units to 120% AMI Households, all at an Affordable Rent (as those terms are defined herein).

2. Duration of Affordability Requirements. The Housing Units shall be subject to the requirements of this Agreement for fifty-five (55) years from the date of project completion, which shall occur on the date a certificate of occupancy is issued for the project site in accordance with the definition of Project Completion as enumerated in 24 CFR 92.2. The duration of this requirement shall be known as the "Affordability Period."

3. Selection of Tenants. DEVELOPER shall be responsible for the selection of tenants for the Housing Units in compliance with lawful and reasonable criteria, as set forth in the Management Plan which is required to be submitted and approved by the City pursuant to Section 9 hereof.

4. Household Income Requirements. Following the initial lease-up of the Housing Units, and annually thereafter, the DEVELOPER shall submit to City, at DEVELOPER 's expense, a summary of the income, household size and rent payable by each of the tenants of the Housing Units. At the request of City, the DEVELOPER shall also provide to the City completed income computation and certification forms, in a form reasonably acceptable to the City, for any such tenant or tenants. DEVELOPER shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing an Affordable Unit demonstrating that such household is a Very Low Income Household, as applicable, and meets the eligibility requirements established for the Housing Unit. DEVELOPER shall verify, or shall cause to be verified by the Property Manager, the income certification of the household.

For purposes of this Agreement, the "Kern County Median Income" shall be determined pursuant to the regulations published by the California Department of Housing and Community Development, or its successor.

For the purposes of this Agreement, "household income" means the calculated annual income of the household in accordance 24 CFR 92.203(b)(1).

5. Affordable Rent. The maximum Monthly Rent chargeable for the Affordable Units including a reasonable utility allowance, shall not exceed (as applicable, the "Affordable Rent"): for 60% AMI households, the product of 30 percent times 60 percent of the area median income, and the product of 30 percent times 120 percent of the area median income for 120% AMI households, adjusted for family size appropriate for the unit as defined in California Health and Safety Code 50052.5 and the Multifamily Housing Program guidelines Section 7312 and 7301 for PLHA-assisted units.

For purposes of this Agreement, "Monthly Rent" means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the DEVELOPER which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than DEVELOPER. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

For purposes of this Agreement, the "Kern County Median Income" shall be determined pursuant to the regulations published by the California Department of Housing and Community Development, or its successor.

6. Compliance with Other Programs. Where rent or occupancy restrictions of other financing sources, including Federal or State Tax Credits and sources from the Department of Housing and Community Development overlap PLHA-assisted units, the stricter of the two programs requirements shall apply.

7. Marketing Program. Each Affordable Unit shall be leased to tenants selected by the DEVELOPER who meet all of the requirements provided herein. DEVELOPER shall prepare and obtain City's approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Affordable Units at the Housing Project (the "Marketing Program"). The leasing of the Affordable Units shall thereafter be marketed in accordance with the Marketing Program as the same may be amended from time to time with City's prior written approval, which approval shall not unreasonably be withheld. The City agrees to exercise reasonable efforts to assist DEVELOPER in connection with the implementation of the Marketing Program; provided, however, City shall not be under any obligation to incur any out-of-pocket expenses in connection therewith.

8. Maintenance. DEVELOPER, for itself and its successors and assigns, hereby covenants and agrees to maintain and repair or cause to be maintained and repaired the Site and all related on-site improvements and landscaping thereon, including, without limitation, buildings, parking areas, lighting, signs and walls in a first class condition and repair, free of rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction, at DEVELOPER sole cost and expense. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal; (ii) the care and replacement of all shrubbery, plantings, and other landscaping in a healthy condition; and (iii) the repair, replacement and restriping of asphalt or concrete paving using the same type of material originally installed, to the end that such savings at all times be kept in a level and smooth condition. In addition, DEVELOPER shall be required to maintain the Property in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within one thousand (1,000) feet of such portion of the Site.

(a) Maintenance of Improvements. DEVELOPER covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site, or any part thereof, that DEVELOPER shall be responsible for maintaining all improvements that may exist on the Site or that may be constructed on the Site and any off-site improvements in accordance with the terms and conditions of the Regulatory Agreement. The foregoing maintenance shall run with the land in accordance with and for the term of the Regulatory Agreement. DEVELOPER's further obligations to maintain the Site, and Agency's remedies in the event of DEVELOPER's default in performing such obligations, are set forth in the Regulatory Agreement. DEVELOPER hereby waives any notice, public hearing, and other requirements of the public nuisance laws and ordinances of the City that would otherwise apply, except as specified in said Regulatory Agreement. Upon the sale of any portion of the Site, DEVELOPER (but not DEVELOPER's successor) shall be released from the requirements imposed by this Section 6.5, and the financial liability therefor, as to the portion of the Site conveyed.

9. Management Plan; Property Management. The DEVELOPER shall submit for the reasonable approval of the City a "Management Plan" which sets forth in detail the DEVELOPER's property management duties, a tenant selection process in accordance with

Section 6 hereof, a security system and crime prevention program, the procedures for the collection of rent, the procedures for eviction of tenants, the rules and regulations of the Housing Project and manner of enforcement, a standard lease form, an operating budget, the identity of the manager of the Housing Project (the "Property Manager"), and other matters relevant to the management of the Housing Project. The management of the Housing Project shall be in compliance with the Management Plan, which is approved by the City.

If the City determines that the performance of the Property Manager is deficient based upon the standards set forth in the Management Plan and in this Agreement, it shall provide notice to the DEVELOPER of such deficiencies, and the DEVELOPER shall use its best efforts to correct such deficiencies. In the event that such deficiencies have not been cured within the time set forth in the Agreement, the City shall have the right to require the DEVELOPER to immediately remove and replace the Property Manager with another property manager or property management company which is reasonably acceptable to the City, which is not related to or affiliated with the DEVELOPER, and which has not less than five (5) years' experience in property management, including significant experience managing housing facilities of the size, quality and scope of the Housing Project.

10. Capital Reserve Requirements. The DEVELOPER shall also, or cause the Property Manager to, annually set aside such amount as may be required by the Housing Project lenders into a separate interest-bearing trust account in the name of the DEVELOPER (the "Capital Replacement Reserve"). Funds in the Capital Replacement Reserve shall be used for capital replacements to the Housing Project fixtures and equipment, which are normally capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve the DEVELOPER of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Housing Project in the manner prescribed herein. Capital repairs to and replacement of the Housing Project shall include only those items with a long useful life, including without limitation the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; common area repainting, and uninsured losses due to casualties such as earthquakes.

11. Non-Discrimination Covenants. DEVELOPER herein covenants by and for itself, its successors and assigns, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 Site and the Housing Project. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in

the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph.

All deeds, leases or contracts entered into by DEVELOPER relating to the Site and the Housing Project shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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, sublessees, subtenants, or vendees in the premises herein leased.

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph."

(c) In contracts: "There shall be no discrimination against or segregation of, any

person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.”

“Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph.”

The covenants established in this Section 11 shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City and its successors and assigns, and shall remain in effect in perpetuity.

12. Monitoring and Recordkeeping. Throughout the Affordability Period, DEVELOPER shall comply with all applicable recordkeeping and monitoring requirements and shall annually complete and submit to City a report, prior to April 15 of each year, which includes the name, address, income and age of each occupant of an Affordable Unit, identifying the bedroom count and Monthly Rent for such Affordable Unit. Representatives of the City shall be entitled to enter the Housing Project, upon at least seventy-two (72) hours prior written notice, to monitor compliance with this Agreement, to inspect the records of the Housing Project, and to conduct an independent audit or inspection of such records. The DEVELOPER agrees to cooperate with the City in making the Housing Project available for such inspection or audit. DEVELOPER agrees to maintain records in businesslike manner, and to maintain such records for the term of this Agreement.

13. Compliance With Laws and AGREEMENT. The DEVELOPER shall carry out the design, development and operation of the Housing Project in conformity with the AGREEMENT and all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, Civil Rights Act of 1986, Title VII of the 1968 Civil Rights Act, California Rumford Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988, The California Fair Employment and Housing Act, The Unruh Act (California Government Code Section 51), The Ralph Civil Rights Act (California Civil Code Section 51.7), The Bane Civil Rights Act (California Civil Code Section 52.1), California Government Code Sections 111135, 65008 and 65589.5.

14. Duty to Prevent Hazardous Material Contamination. During the development and operation of the Housing Project, the DEVELOPER shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Site. Such precautions shall include compliance with all Governmental Requirements with respect to

Hazardous Materials. The DEVELOPER shall notify the City, and provide to the City a copy or copies, of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and the DEVELOPER shall report to the City, as soon as possible after each incident, any unusual, potentially important incidents in the event of a release of any Hazardous Materials into the environment.

For purposes of this Section 14, "Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Housing Project is located, and of any other political subdivision, City or instrumentality exercising jurisdiction over the City, the DEVELOPER or the Housing Project.

For purposes of this Section 14, "Hazardous Materials" means any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) methyl tertiary butyl ether, (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (x) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, et seq. (42 U.S.C. §6903) or (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, et seq. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, Rehabilitation or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Housing Project, including without limitation alcohol, aspirin, tobacco and saccharine.

15. Successors and Assigns. This Agreement shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon the DEVELOPER and the City and the permitted successors and assigns of the DEVELOPER and the City. Whenever the term "DEVELOPER" or "City" is used in this Agreement, such term shall include any other successors and assigns as herein provided.

16. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the City and their successors and assigns, and DEVELOPER and its successors and assigns, and no other person or persons shall have any right of action hereon.

17. Partial Invalidity. If any provision of this Agreement shall be declared invalid,

illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

18. Governing Law. This Agreement and the documents and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto.

19. Amendment. This Agreement may not be changed orally, but only by agreement in writing signed by DEVELOPER and the City.

IN WITNESS WHEREOF, the parties hereto have executed this Regulatory Agreement effective as of the date and year set forth above.

“CITY”

“DEVELOPER”

CITY OF BAKERSFIELD

GOLDEN EMPIRE AFFORDABLE HOUSING, INC.

By: _____
KAREN GOH
Mayor

By: _____ Date: _____
STEPHEN PELZ
Executive Director

APPROVED AS TO CONTENT:
ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

By: _____
JENNIFER M. BYERS
Economic and Community Development Director

APPROVED AS TO FORM:
VIRGINIA GENNARO
City Attorney

By: _____
JOSHUA H. RUDNICK
Deputy City Attorney II

COUNTERSIGNED:

By: _____
RANDY MCKEEGAN
Finance Director

Exhibit "A"

LEGAL DESCRIPTION:

The land described herein is situated in the State of California, County of Kern, City of Bakersfield, described as follows:

Parcel C of Lot Line Adjustment No. 03-1487, in the City of Bakersfield, County of Kern, State of California, as evidenced by Certificate of Compliance recorded June 30, 2004 as Instrument No. 0204151566 of Official Records, described as follows:

Being an adjustment of Lots 4 and 5 and 11.25 feet adjacent on the East of Block 18-D, Borgwardt Tract Corrected Map recorded in Book 1, Page 100, of Maps in the Office of the Kern County Recorder, in the City of Bakersfield, County of Kern, State of California, in the N.1/2 of the N.W. 1/4 of Section 32, T.29S., R.28E., M.D.M., more particularly described as follows:

Beginning at the Southwest corner of said Lot 4 as said Lot 4 is shown on said map; Thence along the Westerly line of said Lots 4 and 5 N00°00'29"E a distance of 89.55 feet; said point lies S00°00'29"W a distance of 63.85 feet from the Westerly Corner Common to Lots 5 and 6 of said map; Thence leaving said Westerly line S90°00'00"E a distance of 133.32 feet to a point that lies 30.00 feet as measured at Right Angles to the centerline of Baker Street as said Baker Street is shown on said map; Thence along a line parallel with and 30.00 feet West of as measured at right angles from said centerline of Baker Street S00°00'00"E a distance of 89.49 feet to a point on the South line of said Lot 4; Thence along said South line S89°58'16"W a distance of 133.33 feet TO THE TRUE POINT OF BEGINNING.

The bearing of S00°00'00"E between the found monuments along the centerline of Baker Street was taken as the basis of bearings for this description.

APN: 139-162-08-00-6

State of California

County of _____

On _____ before me, _____, 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 _____ before me, _____, 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 "G"

This GUARANTY AGREEMENT (the "Guaranty") is made and entered into as of _____, 2023 by Golden Empire Affordable Housing, Inc. ("Guarantor") in favor of the City of Bakersfield ("City").

WHEREAS, the City and Guarantor have entered into that certain Project Agreement dated as of _____, 2023 ("Agreement") under which DEVELOPER has agreed to construct eight (8) affordable housing units within Bakersfield, CA as more specifically defined in the Agreement ("Project").

NOW, THEREFORE, for other good and valuable consideration, receipt, and sufficiency of which are hereby acknowledged, and intending to be legally bound, Guarantor hereby covenants and agrees as follows:

1. Guarantor hereby unconditionally guarantees that DEVELOPER shall construct and complete the Project in accordance with the Agreement on or before the date specified in the Schedule of Performance attached to the Agreement (subject to applicable notice, cure and force majeure extensions as contained in the Agreement) and shall pay all costs and expenses with respect to the construction and completion of the Project.

2. If DEVELOPER does not perform as specified in Section 1 hereof, Guarantor unconditionally and irrevocably covenants and agrees that Guarantor shall construct and complete the Project on or before the times required by, and otherwise in accordance with, the Agreement and pay all costs and expenses and discharge all liabilities, with respect to such construction and completion. Subject to all Agreement terms, limitations, and conditions with respect thereto, City shall make available to Guarantor such monetary and non-monetary assistance as City is obligated to provide DEVELOPER under the terms of the Agreement.

3. This Guaranty shall remain in full force and effect until such time as a Certificate of Completion (as defined in the Agreement) has been issued for the entirety of the Project.

4. In the event DEVELOPER does not perform its obligations set forth in Section 1 of the Guaranty on or prior to the time such performance (or any portion thereof) is required, City may, at its option, proceed to enforce this Guaranty against Guarantor in the first instance without first proceeding against DEVELOPER or any other person and without first resorting to any security held by or on behalf of City as security or to any other remedies, and the liability of Guarantor hereunder shall be in no manner affected or impaired by any failure, delay, neglect, omission or election by City not to realize upon or pursue any persons or security liable for obligations of DEVELOPER under the Agreement.

5. City, from time to time and before or after any events of default by DEVELOPER under the Agreement and with or without further notice to or assent from Guarantor and without in any manner affecting the liability of Guarantor and upon such terms and conditions as it may deem advisable, may: (a) extend in whole or in part (by renewal or otherwise), modify, accelerate, change or release (or consent to any of the foregoing) any other agreements, documents or instruments in any way related to the obligations hereby guaranteed and any other indebtedness, liability or obligation of DEVELOPER or of any other person secondarily or otherwise liable for any such indebtedness, liability or obligation of DEVELOPER, or waive any default with respect thereto; (b) sell, release, surrender, modify, impair, exchange, substitute or extend any and all security at any time held by City as security for the payment or performance

of the obligations of DEVELOPER under the Agreement and any other indebtedness, liability or obligation of DEVELOPER to Agreement; and (c) settle, adjust or compromise any claim of City against DEVELOPER or any other person secondarily or otherwise liable (including, but not limited to, Guarantor) for the obligations of DEVELOPER under the Agreement or any other indebtedness, liability or obligation of DEVELOPER. Guarantor hereby ratifies and confirms any such extension, renewal, change, release, waiver, surrender, exchange, modification, impairment, substitution, settlement, adjustment, compromise or consent and agrees that the same shall be binding upon Guarantor, and Guarantor hereby expressly waives any and all defenses, counterclaims or offsets which Guarantor might or could have by reason thereof, it being understood that Guarantor shall at all times be bound by this Guaranty and remain liable to City hereunder until all of the obligations hereunder shall have been performed in full. Guarantor agrees that its obligations hereunder shall not be discharged, limited, or otherwise affected by any circumstances which otherwise would constitute a legal or equitable discharge of Guarantor as surety or guarantor.

6. City may without the consent of or notice to Guarantor at any time and from time to time: (a) amend any provisions of the Agreement, and any other agreements, instruments or documents relating in any way to the obligations hereby guaranteed and any change in the obligations to be performed thereunder; (b) make any agreement with DEVELOPER for the extension, renewal, modification, payment, compounding, compromise, discharge, exchange, settlement, waiver or release of any provision of the Agreement, and any other agreements, documents or instruments relating in any way to the obligations hereby guaranteed, or of any person liable for or any security for the performance of any of the obligations hereby guaranteed, without notice to or the consent of Guarantor; and (c) without limiting the generality of the foregoing, surrender to DEVELOPER, or to deal with or modify the form of, any security which City may at any time hold or which is held on its behalf to secure the performance of any obligation hereby guaranteed, and the obligations herein undertaken by Guarantor shall not be impaired or affected by any of the foregoing but shall include any other obligations thereby undertaken by the DEVELOPER.

7. (a) Guarantor hereby waives all requirements that City shall institute any action or proceedings at law or in equity against DEVELOPER or anyone else or with respect to any security held by City as a condition precedent to bringing an action against Guarantor upon this Guaranty, and Guarantor further agrees to make and perform its obligations hereunder whether or not any one or more of the following events have occurred: (a) City has made any demand on DEVELOPER; (b) City has taken any action of any nature against or has pursued any rights which City has against any other person, partnership, corporation, association, company or entity who may be liable for performance of the obligations with respect to the completion of the Project; (c) City holds or has resorted to any security for the obligations of DEVELOPER under the Agreement or any other liabilities or obligations hereby guaranteed; or (d) Agency has invoked any other remedies or rights City has available with respect to the obligations of DEVELOPER under the Agreement or the liabilities or obligations hereby guaranteed.

(b) Guarantor shall not be released by any act or thing which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay of City or its failure to proceed promptly or otherwise in the enforcement of the Agreement or any other agreement, document or instrument relating in any way to the obligations hereby guaranteed, and Guarantor hereby expressly waives and surrenders any defense to its liability under this Guaranty based upon any of the foregoing acts, things, agreements or waivers, including without limitation, any benefits it may have under California Civil Code § 2815 (or any similar law in any jurisdiction).

8. Guarantor hereby waives presentment for payment, demand, protest, notice of protest and of dishonor, notice of acceptance hereof, notices of default and all other notices now or hereafter provided by law.

9. Guarantor hereby agrees that this instrument contains the entire agreement between the parties and there is and can be no other oral or written agreement or understanding whereby the provisions of this instrument have been or can be affected, varied, waived or modified in any manner unless the same be set forth in writing and signed by City, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10. This Guaranty is and shall be deemed to be a contract entered into and to be fully performed in the City of Bakersfield, California, under and pursuant to the procedural and substantive laws of the State of California without regard to the choice of law principles thereof.

11. Guarantor shall not, by reason of the performance of the terms and provisions of this Guaranty, succeed to or be subrogated to the rights and privileges of City against DEVELOPER or any other party or be deemed to be the successor or assign of either City, unless and until each and every indebtedness, liability, and obligation of any kind of DEVELOPER to City shall have been performed and discharged. In addition and without the foregoing or any other waiver herein, Guarantor hereby waives, in accordance with California Civil Code § 2856(a)(1), if applicable, all rights, benefits and defenses including, without limitation, all rights of subrogation, reimbursement, indemnification and contribution, under California Civil Code §§ 2787 to 2855, inclusive, 2899 and 3433, and under, or based upon, directly or indirectly, California Code of Civil Procedure §§ 580a, 580b, 580d and 726, if applicable (or any similar law in any other jurisdiction) and no other provision of this Guaranty shall be constructed as the limiting the generality of any covenants and waivers set forth in this Section 11.

12. No delay on the part of City in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights. All of the rights, powers and remedies hereunder and under any other agreement entered into between Guarantor and City, shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to all of such City's rights, powers and remedies provided by law.

13. Guarantor agrees to pay all costs and expenses which may be incurred by City, their successors and assigns, in the enforcement of this Guaranty or otherwise relating to this Guaranty, including, but not limited to, reasonable attorneys' fees.

14. This Guaranty shall not be deemed to affect, limit, modify or otherwise have any impact or effect upon, or be affected, limited, or modified by any other agreement of guaranty or suretyship given by Guarantor with respect to the Agreement. Notwithstanding anything to the contrary herein contained, this Guaranty shall be deemed supplemental to, and not in derogation of, any such agreement of guaranty or suretyship or any other instrument now or hereafter executed by Guarantor in favor of City.

15. In case any one or more of the provisions of this Guaranty shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions shall be in no way affected, prejudiced or disturbed thereby.

16. In the event any party is added to become an additional guarantor under this Guaranty, all obligations of Guarantor hereunder shall be joint and several with any such other party or parties, and, under such circumstances, all references to Guarantor herein shall

thereafter be deemed to refer to each of such parties comprising Guarantor both individually and collectively with the other such party or parties.

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day and year first above written.

GUARANTOR:

GOLDEN EMPIRE AFFORDABLE HOUSING, INC.

By: _____ Date: _____
Name: **STEPHEN PELZ**
Title: Executive Director

EXHIBIT "H"

EQUAL OPPORTUNITY

(48 CFR 52.222-26)

(February 1999)

(a) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with subparagraphs (b)(1) through (11) of this clause. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performing this contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, sexual orientation, or gender identity. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

(2) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (i) employment, (ii) upgrading, (iii) demotion, (iv) transfer, (v) recruitment or recruitment advertising, (vi) layoff or termination, (vii) rates of pay or other forms of compensation, and (viii) selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisement for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EE0-1), or any successor form, as prescribed in 41 CFR part 70-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(8) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of subparagraph (b)(1) through (11) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the contracting officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.